



**White Salmon Joint City Council and Planning Commission  
Meeting  
A G E N D A  
February 26, 2020 – 5:30 PM  
119 NE Church, White Salmon WA 98672**

**Call to Order and Presentation of the Flag**

**Roll Call**

City Council  
Planning Commission

**Comments**

**Changes to the Agenda**

**City Council Business Items**

- 1.** Ordinance 2020-02-1061, Amending WSMC 10.08.010 Route 14 and 141 Speed Limits
  - a. Presentation and Discussion
  - b. Action
- 2.** City Committee Member Appointments
  - a. Presentation and Discussion

**City Council Consent Agenda**

- 3.** Approval of Meeting Minutes – February 5, 2020 (minutes will be added to the website on Monday, February 24)
- 4.** Approval of Vouchers
- 5.** Proclamation 2020-001, Declaring March 21, 2020 as Arbor Day
- 6.** Approval of Settlement and Release of All Claims
- 7.** Authorization to Sign Subscriber Agreement with Public Safety Testing
- 8.** Approval of Agreement for Temporary Employment - Police Clerk
- 9.** Jewett Water Main Improvements Project – Change Order No. 1

**Planning Commission Business Items**

- 10.** Approval of Meeting Minutes - January 8 and February 5, 2020
  - a. Presentation and Discussion
  - b. Action

**City Council and Planning Commission Joint Workshop**

- 11.** Affordable Housing Thresholds
- 12.** Changes to Ordinance 2020-01-1060, Moratorium on Residential Development
- 13.** Mobile Home Residential District, WSMC 17.36
- 14.** Next Steps - Assignment of Areas of Focus

**City Council Department Head and Committee Reports**

**City Council Executive Session (if needed)**

**Adjournment**





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## AGENDA MEMO

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Ordinance 2020-02-1061, Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits  
Presented By: Jan Brending, Clerk Treasurer

### Action Required

Adoption of Ordinance 2020-02-1061 Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits

### Motion

Move to adopt Ordinance 2020-02-1061 Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits and Providing for Severability and Effective Date

### Explanation of Issue

The City has been working with Washington State Department of Transportation regarding changing the speed limits in the core downtown area to 20 miles per hour. The Southwest Regional Office presented the city's ordinance and supporting documents to the office in Olympia. Olympia has made the following changes:

- 20 miles per hour will begin where the new radar speed limit sign has been installed (Fireman's Park).
- 25 miles per hour will begin at 8<sup>th</sup> Street and run to the new radar speed limit sign (Fireman's Park).

These changes will help slow the speed down in the area where council members had previously wanted to extend the 20 miles per hour area. The 25 miles per hour area has been extended down the hill further than it currently exists today.

The ordinance amendment provides for both provisions.

As soon as the ordinance is adopted, WSDOT and staff will work together to install the new signage. Public notice will be issued the week prior to the signage being installed.

### Staff Recommendation

Staff recommends the city council adopt Ordinance 2020-02-1061 Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits.

**CITY OF WHITE SALMON  
ORDINANCE 2020-02-1061**

**AN ORDINANCE AMENDING WSMC 10.08.010 STATE ROUTE 14 AND 141 SPEED  
LIMITS AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE**

**WHEREAS**, the City Council of the City of White Salmon wishes to maintain the safety and welfare of city residents and regulating the speed of vehicles in the City; and

**WHEREAS**, the City of White Salmon has worked with Washington Department of Transportation to determine the appropriate locations for lowered speed limits to protect the safety and welfare of city residents; and

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE  
SALMON DO ORDAIN AS FOLLOWS:**

**SECTION 1.** White Salmon Municipal Code 10.08.010 – State Route 14 and 141 speed limits, is hereby amended as follows:

Key: Deleted = ~~**bold and strikethrough**~~

Addition = **bold and underline**

**10.08.010 – State Route 14 and 141 speed limits.**

There shall be and are established the following speed limits, which shall be applicable to the areas within the corporate limits on the city, as hereinbelow specified:

1. From the west city limits upon State Route No. 14 to the east city limits on State Route No. 14, the speed limit shall be designated as forty miles per hour.

2, From the east city limits, on State Route 141, to M.P. **0.94 (0.04 miles south of SE Seventh Ave)** ~~**1.08 (approximately Dock Grade)**~~, the speed limit shall be designated as thirty-five miles per hour.



**3. From M.P. 0.94 (0.04 miles south of SE Seventh Ave) to M.P. 1.24 (approximately NE Grandview Ave) on State Route 141, the speed limit shall be designated as twenty-five miles per hour.**

**43.** From M.P. **1.24 (approximately NE Grandview Ave)** ~~1.08 (approximately Dock-Grade)~~ to M.P. 1.64, .03 miles north of the junction of Garfield Street on State Route No. 141, the speed limit shall be designated as twenty miles per hour.

**54.** On State Route No. 141 beginning at M.P. 1.64, .03 miles north of junction of Garfield and running within the city limits to M.P. 2.52 the speed limit shall be designated as thirty miles per hour.

**SECTION 3 – SEVERABILITY:** If any section, sentence, or phrase of this Chapter is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence or phrase of this Chapter.

**SECTION 3 – EFFECTIVE DATE.** This ordinance shall take effect five days following the date of its publication by summary.

**PASSED** by the City Council of the City of White Salmon at a regular meeting this 26<sup>th</sup> day of February, 2020.

\_\_\_\_\_  
Marla Keethler, Mayor

ATTEST:

\_\_\_\_\_  
Jan Brending, Clerk/Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Kenneth B. Woodrich, City Attorney



**Item Attachment Documents:**

2. City Committee Member Appointments
  - a. Presentation and Discussion



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**AGENDA MEMO**

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Proposed City Committee Assignments  
Presented By: Marla Keethler, Mayor

**Explanation of Issue**

I am proposing the following City Committee assignments:

**Personnel and Finance Committee**

Scott Clements, Public Representative  
Jason Hartmann, Council Member  
David Lindley, Council Member

**City Operations Committee**

Ashley Post, Council Member  
Jason Hartmann, Council Member

**Community Development Committee**

Amy Martin, Council Member  
Joe Turkiewicz, Council Member

**Tree Board**

Karen Black-Jenkins, Public Representative  
Jan Thomas, Public Representative (through March 21, 2020) \_\_\_\_\_, Public Representative  
\_\_\_\_\_, Public Representative  
Ashley Post, Council Member  
David Lindley, Council Member

**Solid Waste Committee – County**

Joe Turkiewicz, Council Member

Because of the city's busy schedule for the next 7 months, I am asking committees to set a regular meeting date but to only meet as necessary.

**Item Attachment Documents:**

5. Proclamation 2020-001, Declaring March 21, 2020 as Arbor Day

**PROCLAMATION 2020-001**

**A PROCLAMATION BY THE CITY OF WHITE SALMON,  
WASHINGTON DECLARING MARCH 21, 2020 AS ARBOR DAY**

**WHEREAS**, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

**WHEREAS**, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

**WHEREAS**, Arbor Day is now observed throughout the nation and the world, and

**WHEREAS**, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and

**WHEREAS**, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

**WHEREAS**, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

**WHEREAS**, trees, wherever they are planted, are a source of joy and spiritual renewal.

**NOW, THEREFORE, I**, Marla Keethler, Mayor of the City of White Salmon, do hereby proclaim March 21, 2020 as Arbor Day in the City of White Salmon, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

**FURTHER**, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Passed in regular session this 26<sup>th</sup> day of February, 2020.

\_\_\_\_\_  
Marla Keethler, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jan Brending, Clerk Treasurer

\_\_\_\_\_  
Kenneth B Woodrich, City Attorney

**Item Attachment Documents:**

6. Approval of Settlement and Release of All Claims

**SETTLEMENT AND RELEASE OF ALL CLAIMS  
BETWEEN  
CITY OF WHITE SALMON (“CITY”) AND ERIC HOOD**

This Settlement Agreement and Release of All Claims (hereinafter “Agreement”) is entered into by and between Eric Hood (hereinafter referred to as “Hood”) and City of White Salmon (hereinafter referred to as “City”) City with regards to Klickitat County Superior Court Cause Number 20-2-00005-20, “the Lawsuit”.

**I. RECITALS**

**A. Litigation.** Hood is a citizen who has alleged he requested records from the City in January of 2019. Believing that the City had not properly responded to or provided all documents relevant to his alleged request, Hood served a civil complaint alleging violations of the Washington Public Records Act, RCW chapter 42.56. The City then disclosed certain records to Hood.

**B. Full and Final Settlement.** The parties to this Agreement desire to settle and resolve, fully and finally, all claims of all parties to this Agreement which have been or could be alleged, or which otherwise arose or could arise, including the claims themselves, or other related events or transactions.

**C. All Claims Resolved.** This Agreement expresses the full and complete settlement of any and all claims among the parties hereto. This Agreement is a settlement of disputed and unresolved claims and is not an admission of liability or damages by either of the parties, or of any facts or disputed legal issues bearing on liability and damages or on the defenses asserted to such allegations.

**II. AGREEMENTS**

**A. Release in Full and Other Consideration from Hood**

1. Release. In consideration of the obligations performed by the City below and in consideration of the other agreements by the City as set forth in this Agreement, Hood does hereby release and fully discharge the City, and all its elected officials, affiliates, parents, subsidiaries, insurers, agents, lawyers, officers and directors, servants, representatives, employees and former employees of any such released persons or entities (collectively, the “Released Parties”) from any and all manner of claims, demands, liabilities, obligations, damages, causes of action or suits including but not limited to claims for discrimination or other personal injuries, including claims brought pursuant to the Washington Public Records Act, RCW chapter 42.56 (“PRA”), whether known or unknown, whether suspected or unsuspected, which Hood, his heirs, executors, administrators, legatees, representatives, successors, transferees, and assigns may have as against the Released Parties, arising from or in any way connected with the above-described dispute. This release includes, but is



not limited to all claims, demands, liabilities, obligations, damages, causes of action or suits, whether known or unknown, and whether suspected or unsuspected. This release extends to all matters alleged or asserted by Hood but is not limited thereby. This release covers any and all future damages or losses not known to the parties to this Agreement, but which may later be discovered in connection with the claims or demands which Hood, his heirs, executors, administrators, legatees, representatives, successors, transferees, and assigns can, shall, or may have by reason of any matter, cause, or thing whatsoever; and it specifically covers any losses which Hood may at any time incur that he claims are the result of nondisclosure in whole or in part by any Released Party, or that he claims are the result of the City 's actions or inactions, or the claims in the above-described dispute.

2. **Dismissal of Current Pending Actions.** In addition to the release above, Hood agrees to dismiss with prejudice the civil action pending under Klickitat County Superior Court Cause Number 20-2-00005-20.
3. **Withdrawal of All Pending Records Requests.** Hood agrees upon execution of this Agreement to withdraw all pending records requests currently served upon the City. This includes all requests made to the City under the Washington State Public Records Act and in the course of discovery in the civil action pending under Klickitat County Superior Court Cause Number 20-2-00005-20. By executing this Agreement, Hood hereby agrees that all requests to the City under the Washington State Public Records Act have been satisfied.
4. **Satisfaction.** Hood further states and warrants that the payments and terms set forth herein constitute a full and complete satisfaction of the claims against the Released Parties, and that Hood will not file, pursue, or assert in any way, claims, demands, or causes of action against the Released Parties or any person, persons, or organizations in privity with them in connection with his claims against the City or any claims Hood could have asserted against the City .

#### **B. Consideration from City**

1. **Payment.** In consideration of the release set forth above, the City agrees to pay the amount of twelve thousand dollars (\$12,000.00) to Hood in settlement of this dispute within 30 days of his signing this Agreement. Such payment shall be inclusive of all costs or fees. Such payment does not constitute an admission by the City of liability, wrongdoing, or damages, or of any facts or disputed legal issues bearing on liability and damages or on the defenses asserted to such allegations.
2. **In further consideration** of the obligations performed by Hood and in consideration of the other agreements by Hood as set forth in this Agreement, the City does hereby release and fully discharge Hood, and all his insurers, agents, lawyers, servants, representatives, employees and former employees of any such released persons or entities (collectively, the "Hood Released Parties") from any and all manner of claims, demands, liabilities, obligations, damages, causes of action or suits related to claims brought pursuant to the Washington Public Records Act, Chapter

42.56 RCW, whether known or unknown, whether suspected or unsuspected, which the City and its, administrators, representatives, successors, transferees, and assigns may have as against the Hood Released Parties, arising from or in any way connected with the above-described dispute. This release includes, but is not limited to all claims, demands, liabilities, obligations, damages, causes of action or suits, whether known or unknown, and whether suspected or unsuspected and costs and attorney fees. This release extends to all matters alleged or asserted by the City but is not limited thereby. This release covers any and all future damages or losses not known to the parties to this Agreement, but which may later be discovered in connection with the claims or demands which the City, and its administrators, representatives, successors, transferees, and assigns can, shall, or may have by reason of any matter, cause, or thing whatsoever; and it specifically covers any losses which the City may at any time incur in whole or in part against any Hood Released Party, or that it claims are the result of Hood's actions or inactions, or the claims in the above-described dispute.

- 3. Stipulation and Order.** Within thirty days of Hood's signing this settlement, the City will file a stipulation and order with the court that is mutually agreed upon by both parties to dismiss the Lawsuit with prejudice. The City will provide a copy of the signed order to Hood within fourteen days of its execution.

### C. Additional Terms

- 1. Voluntary signature.** It is understood and agreed that this Agreement has been executed knowingly and voluntarily and that each party to this Agreement has had full opportunity for consultation with legal counsel prior to signing this Agreement. This Agreement contains all material terms and conditions of settlement of the parties hereto. The terms of this Agreement are contractual and not merely a recital. Each party to this Agreement agrees that the party has had the opportunity to read this Agreement; has had the Agreement fully explained; understands and appreciates the Agreement's words and terms and their effect; and signs this Agreement voluntarily of his/its own free will and accord.
- 2. Confidentiality.** If any inquiry is made to any of the Released Parties regarding this Agreement or the underlying lawsuit or dispute, good faith efforts will be made to refrain from commenting except to refer inquirers to this Agreement. The parties acknowledge that this Agreement itself is a public record and further acknowledges that the PRA will govern if the City receives any PRA request(s) encompassing this action.
- 3. Binding effect.** This Agreement and the above-described obligations are or will be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, legatees, representatives, successors, transferees, and assigns.
- 4. Counterpart signatures.** This Agreement may be signed by the parties in counterparts and all the counterparts together shall be considered the original of the single and same Agreement with the terms as set forth herein.

5. **Costs and Fees.** The parties shall bear their own costs, attorney fees, and other expenses in connection with this matter and/or the pursuit or defense of any claims released herein.
6. **Governing Law.** This Agreement and any and all matters arising hereunder shall be governed by and construed under and in accordance with the laws of the State of Washington, without reference to its choice-of-law or conflict-of-law principles, or rules that would direct the general application of the laws of another jurisdiction.
7. **No Presumption Against Drafter.** The terms, conditions, and other provisions of this Agreement have been negotiated between Hood and the City, each of whom had the benefit of its own legal counsel. No presumptions shall arise that this Agreement was prepared by one party or another. No term, clause, or language of this Agreement shall be interpreted against any particular party solely because that party drafted the Agreement or the language in question.
8. **Severability.** In the event that any one or more of the provisions of this Agreement shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

By Eric Hood

  
\_\_\_\_\_

Date: Feb. 6, 2020

**City of White Salmon, a Washington Municipal Corporation**

By \_\_\_\_\_

**Marla Keethler, its Mayor**

Date: \_\_\_\_\_

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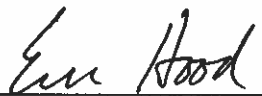
**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF KLICKITAT**

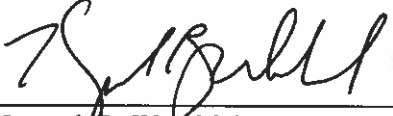
ERIC HOOD,  
Plaintiff(s),  
vs.  
CITY OF WHITE SALMON,  
Defendant(s).

NO. 20-2-00005-20  
STIPULATED JUDGMENT  
OF DISMISSAL WITH  
PREJUDICE

COME NOW the parties hereto, the Defendant by and through its attorney of record, and stipulate that the above-captioned action (including all claims and counterclaims of the parties hereto, whether or not plead) has been settled and that the same should be dismissed with prejudice and without cost to any party.

DATED this \_\_\_\_\_ day of February 2020.

  
Eric Hood  
Plaintiff

  
Kenneth B. Woodrich WSBA 19654  
Attorney for Defendant

Stipulated Order of Dismissal  
Page 1

KENNETH B WOODRICH PC  
ATTORNEY AT LAW  
1501 W. 8<sup>TH</sup> ST., Suite 201  
Vancouver, WA 98660  
Telephone: (503) 288-2480  
Fax: (509) 427-7618  
Email: Ken@Woodrich.com

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**ORDER**

Based upon the above stipulation, it is hereby

**ORDERED AND ADJUDGED** that the above-captioned action be dismissed with  
prejudice and without cost to any party.

DATED this \_\_\_\_\_ day of February 2020.

\_\_\_\_\_  
JUDGE/COURT COMMISSIONER

Presented by:



Eric Hood, Plaintiff

Approved for Entry and Notice of  
Presentation Waived:



Kenneth B. Woodrich WSBA 19654  
Attorney for Defendant

**Item Attachment Documents:**

7. Authorization to Sign Subscriber Agreement with Public Safety Testing



## SUBSCRIBER AGREEMENT

WHEREAS, Public Safety Testing, Inc. is a skilled provider of pre-employment testing services to police, fire, and other public safety agencies, and

WHEREAS, the subscriber public agency, either directly or through a civil service commission, tests, evaluates, ranks and hires law enforcement and/or firefighters and/or other public safety positions in the performance of its public safety functions, and

WHEREAS, the subscribing public entity desires to join in a Subscriber Agreement, NOW, THEREFORE,

Public Safety Testing, Inc. (the "Contractor") and the City of White Salmon, a municipal corporation of the state of Washington (hereinafter "Subscriber") do enter into this Subscriber Agreement under the terms and conditions set forth herein.

SUBSCRIBER: City of White Salmon, WA

POSITIONS: *Law Enforcement Officer written & physical ability testing:*  
☞ **Check all that apply**  
 Law Enforcement Officer (entry-level)  
 Law Enforcement Officer (lateral/experienced)

COMMENCEMENT DATE: January 1, 2020

TERM & PROFESSIONAL FEES:  One-year agreement at \$524 annually  
☞ **Check one**  
 Three-year agreement at the following:  
1/1/2020 – 12/31/2020 at \$524 annually  
1/1/2021 – 12/31/2021 at \$536 annually  
1/1/2022 – 12/31/2022 at \$552 annually

AGENCY ADD-ON COUPONS  
☞ **Check to request**  
 Agency Add-On Coupons for White Salmon recruiters to offer White Salmon candidates at test sites (invoiced at \$10 per coupon used)

TERMINATION:  
☞ **Check one**  
 This agreement terminates December 31, 2020  
 This agreement terminates December 31, 2022

REMOTE TESTING  
(OUT OF REGION TESTING)  
⇒ **Check all that apply**

- SUBSCRIBER authorizes candidates who reside outside of the Pacific Northwest to take the written examination in the region where they reside through a network of college testing facilities. The physical ability test, if required, must be conducted by SUBSCRIBER (or SUBSCRIBER coordinates with candidate to be tested at a scheduled PST event) within 90 days of the written exam.
- SUBSCRIBER will accept remote testing written test scores under the following conditions:
  - Written exam score only; PAT not required
  - Written exam & PAT both required

SUBSCRIBER does not authorize remote testing.

1. Description of Basic Services. This Agreement begins on the date as noted on page one (1) of this Agreement. The Contractor will provide the following services to the Subscriber:
  - 1.1 Advertising and recruiting assistance, application processing, and administration of pre-employment written examinations and physical ability tests for those positions noted on Page One (1) of this Agreement.
  - 1.2 Report to the Subscriber the scores of applicants, with all information necessary for the Subscriber to place passing applicants upon its eligibility list, and rank them relative to other candidates on appropriately constituted continuous testing eligibility lists. Contractor will report "raw" test scores to the Subscriber – no preference points will be factored into applicant scores and it is the Subscriber's responsibility to factor veteran's preference points in accordance with applicable federal and state laws. Written examination scores will be reported to the Subscriber as a percentage score (based on 100%) and physical ability test scores will be reported as "Pass" or "Fail". The passing score for written examinations is set by the test developer at 70%.
  - 1.3 Appear in any administrative or civil service proceeding in order to testify to and provide any and all necessary information to document the validity of the testing process, to participate in the defense of any testing process conducted by the Contractor pursuant to this Agreement and to otherwise provide any information necessary to the Subscriber to evaluate challenges to or appeals from the testing process. The Contractor shall appear without additional charge. The Subscriber shall pay the reasonable cost of travel and appearance for any expert witness deemed necessary by the Subscriber to validate the testing process, including but not limited to, representatives of any company which holds the copyright to any testing material and whose testimony or appearance is deemed necessary to validate the process.

Provided, however, Contractor shall not be required to appear at its cost nor to defend in any administrative or court proceeding arising from or out of a claim or challenge relating to Subscriber's use of other testing process(es) or out of Subscriber's attempt to establish multiple or blended eligibility lists for the same position based in whole or in part on other testing process(es). "Other testing



process(es)” means any test or testing process other than those provided by the Contractor under this Agreement.

- 1.4 **Term & Fees.** The term of this agreement and the related professional fees are noted on page one (1) of this Agreement.
- 1.5 **Payment.** Subscriber shall pay an amount equal to twenty-five percent (25%) of the annual fee set forth above quarterly for services rendered in the previous quarter and for basic services including but not limited to, software relating to online application, advertising formats, previously advertised scheduling of test dates, model civil service rules, testing systems, as well as ongoing testing and recruitment, and any and all other work developed at the cost of the Contractor prior to or contemporaneous with the execution of this Agreement. Payment shall be made within 45 days of receipt of invoice.
  - 1.5.1 **Direct Deposit (ACH Enrollment).** Subscribers are encouraged to set up direct deposit (ACH enrollment) for their payments. There will be no additional fee for payments made using direct deposit (ACH enrollment).
  - 1.5.2 **Credit Card.** A three percent (3%) fee will be added at the time of payment to each payment made using a credit card. The purpose of such fee is to cover Contractor’s credit card processing fees.
2. **Additional Services.** In addition to the services provided under this Agreement, the Subscriber may, at its sole discretion, elect to purchase additional services from the Contractor. Such services shall be requested by and contracted for pursuant to separate written agreement.
3. **Acknowledgements of Subscriber.** The Subscriber understands and acknowledges, and specifically consents to the following stipulations and provisions:
  - 3.1 Because applicable civil service law prohibits having multiple eligibility lists for the same class of hire, this Agreement is an exclusive agreement for these services.
  - 3.2 The written and physical agility scores of any applicant shall be valid for 18 months from the date of certification by the Contractor or 12 months from the date of placement upon the Subscriber’s eligibility list, whichever first occurs, following the report of the Contractor, and rules compatible with continuous testing shall be adopted. The Subscriber shall review its applicable hiring processes, advertisements, personnel policies and civil service rules (as applicable) to ensure compliance with the provisions of this Agreement.
  - 3.3 An applicant may, in addition to the Subscriber’s eligibility list, elect to have his/her score reported to and subject to placement on the eligibility list of any other Subscriber. Nothing in this Agreement shall be interpreted to prohibit the use of an applicants’ score for consideration in or processing through any other subscriber’s hiring and/or civil service eligibility process. The Subscriber agrees that if an applicant is hired by another agency through this service, the applicant’s name shall be removed from Subscriber’s eligibility list.

- 3.4 The Subscriber specifically understands and acknowledges that the Contractor may charge a reasonable testing fee from any and all applicants.
  - 3.5 The Subscriber is encouraged to and may also conduct advertising as it deems necessary to support/enhance recruiting efforts. The Subscriber shall link PublicSafetyTesting.com on its agency's website, if it so maintains one.
  - 3.6 Public Safety Testing views recruiting as a partnership with the Subscriber. The Subscriber agrees to actively participate in recruiting efforts for positions within the Subscriber agency.
  - 3.7 The Subscriber agrees to keep the Contractor up-to-date as to the agency's hiring status, minimum and special requirements, all information appearing on the agency's PST website profile and the names of any candidates hired through these services.
  - 3.8 Subscriber understands and acknowledges that a candidate's PST Personal History Statement (PHS) will be stored electronically by PST for 24 months from the date the candidate uploads the PHS to the PST website. Any PHS stored more than 24 months will automatically be deleted and will no longer be available to the Subscriber from the PST server.
4. Testing Standard and Warranty of Fitness for Use. All testing services conducted under this Agreement shall be undertaken in accordance with the provisions of the Washington State Civil Service Statutes, Chapter 41.08 and/or 41.12 and/or 41.14 RCW, or the terms of other applicable statute as the Subscriber shall notify the Contractor that the Subscriber must meet. Tests shall also be conducted in accordance with the general standards established by the Subscriber; the Subscriber shall be responsible for notifying the Contractor of any unusual or special process or limitation. The test utilized, the proctoring of the test and any and all other services attendant to or necessary to provide a valid passing or failing score to the Subscriber shall be conducted in accordance with generally accepted practice in the human resources, Civil Service and Public Safety Testing community. The Subscriber may monitor the actions and operations of the Contractor at any time. The Contractor shall maintain complete written records of its procedures and the Subscriber may, on reasonable request, review such records during regular business hours. Any and all written materials, and the standards for physical fitness testing utilized, shall comply with all applicable copyrights and laws. The Contractor expressly agrees and warrants that all tests and written materials utilized have been acquired by the Contractor in accordance with the appropriate copyright agreements and laws and that it has a valid right to use and administer any written materials and tests in accordance with such agreements and laws. If Subscriber uses or authorizes the use of other testing process(es) this warranty shall be null and void.
  5. Independent Contractor. The Contractor is an independent contractor. Any and all agents, employees or contractors of the Contractor, shall have such relation only with the Contractor. Nothing herein shall be interpreted to create an employment, agency or contractual relationship between the Subscriber and any employee, agent or sub-contractor of the Contractor.

6. **Indemnity and Hold Harmless.** The parties agree and hold harmless each other, their officers, agents and employees in accordance with the following provisions:

6.1 The Contractor shall indemnify and hold harmless the Subscriber, its employees and agents from any and all costs, claims or liability arising from:

6.1.1 Violation of any copyright agreement or statute relating to the use and administration of the tests or other written materials herein provided for;

6.1.2 Any cost, claim or liability arising from or out of the claims of an employee, agent or sub-contractor to the end that the Contractor shall be an independent Contractor and the Subscriber shall be relieved of any and all claims arising from or relating to such employment relationships or contracts between the Contractor and third parties;

6.1.3 The alleged negligent or tortious act of the Contractor in the provision of services under this Agreement.

6.1.4 This indemnity shall not apply to any administrative or court proceeding arising from or out of any process in which the Subscriber has utilized or authorized other testing process(es).

6.2 The Subscriber shall indemnify and hold harmless the Contractor, its officers, agents and employees from any and all cost, claim or liability arising from or out of the alleged negligent or tortious act of the Subscriber in the provision of services hereunder.

7. **Termination.** This agreement terminates as noted in the *Termination* section on Page 1 of this Agreement. The Contractor and/or the Subscriber may also withdraw from this Agreement at any time for any reason with 60 days written notice, provided, however, that the provisions of paragraphs 1.3, 4, 5 and 6 shall remain in full force and effect following the termination of this Agreement with respect to, and continuing for so long as any applicant tested by the Contractor remains on the eligibility list of the Subscriber.

7.1 If the Subscriber elects to terminate this Agreement prior to the termination date, Subscriber shall pay the Contractor an early termination fee. The purpose of this early termination fee is to cover the direct and indirect costs of refunding and or rescheduling applicants that had signed up to test for the Subscriber. The early termination fee is one-third (33%) of the annual subscriber fee as noted in the *Term & Professional Fees* section on Page 1 of this Agreement. The early termination fee is in addition to any other fees agreed to by this Agreement.

8. Entire Agreement, Amendment. This is the entire Agreement between the parties. Any prior agreement, written or oral, shall be deemed merged with its provisions. This Agreement shall not be amended, except in writing, at the express written consent of the parties hereto.

This Agreement is dated this 21st day of February, 2019.

**CITY OF WHITE SALMON, WA**

**PUBLIC SAFETY TESTING, INC.**

By: \_\_\_\_\_

By: [Signature] November 27, 2019

Print: Marka Keethler

Print: Jon F. Walters, Jr.

Its: Mayor

Its: President

Contact: Jan Brending

Jon Walters

Address: PO Box 2139

20818 - 44<sup>th</sup> Ave. W., Suite 160

City/State/Zip: White Salmon WA 98672

Lynnwood, WA 98036

Telephone: 509-493-1133 #205

425.776.9615

Email: janb@ci.white-salmon.wa.us

jon@publicsafetytesting.com

**Subscriber's Contact & Address for Billing:**

*(Please complete if different from contact information above)*

Contact: Jan Brending

Title: Clerk-Treasurer

Agency: City of White Salmon

Address: PO Box 2139

City/State/Zip: White Salmon WA 98672

Telephone: 509-493-1133 #205

Email: janb@ci.white-salmon.wa.us

**Agency Recruiter:**

Name: Jan Brending

Title: Clerk Treasurer

Email: janb@ci.white-salmon.wa.us

**Agency Hiring Representative/Supervisor:**

Name: Jan Brending

Title: Clerk Treasurer

Email: janb@ci.white-salmon.wa.us

**Chief or Agency Director:**

Name: Mike Hepner

Title: Police Chief

Email: mike@bwspolice.com

**Item Attachment Documents:**

8. Approval of Agreement for Temporary Employment - Police Clerk

**CITY OF WHITE SALMON**  
**Temporary Employment Agreement**

This employment agreement is hereby entered into on February \_\_\_\_, 2020 by the City of White Salmon, here in after referred to as the “Employer”, and Tracy Wyckoff, here in after referred to as “Employee”.

Employer and Employee agree as follows:

The Employer agrees to employ Employee in a part-time/temporary status, and the employee agrees to work for the Employer in the following position, Police Clerk, in a part-time/temporary status. The employment will commence on February 27, 2020. The rate per hour for the temporary part-time position will be \$27.26.

For a list of duties and responsibilities of the Employee see attached exhibit A. Both parties agree that the foregoing list of duties and responsibilities are not exhaustive and may be changed, modified, or increased at the discretion of the Employer.

The Employee's work schedule will vary according to the needs of the Employer. As a part-time/temporary Employee, the employee is not eligible to participate in any fringe benefits or retirement programs unless otherwise provide for by Federal or State Law.

The Employee understands that the part-time/temporary status does not entitle Employee to any special consideration for permanent or full-time employment.

The agreement shall be governed by the laws of the State of Washington. By accepting employment, you agree not to disclose any confidential information regarding City business and persons employed by this city, or our clients learned in the course of your employment to anyone outside of the City Administration during and after your term of employment.

This employment is an at-will employment that may be terminated without cause and without advance notice. The terms of this agreement shall remain in effect until amended in writing and signed by the Employer, contact has been terminated by Employer or Employee, or this contract has expired.

The Agreement shall start on February 27, 2020 and expire on April 16, 2020.

\_\_\_\_\_  
Marla Keethler, Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Patrick Munyan, Jr. City Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mike Hepner, Police Chief

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tracy Wyckoff

\_\_\_\_\_  
Date

**Item Attachment Documents:**

9. Jewett Water Main Improvements Project - Change Order No. 1



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## AGENDA MEMO

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Consent Agenda - Jewett Water Main Improvements Project – Change Order No. 1  
Presented By: Pat Munyan, City Administrator

### Explanation of Issue

Attached is Change Order No. 1 for the Jewett Water Main Improvements Project. The Change Order adds funding for the following:

1. Fire Hydrant at Skyline Hospital

The city will pay for this item which will then be reimbursed by Skyline Hospital

2. New Storm Drain for Spring Discharge

The city will pay for this item out of the Street Fund. The spring discharge is located in between Riverwatch Drive and Garfield Street.

The total cost for the change order is \$12,308.75 increasing the contract price from \$2,307,501.48 to \$2,319,810.23.



**CHANGE ORDER**

Change Order No.: 1

Date of Issuance:   
 Owner: **City of White Salmon, Washington**  
 Contractor: **Crestline Construction Company, LLC**  
 Engineer: **Anderson Perry & Associates, Inc.**  
 Project: **Jewett Water Main Improvements**

The Contract is modified as follows upon execution of this Change Order:

Description of Changes (Supplemental description, Plans and Specifications attached, as applicable)	DECREASE in Contract Price	INCREASE in Contract Price
1-1 Fire Hydrant at Skyline Hospital	\$0.00	\$4,200.00
1-2 New Storm Drain for Spring Discharge	\$0.00	\$7,250.00
1-3 1-In. Water Service Line with CTS HDPE Tubing	\$0.00	\$0.00
1-4 Water Service Line with CTS HDPE Tubing, Service Side	\$0.00	\$0.00
<b>Subtotal</b>	\$0.00	\$11,450.00
Total, Increase Less Decrease	\$11,450.00	
Sales Tax (7.5%)	\$858.75	
<b>Net Change in Contract Price for this Change Order</b>	\$12,308.75	

**JUSTIFICATION:**

1-1 & 1-2: Approval of Bid Options No. 1 and No. 2, respectively. Owner will finance the Work without Agency funds.  
 1-3 & 1-4: Owner requested to change service lines from copper pipe to copper tube size (CTS) HDPE tubing. Contractor agreed to use same unit price in the Base Bid for this work (Bid Items No. 36 and No. 37).

The amount of the Contract will be increased for this Change Order by the sum of:	\$12,308.75
Total Contract Price prior to this Change Order:	\$2,307,501.48
The Contract Price incorporating this Change Order:	\$2,319,810.23
Contract Times prior to this Change Order:	
Date of Substantial Completion:	September 16, 2020
Date Ready for Final Payment:	October 16, 2020
The Contract period provided for Substantial Completion will be unchanged.	
Revised Date of Substantial Completion:	0 days
Revised Date Ready for Final Payment:	N/A
	N/A

**RECOMMENDED:**

**ACCEPTED:**

By: \_\_\_\_\_  
 Anderson Perry & Associates, Inc.  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 City of White Salmon, Washington  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**ACCEPTED:**

**Approved by Agency:**

By: \_\_\_\_\_  
 Crestline Construction Company, LLC  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 USDA Rural Development  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Item Attachment Documents:**

10. Approval of Meeting Minutes - January 8 and February 5, 2020
  - a. Presentation and Discussion
  - b. Action



**CITY OF WHITE SALMON**  
**Planning Commission Meeting - Wednesday, January 08, 2020**  
**DRAFT**

**COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT**

**Commission Members:**

Ross Henry  
Michael Morneault  
Greg Hohensee  
Seth Gilchrist  
Tom Stevenson

**Staff Present:**

Erika Castro Guzman, City Associate Planner  
Patrick Munyan, City Administrator  
Jan Brending, City Clerk-Treasurer

**CALL TO ORDER/ ROLL CALL**

Jan Brending, City Clerk-Treasurer, called the meeting to order at 5:30 PM. There were approximately 30 audience members.

**OATH OF OFFICE**

**1. Planning Commission Oath of Office: Seth Gilchrist and Greg Hohensee**

Seth Gilchrist was sworn in as a Planning Commissioner by Jan Brending, Clerk Treasurer

Greg Hohensee was also sworn in by Jan Brending, Clerk Treasurer.

**ELECT NEW CHAIRMEN**

**2. Election of Chairman**

Moved by Tom Stevenson. Seconded by Michael Morneault.

Motion to nominate Ross Henry as chairman of the Planning Commission. CARRIED 4-0.

**MINUTES OF RECORD**

**3. Minutes of November 13, 2019**

Michael Morneault corrected that he was not present during the November 13, 2019 meeting.

Moved by Michael Morneault. Seconded by Tom Stevenson.

*Motion to approve minutes of November 13, 2019 as corrected.* CARRIED 4-0.

**DISCUSSION ITEMS**

**4. Mt Hood View Apartments Parking and Traffic Evaluation**

**Orientation and Background**

The applicant of Mt Hood View Apartments, Tao Berman, per conditions approved by the Planning Commission during the application's public hearing held on November 13, 2019, was requested to provide a comprehensive parking management plan and traffic study. This study was to be acceptable to the Planning Commission as means on how he will resolve and manage the parking concerns. The document was to address the following two items: (1) the potential parking impacts caused by the residential use to surrounding commercial businesses and (2) how the applicant is going to identify, manage, and ensure residents are not parking additional

vehicles on the streets (vehicles other than compact cars, short-term renters, and guest parking).

***Tao Berman, Applicant***

Tao Berman welcomed the new commissions and thanked the planning commission. Berman stated the conditional use permit request is to allow long-term rental in a commercial district. He said he believes the project will benefit the community, but noted he could still move forward with all units designated as short-term rentals. He said he spoke with his architect to regarding scaling down the project and found that option would decrease parking further. Berman stated that a survey was conducted and there are three additional feet than anticipated. He introduces Rick Williams, who prepared the traffic study (based on a demand model) and proposed comprehensive parking management plan.

***Rick Williams, Applicant's Parking and Transportation Representative***

Rick Williams said he is located in Portland and has over 25 years of experience working with hundreds of cities around the country on issues related to parking. He said this is an interesting project because there are no minimum parking requirements for the site. He said it is important to note minimum parking requirements have no relationship to demand as stated in parking literature. Williams said it is his approach to come into the city and actually measure the demand and use the same methodology as ITC uses to measure parking demand. He said that in using that methodology, he determined that 1.3 spaces per 1,000 square feet are needed. The residential parking demand is in the evening and early mornings while typical peak hour for commercial use is between 10 a.m. and 4 p.m. He concluded that there is adequate parking proposed for the site, if the site is managed as a single unit, with a parking ratio of 1.39 per 1,000 square feet. William said to use an identifier for each parking space and to use license plates to make sure tenants are parking correctly and if no t there will be consequences for the tenant.

***City Engineer's Evaluation***

Dustin Conroy, Engineer with Pioneer Engineering and Surveying, listed his evaluation findings:

- Table Two identifying the demand ratio: the smallest city population listed is 20,000, compared to White Salmon's population of 2,400. He concluded that in greater density areas with closer amenities there is less demand for vehicles resulting in less demand for parking.
- Identified that in the far reaches of Seattle there is closer to 1.5 parking spaces per unit, noting that White Salmon is a rural community.
- The traffic study does not show how parking would impact White Salmon.
- The concluded that the reduced parking is typically provided for very populated dense areas.
- Conroy agreed, from experience, that standard parking requirements are typically larger than needed.
- Conroy said he believes that the parking management plan would work if followed through properly with 44 parking spaces.

Conroy recommends that the planning commission request the applicant to provide site specific information.

### **Commissioner Discussion**

Commissioner Morneault asked how the applicant will manage the parking plan. Berman said he has owned apartments for the last 10 years and is a member of the Washington Landlords Association. He stated he understands parking is always an issue and stated that he will include a parking addendum in the lease agreement. He said he does not believe there will be much management needed based on the amount of parking provided. He said currently, 8 of 15 units have only one vehicle.

Commissioner Gilchrist stated that he agreed with the conclusions of the report, but requested clarification of where the 20 full-size parking spaces are located. Berman answered the full size parking is adjacent to the existing structure and the compact-tandem parking is proposed under the new structure. Berman said that based on the demand curve, he, nor Williams, believes parking will affect other businesses.

Chairman Henry stated he agreed with Conroy in his evaluation of the report that it is not site specific to White Salmon. City Administrator Munyan clarified there is no specified parking requirement to meet through the conditional use permit, therefore the planning commission has the authority to determine if what is presented is adequate. Chairman Henry expressed his concerns with the tandem parking and said he does not want the city to be burdened in managing the apartment's parking. Berman answered that tandem parking is not ideal, but people chose to accept it. He stated he does not know how to be more site specific based on the demand curve. Berman said he believes he has enough parking on site and outlined how he is going to manage parking with grounds for an eviction. Williams add that while tandem parking is common for other cities, a parking management plan for developers in a city like White Salmon is not common. He stated that in his experience, a unit will not be rented to a tenant if the tenant cannot commit to the parking requirements. Williams stated that site specific evaluations are typically at the peak hour, for one day, and finds the demand curve to be almost bulletproof. He said he has a high level of confidence that if managed, tandem parking will not an issue.

Commissioner Hohensee asked for clarification from Chairman Henry regarding his concern for a site specific evaluation. Chairman Henry said a traffic flow pattern and an actual diagram may help the planning commission's understanding of the plan. Commissioner Hohensee referred to the two items the report is responding to: (1) parking impacts to commercial businesses and (2) how management will occur for on-site parking and potential spill-over.

Berman stated that parking issues do occur, but is confident his management plan will be proactive. Staff clarified to the planning commission that the conditional use permit will remain with the property, regardless of the change of owner, and the city could take enforcement action if necessary. Clerk Treasurer Brending stated that N Main Street currently has no parking restriction. Commissioner Gilchrist said he believes there will always be small violations but the city has actionable items if parking becomes a nuisance. He said he is not worried about the proposed tandem parking and views it as an equivalent of having a single car garage and a secondary car in the driveway.

Commissioner Stevenson stated he has concerns about the property survey matching the site plan. Clerk-Treasurer Brending clarified that a site plan will be required for the building official to review. Chairman Henry said it would be helpful to see more diagrams of how the stalls would be accessed as he has concerns that tenants will park elsewhere if they are not able to make the turn radius into the tandem parking stalls.

Berman acknowledged approval from the planning commission will allow him to move forward in submitting building plans and adhering to the city's building and zoning code.

**Moved by Greg Hohensee. Seconded by Seth Gilchrist.**

***Motion to accept the Comprehensive Parking Management Plan and Traffic Study submitted by Tao Berman.***

**Moved by Tom Stevenson. Seconded by Michael Morneault.**

***Motion to amend the motion to accept the Comprehensive Parking Management Plan and Traffic Study and require a specific site plan showing the parking spaces with specific distances from structures, width and length of parking spaces, and measurement of space between parking spaces. Motion failed 2-3 with the following vote: Hohensee – Nay, Henry – Nay, Gilchrist – Nay, Stevenson – Aye, Morneault – Aye.***

***Motion to accept the Comprehensive Parking Management Plan and Traffic Study submitted by Tao Berman. CARRIED 4-0 with Tom Stevenson abstaining.***

## **PUBLIC HEARING**

### **5. Proposed Long Subdivision 2019.002**

**Applicant: Slug's End LLC**

The public hearing for proposed Long Subdivision 2019.002 was opened at 7:05 p.m. Chairman Henry reviewed the Appearance of Fairness Doctrine. Commissioners Gilchrist and Hohensee disclosed their property is within 300-feet of the development project. Commissioner Hohensee disclosed he chatted on the street with someone regarding the property two years ago during a locate call. No further concern or objection was voiced by Commissioners nor the applicant to participation.

The public hearing proceeded with a summary of the staff report by Staff.

#### **Orientation and Background**

City Staff reviewed the submitted application and exhibited documents associated with the proposed Slug's End Long Subdivision application (WS-SUB-2019-002). The applicant is requesting preliminary approval to divide 3.02-acres into a 7-lots. Future development would contain a detached single-family residence on each of the seven lots. The subdivision would also contain utilities, a public road (Sophie Lane) accessed from NW Michigan Avenue, and area for dedicated Native Growth Protection Easements. The subject parcel is split-zoned with a majority of the overall site zoned Single Family Residential (R-1) and a small portion of the site bordering future Michigan Avenue right-of-way zoned as Two-Family Residential (R-2). Five out of the seven lots (1, 2, 5, 6, and 7) have both R-1 and R-2 zoning. There are no existing structures on the project site. The applicant has not filed critical area reports for impacts to protected Oregon white oak trees, heritage trees, or geologic hazard areas and buffers on the site and is conditioned to provide these reports and obtain all necessary critical areas permits prior to disturbance within these critical areas. Staff recommends approval, with conditions as identified in the staff report.

#### **Commissioner Discussion**

Chairman Henry requested clarification on what is a critical area permit. City Administrator, Patrick Munyan, stated that critical areas permits or variances are allowed in order to preserve the economic use of the property and that the planning commission or city council is authorized

to allow variances that depart from the standards. City Administrator Munyan clarified that the preliminary review at the planning commission level is to hold the public hearing and public comment. He also noted the planning commission could remand the application back for further information and to make a design as to a recommendation to the city council of approval, approval with conditions or denial.

Commissioner Henry requested clarification on Condition 40, regarding the requirement for a geotechnical report. City Administrator Munyan states that a geotechnical critical areas report is required in the case the applicant cannot demonstrate that the steep slopes and associated buffers on Lots 1-4 will not be encroached upon by the disturbance limits of the proposed site. He referenced the plat map's possible future building sites by stating that this is only an estimated building site, that actual home placement will depend on the individual property owner. City Administrator Munyan estimates 1/3 of the property is proposed for conservation to protect critical areas and to mitigate any disturbances.

Commissioner Henry questioned if an archaeological report was required. City Administrator Munyan stated there were no comments from the tribes during the comment period and therefore applies if there are artifacts found on site during construction.

Commissioner Michael Morneault stated the lot sizes calculate to 2.52-acres not 3.02-acres and asked for clarification of the proposed access and traffic circulation.

City Administrator Munyan stated that road access improvements will be within the narrowed 30-foot NW Michigan Avenue right-of-way adjacent to the property. Munyan stated that a typical right-of-way is 50-feet, but because of topographical challenges the city does not have plans on expanding that right-of-way.

### **Applicant Comments**

#### ***Doug Holzman, Representative of Slug's End LLC***

Doug Holzman stated that he has been working on this project for 3-years, is an airline pilot and has lived in Hood River for 30 years, but is looking forward to moving back to White Salmon after the subdivision is complete. He stated that he could have configured the land for more than a 7-lots, but prefers larger lots for nice homes. Holzman stated that he worked with staff throughout the process and that about a third of the land will be placed in a conservation easement.

Holzman clarified that it is his intent is to live on one of the lots and sell the remaining. He stated that the zone-split is news to him as he planned on single-family residential lots.

Staff reviewed the where the zoning splits paralleling NW Michigan Avenue.

Holzman said he plans to put CC&Rs with no HOA.

Dustin Conroy, Engineer, stated the intent of the possible building sites is to show a building site is available on each lot although the lots are encumbered by critical areas. He said the setback requirements are then determined through a site plan during residential construction, that then may require a critical area permit/variance.

Commissioner Henry expresses concern for the proposed limited building area, especially on Lot 4. Staff and Conroy acknowledged the building sites are small because the majority of the property is proposed to be in a conservation easement.

Commissioner Hohensee said the minimum square footage of a home is 600-square feet and that it is speculation as to the size of the proposed home. Staff clarified this is a preliminary review for a recommendation to the council and stated that the applicant must meet all the conditions outlined to complete the subdivision.

**Public Testimony**

***Jim Herman, 351 NW Academy Street , White Salmon WA***

Jim Herman asked if NW Academy Street will be improved and if the proposed roads will become public so that it is snow plowed. Staff answered yes.

***Damon Camp, Property Owner in White Salmon***

Damon Camp stated he lives near the site and wants to assurance that no structures will be built on the natural gas line. He stated that he and the neighborhood are disgusted with how much traffic the project will bring.

***Ken Weaver, 648 NW Anchor Ave, White Salmon WA***

Ken Weaver stated that his property is adjacent to NW Michigan Avenue and he has concerns regarding the habitat, the unique character of the existing neighborhood, the pressurized gas line, the road's width, the road's maintenance, and stormwater flowing onto downhill properties. He does not believe the development should be allowed with that many lots. Staff answered that the developer is responsible for accounting for and capturing any additional stormwater that comes from the proposed impervious surfaces.

***Carlos Cornieles, 690 Academy Ct, White Salmon WA***

Carlos Cornieles stated he has been a resident for 16 years and loves the community. He presented three letters of opposition from his neighbors that were not able to attend. Cornieles summarized the following reasons for opposition: erosion, traffic on NW Michigan Ave both the approval and extension, steepness with inclined weather, traffic pollution of heavy equipment, destruction of the main road and its proximity to the elementary school. He referd to his commentary letter in the packet and stated he disagrees with a few answers on the SEPA checklist.

***Drew Phell, 698 NW Anchor Ave, White Salmon WA***

Drew Phell requested the development be limited to single family residential although the zoning allows for two family development for a portion of the site.

***Rudi Bakke, 668 NW Academy Ct, White Salmon WA***

Rudi Bakke stated he has lived in the neighborhood since 1990 and is neighbors with Carlos Cornieles. He expressed his concern for water runoff as Academy Street is in disrepair with potholes, for the children's safety as traffic increases, and the natural gas line. Bakke said he feels there are too many houses to be built with access by a narrow road. He stated he fears a house may come down the hill with the runoff water.



**Barbara Heyman, Strawberry Mt Ln, White Salmon WA**

Barbara Heyman asked if the planning commission will condition the proposal to single family residential regardless of the split zoning. Staff stated that it will be discussed after public comment.

**Stephanie Huntington, SE Wyers Street, White Salmon WA**

Stephanie Huntington stated she thinks the fee for damaging a tree is vague and that the fine should be the maximum fined. Staff clarified that the fine is referred to by a city code that states the fine of \$5,000 or the appraised value, based on the most recent addition of the Guide for Plant Appraisal, published by the Council of Tree and Landscape Appraisers.

**Rick Bretz, Pucker Huddle, White Salmon WA**

Rick Bretz stated he feels better after hearing some of the comments. He said the natural gas pipeline has strict rules that will be adhered to. Bretz said the drainage will be better because a full drainage plan will be constructed. He stated the development project will include improvement NW Academy Street and NW Michigan Avenue.

**Tao Berman, 445 Strawberry Mt Ln, White Salmon WA**

Tao Berman stated he has noticed that every time somebody tries to do any type of development, the only people who care are those that are against the proposal. He stated that he hears people talk about needing affordable housing but then is opposed to creating more lots. Berman said he believes the proposal complies with city code and commented the developer for preserving 30% of the land when he could have developed denser.

**Rebuttal**

**Dustin Conroy, Applicant's Representative/Engineer**

Dustin Conroy said the gas line company has been notified and the applicant is aware of the requirements to allow a road to be constructed on top of the gas line. He said more lots could have been proposed with even more traffic. Conroy stated that a stormwater management plan and drainage plan report are a requirement and will be adhered to during construction in addition to meeting state requirements for stormwater, construction equipment use, exhaust and noise. He stated that he was surprised about the zoning as his clients intent is for single family residential, but claims the planning commission does not have the authority to restrict the use of denser zoning.

**The public hearing was closed at 8:20 p.m.**

**Further Discussion**

Commissioner Morneault said he has concerns about the sharp turn from NW Michigan onto Sophie Lane. City Administrator Munyan underscores that the platted right-of-way is 30-feet and there needs to be some reasonable use of the property therefore there are different considerations for public road exceptions.

Commissioner Morneault identified a few items missing from the preliminary plat, including: the address and telephone numbers of the LLC and no contour lines. Conroy provided drawings showing contour lines.

Commissioner Stevenson said that it is very nice of the applicant to donate 30% of the land into a conservation easement area, but also recognized that the land is too steep to build on. He asked if the city has any liability in restricting the uses of the land related to potential fire in the future. City Administrator answered that a permit to manage the land for fire purposes will be required to manage under the fire chief's review.

Commissioner Gilchrist stated that he thinks the provided drawings and information regarding stormwater management was well laid out.

Chairman Henry and Holzman clarifies that the projects is for single-family residential and may be restricted through a CC&Rs.

Staff clarified that there are zoning requirements for an R-2 lot to meet during the building permit review; concluding it would be an unlikely to build a tow family dwelling because of the size of the R-2 zoned lots.

**Moved by Tom Stevenson. Seconded by Seth Gilchrist**  
***Motion to recommend approval of Slug's End LLC Subdivision with conditions, adopting the findings of fact and conclusions of law that are identified in the staff report. CARRIED 5 – 0.***

**ADJOURNMENT**

The meeting was adjourned at 8:45 p.m.

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Ross Henry, Chairman

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Erika Castro Guzman, Associate Planner



**CITY OF WHITE SALMON**  
**Planning Commission Meeting - Wednesday, February 05, 2020**  
**DRAFT**

**COMMISSION AND ADMINISTRATIVE PERSONNEL PRESENT**

**Commission Members:**

Ross Henry  
Michael Morneault  
Greg Hohensee  
Seth Gilchrist  
Tom Stevenson

**Staff Present:**

Erika Castro Guzman, City Associate Planner  
Patrick Munyan, City Administrator  
Jan Brending, City Clerk-Treasurer  
Ken Woodrich, City Attorney

**CALL TO ORDER/ ROLL CALL**

Marla Keethler, Mayor, called the meeting to order at 6:00 PM. There were approximately 75 audience members.

**The Planning Commission attended the special meeting with the City Council on February 05, 2020. Full meeting minutes are provided by the City Council Meeting Minutes.**

**ADJOURNMENT**

The meeting was adjourned at 9:09 p.m.

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Ross Henry, Chairman

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Erika Castro Guzman, Associate Planner

**Item Attachment Documents:**

11. Affordable Housing Thresholds



**AGENDA MEMO**

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Affordable Housing Thresholds  
Presented By: Marla Keethler

**Action Required**

Adoption of Affordable Housing Thresholds and, if necessary, additional finding of fact and conclusions of law.

**Motion**

Motion to adopt Affordable Housing Thresholds and amend Ordinance 2020-01-1060, Establishing Residential Development Moratorium.

**Explanation of Issue**

The City adopted Ordinance 2020-01-1060, Establishing a Residential Development Moratorium. The ordinance requires the city council to adopt Affordable Housing Thresholds.

Based on the current median household income for Klickitat County(\$54,056 – US Census Bureau) and using the 28% method for purchase of a home and 30% for renting of a home the following are identified:

Rental Housing Costs (incl. rent & utilities)	\$1,352 per month
Owner Housing Costs (incl. mortgage & utilities)	\$1,262 per month

Using \$1,262 per month and a interest rate of 3.92% for a 30-year mortgage might allow an individual to have a \$270,000 mortgage. This does not include costs for property taxes or homeowner’s insurance. (Note: these are rough numbers. Mortgages can be calculated in several ways.)

The City’s adoption of an Affordable Housing Threshold is to establish thresholds in order to allow property owners to move forward with developments that meet the thresholds during the moratorium and to also be used for future density bonuses if the threshold is met.

Affordable Housing is defined by HUD (U.S. Department of Housing and Urban Development) as income-restricted housing that limits combined resident rent and utility costs to an amount that does not exceed 30% of gross household income. The Low Income Housing Tax Credit and Section 8 rental assistance program both use this 30% formula when determining eligible income limits, maximum rent levels, rental subsidies, etc.

Using an 80% threshold for Affordable Housing – 80% of median household income (\$43,245). The following rent and mortgage prices are established:

Rent	\$1,082
Mortgage	\$1,010 (mortgage of approximately \$213,000)

The proposed language for Affordable Housing Thresholds is as follows:

“The City of White Salmon establishes an Affordable Housing Threshold as 80% of Klickitat County Median Household Income established by the US Census Bureau and as amended in the future by the US Census Bureau.”

**Staff Recommendation**

Staff recommends the City establish an Affordable Housing Threshold as 80% of Klickitat County Median Household Income as established by the US Census Bureau.

# KLICKITAT COUNTY

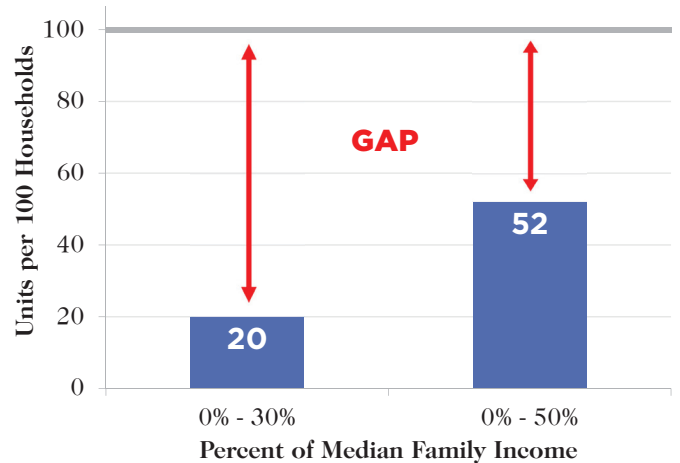
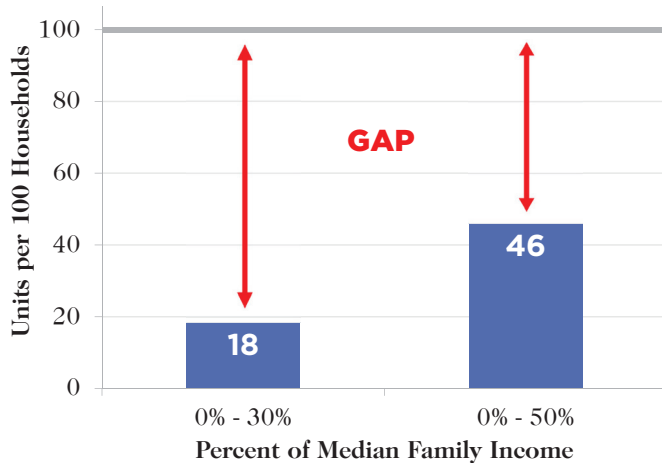


- Population: 20,421
- Area: 1,907 miles<sup>2</sup>
- Households: 8,294
- Median Family Income: \$49,400
- Low-income Renter Households: 1,740
- Subsidized Housing Units: 277

## Affordable Housing Gap

Affordable and Available Housing Units for Every 100 Households

Forecasted Affordable and Available Housing Units for Every 100 Households in 2019



## Housing Market

How Much of the Median Family Income (MFI) Must a Household Earn to Afford Rent?

How Much of the Housing Stock Can the Median Family Income Afford to Buy?

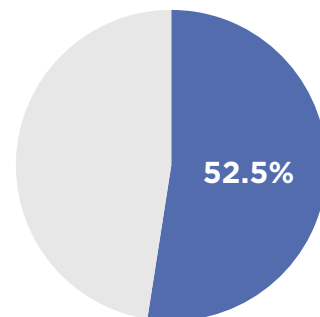
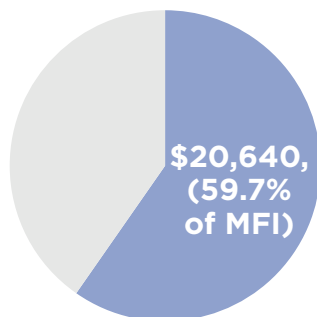
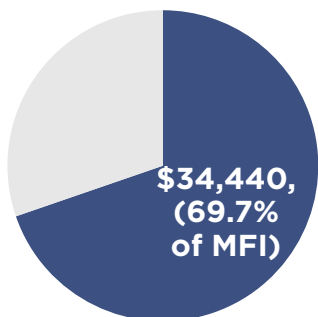
**4 people / 3 bedrooms**

Fair Market Rent: \$861

**1 person / 1 bedroom**

Fair Market Rent: \$516

Maximum Affordable Home Value: \$202,329



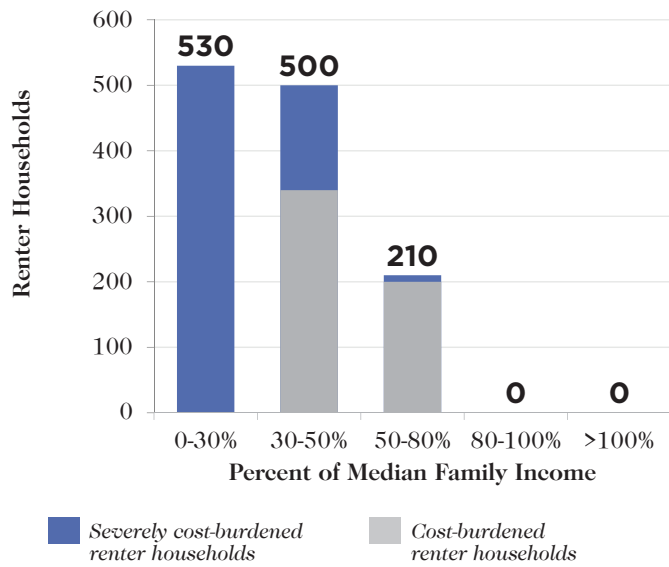
■ required income

■ required income

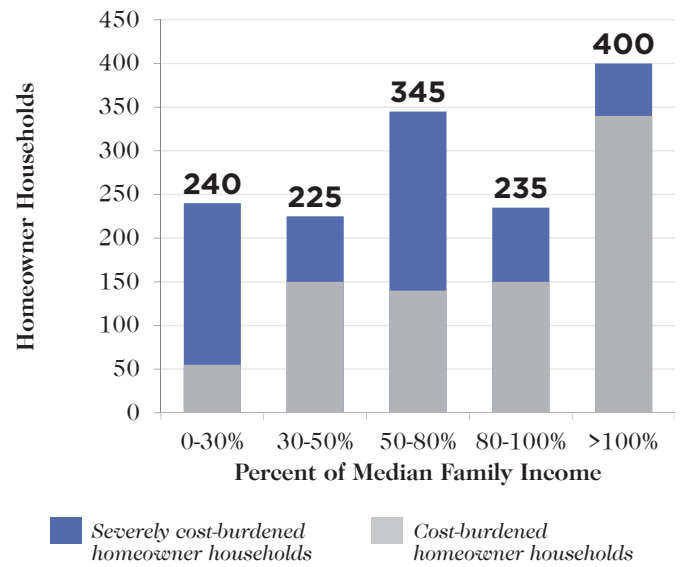
■ % of owner-occupied homes that are affordable

## Cost Burden

### Cost-Burdened **Renter** Households



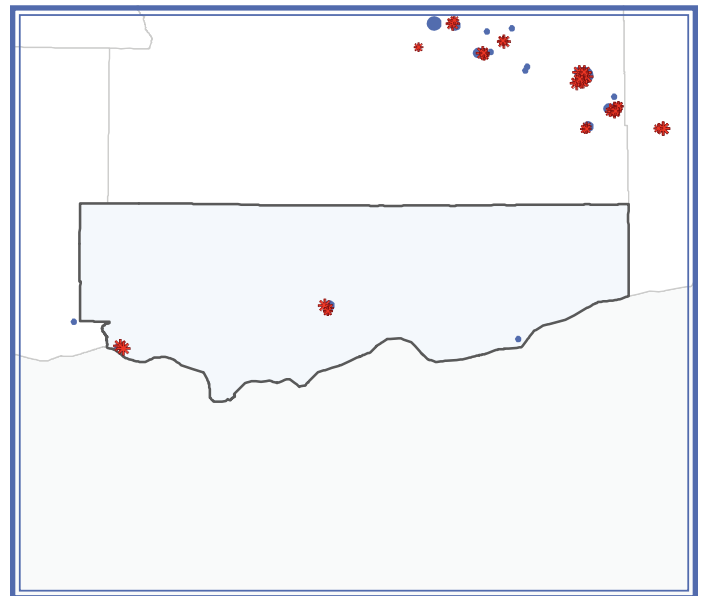
### Cost-Burdened **Homeowner** Households



## Subsidized Housing Inventory

### Subsidized Housing Units, Including Those That Are Scheduled to Expire by 2017

- Subsidized unit
- ✳ Expiring Section 8 or Section 515 unit
- 25 or fewer units
- 26-50
- 51-100
- 101-150
- 151 or more units



### Subsidized Inventory Characteristics

- Sites: 13
- Units: 277
- Section 8/Section 515 units set to expire by 2017: 164

### Are There Enough Subsidized Units for Eligible Renter Households at Different Income Thresholds?

% of Median Family Income	Renter Households	Subsidized Units for Which They Are Eligible*		Units per 100 Households
		#	%	
0% - 30%	665	134	100.0%	20
30% - 50%	645	58	43.3%	9
50% - 80%	430	3	2.2%	1
80% - 100%	260	0	0.0%	0

\* Income eligibility was not available for all units in the inventory



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**Defining Housing Affordability**



Housing costs reflect the price of housing units, neighborhood school quality, public safety, and access to jobs and amenities.

Housing programs in the United States have long measured housing affordability in terms of percentage of income. In the 1940s, the maximum affordable rent for federally subsidized housing was set at 20 percent of income, which rose to 25 percent of income in 1969 and 30 percent of income in 1981. Over time, the 30 percent threshold also became the standard for owner-occupied housing, and it remains the indicator of affordability for housing in the United States. Keeping housing costs below 30 percent of income is intended to ensure that households have enough money to pay for other nondiscretionary costs; therefore, policymakers consider households who spend more than 30 percent of income on housing costs to be housing cost burdened. A panel at the Conference on Housing Affordability, presented by the American Enterprise Institute, Bank of Israel, Board of Governors of the Federal Reserve System, Tel Aviv University, and the University of California at Los Angeles, focused on this measure of housing affordability. The panel, chaired by Susan Wachter, professor of real estate and finance at the University of

Pennsylvania, explored the causes and consequences of high housing cost burdens and the challenges associated with the 30 percent of income affordability threshold before presenting an alternative method of measuring housing [affordability](#).

**High Housing Cost Burdens**

Housing cost burdens have greatly increased for low- and moderate-income renter households since the 1960s. Gary Painter, professor and director of social policy at the University of Southern California, pointed out that approximately 80 percent of renter households in the lowest income quintile and 60 percent of households in the lower-middle income quintile were cost burdened in 2014, paying more than 30 percent of household income for rent. These high housing cost burdens can reflect distinct economic issues. Raphael Bostic, professor and chair for the Department of Governance, Management and the Policy Process at the University of Southern California, highlighted how housing supply constraints and lags, declining or stagnating household incomes, or a combination of those conditions can result in housing costs that are high relative to income. Painter noted that in some areas, high housing cost burdens may result from stable housing costs coupled with declining household incomes, whereas in other areas, high housing cost burdens may be driven by housing costs increasing more quickly than household [incomes](#).

When the costs of available housing options in an area are high relative to household income, households may need to make tradeoffs, says Painter. In an effort to curb high costs, households may choose housing that is far from employment centers and would require long commutes or share housing with other households, which could lead to overcrowding. Alternatively, households might reduce spending in other areas, such as transportation, health care, food, and education, to offset high housing [expenditures](#).

**Percent of Income Standard for Housing Affordability**

Accurately understanding housing cost burdens is essential to determining the scope of housing needs and ensuring that families can afford other nondiscretionary costs, but defining affordability in terms of a percentage of household income creates challenges. According to Painter, housing costs reflect more than just the price of housing units alone; these costs also account for neighborhood school quality, public safety, and access to jobs and amenities. The percentage of income standard for housing affordability may not fully consider the effects of housing and neighborhood quality. Housing that may appear affordable based on cost alone, for example, might be far from employment centers, increasing the percentage of income a household dedicates to transportation. A household may also choose a low-quality housing unit or a low-opportunity neighborhood to reduce housing costs. As a result, the conventional measure of affordable housing may underestimate the number of households who are burdened by combined housing and transportation costs as well as the number of households in need of quality affordable [housing](#).

Before introducing an alternative way to measure housing affordability, Danny Ben-Shahar, senior lecturer at Tel Aviv University, also noted that the percentage of income measure, as well as the housing price-to-income ratio that is used to determine the affordability of homes for purchase, may not provide insight into households' preferences and housing consumption relative to their peer groups. For example, households with higher incomes may voluntarily choose more expensive housing, which makes their housing costs appear less affordable, whereas households with lower incomes may do the opposite, choosing housing that is smaller, further away from employment centers, or less well maintained, which makes their housing costs appear more affordable. Thus, the conventional measure of housing affordability may overestimate housing affordability issues for higher-income households and underestimate these issues for lower-income [households](#).

**An Alternative Way to Measure Housing Affordability**

Ben-Shahar presented an alternative to the traditional housing price-to-income approach that accounts for variations in household incomes and preferences. Ben-Shahar and his colleagues used location and demographic data to create median housing "consumption bundles" for groups that represent a specific set of demographic characteristics for a particular location. Each household was then matched with the median consumption bundle for its group to calculate a standardized price-to-income ratio. Using this method across a sample of major and tertiary metropolitan statistical areas (MSAs) in the United States, Ben-Shahar and his colleagues found substantially lower levels of housing affordability than those detected by the traditional measure of [affordability](#).

Ben-Shahar and his colleagues also examined inequality in affordability, or differences in housing affordability across individuals and groups, using the conventional and standardized measures of affordability. They found that the standardized measure revealed higher affordability inequality between households with and without college-educated heads of households, between black and white households, and between renter and owner households in the studied [MSAs](#).

**Ensuring Affordability**

In addition to meeting the basic need for shelter, housing can also be a component of efforts to promote positive life outcomes for low- and moderate-income families. Research shows that affordable housing has the capacity to help improve residents' health, access to education, and employment prospects. Conversely, high housing cost burdens are associated with negative life outcomes such as [declines in mental health, reduced parental involvement spending, and academic achievement for low- and moderate-income children](#).

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declines in mental health, reduced parental enrichment spending and cognitive achievement for low- and moderate-income children, and reduced educational attainment among children. Ensuring that policymakers define housing affordability in a way that allows families to obtain quality housing and comfortably pay other nondiscretionary costs is important to helping those families thrive.

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September 2018

Working Paper 18-04

FEDERAL HOUSING FINANCE AGENCY  
Division of Housing Mission & Goals  
Office of Policy Analysis & Research  
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*We are grateful for feedback and comments provided by Nadia Evangelou, Josh Geyer, Rose Quint, Ian Keith, Daniel Coates, Thomas Daula, and Sam Frumkin.*

## A New Home Affordability Estimate: What Share of Housing Stock Can Families Afford?

Chi-Cheol Chung, Andrew V. Leventis, William M. Doerner, David Roderer, & Michela Barba  
FHFA Staff Working Paper 18-04  
September 2018

### Abstract

We offer a new home affordability estimate (HAE) that focuses on the share of housing stock that is affordable to certain households in the United States. The methodology considers affordability as it relates to funds available for down payments, initial monthly housing-related payments, and future projections of household income and costs. The HAE builds upon existing industry statistics in two ways. First, existing affordability indexes make certain assumptions for one or more of those funding factors. We can observe actual investment and expense values. Second, existing industry statistics consider “typical” families that earn the median household income level. The HAE is sufficiently more flexible for evaluating families at different places in the income distribution. This paper discusses the assumptions and processes for creating the HAE indexes; compares the national time series for very low-income, low-income, and median-income families; and then documents trends across metropolitan areas. We offer the data for public usage and leave commentary about implications to future research.

**Keywords:** affordability, housing, mortgage, personal finance, real estate

**JEL Classifications:** C43 • D14 • D31 • R21 • R31

Chi-Cheol Chung  
Federal Housing Finance Agency  
Office of Policy Analysis & Research  
400 7<sup>th</sup> Street SW  
Washington, DC 20219  
[chi-cheol.chung@fhfa.gov](mailto:chi-cheol.chung@fhfa.gov)

William M. Doerner  
Federal Housing Finance Agency  
Office of Policy Analysis & Research  
400 7<sup>th</sup> Street SW  
Washington, DC 20219  
[william.doerner@fhfa.gov](mailto:william.doerner@fhfa.gov)

Michela Barba  
Federal Housing Finance Agency  
Office of Policy Analysis & Research  
400 7<sup>th</sup> Street SW  
Washington, DC 20219  
[michela.barba@fhfa.gov](mailto:michela.barba@fhfa.gov)

Andrew V. Leventis  
Federal Housing Finance Agency  
Office of Policy Analysis & Research  
400 7<sup>th</sup> Street SW  
Washington, DC 20219  
[andrew.leventis@fhfa.gov](mailto:andrew.leventis@fhfa.gov)

David Roderer  
Federal Housing Finance Agency  
Office of Policy Analysis & Research  
400 7<sup>th</sup> Street SW  
Washington, DC 20219  
[david.roderer@fhfa.gov](mailto:david.roderer@fhfa.gov)

## 1. Introduction

Housing affordability is an often-mentioned concern when describing the current health and future outlook of real estate markets. Affordability plays a critical role in qualifying a borrower in the purchase of a home. “What can I afford to buy?” is among the first questions a prospective home buyer asks herself.<sup>1</sup> There are numerous “rules of thumb” on what one can afford, ranging anywhere from 2 to 2.5 times to as high as 4 to 5 times a person’s annual salary.<sup>2</sup> Online calculators, found on websites like Zillow, Redfin, Trulia, and Realtor.com, offer to output an affordable home price (or a range of them) based on user inputs. The required user inputs vary, but all of the interfaces require a minimum of three inputs—income, debt, and down payment. Some of the calculators have advanced options to refine individual inputs or consider specific geographic locations. The tools may differ in complexity but they share a simple goal of providing an output value that is, purportedly, affordable to a potential homebuyer.

At a more macro level, housing analysts and researchers examine affordability trends over time, with a keen interest in urban areas with constrained supply and rapidly rising house prices.<sup>3</sup> Several industry participants already construct affordability statistics in the United States. For example, the National Association of Realtors® (NAR) Housing Affordability Index (HAI) measures the share of income that a “typical” family has to purchase a median-priced home.<sup>4</sup> With the HAI, a value of 100 indicates that a family has the necessary income to purchase a median-priced home, and a value of 125 indicates that a household has 25 percent more income than required to purchase a median-priced home. In general, values greater than 100, indicate that more typical families can afford to purchase a median-priced home, while lower values indicate more constrained affordability (i.e., fewer typical families can afford a typical home).

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<sup>1</sup> This paper concentrates on affordability as it relates to financial means for purchasing a house. We acknowledge that rental affordability could be a complementary concern. The decision is driven out by access to extensive resources on house price transactions and mortgages but very limited rental data. The share of renters varies across income distributions and areas in the United States, which makes it ripe for research but outside our scope.

<sup>2</sup> CNN Money and Investopedia suggest the lower range whereas Lending Tree, the now-defunct Washington Mutual Bank, and others, have recommended as high as 4 to 5 times a prospective borrower’s gross annual income.

<sup>3</sup> This paper focuses on the technical steps to creating an affordability index and does not delve into the academic literature. Interested readers might refer to the list of further related reading at the end of the manuscript.

<sup>4</sup> A “typical” family is defined as making the area median income by NAR and other industry participants.

This paper aims to build upon existing industry statistics and it extends the coverage of home affordability estimates across the United States. To foreshadow, we select two areas where we believe improvements are possible with detailed financial and mortgage data.

First, other estimates calculate the share of housing stock that a family can afford. Regardless of whether an index examines income available to purchase a home or the share of affordable housing stock, available statistics often focus on affordability for a typical family. Few of the existing industry indexes consider how low-income families fare in the housing market.

Second, most of the existing affordability estimates proxy, by way of broad-based assumptions, for critical affordability factors. For instance, it is common to assume a certain availability of funds for making a down payment. The NAR's HAI utilizes a 20 percent down payment for all households. As another example, simple ratio-based assumptions are commonly used to determine whether monthly payments are affordable given other households expenses. Ratios might reflect the belief that actual expenses should not exceed 25, 28, or 30 percent of gross income. Finally, to our knowledge, none of the existing estimates have a "look ahead" component. Why is this important? The current approaches calculate whether monthly payments are affordable at the inception of the loan but not do consider affordability shortly thereafter when borrowers might face resets to property taxes, insurance, or other expenses.<sup>5</sup>

This paper presents a new home affordability estimate (HAE) that focuses on the share of housing stock that is affordable to certain households.<sup>6</sup> We offer two potential improvements to existing industry estimates. First, we utilize actual investment and expense values and improve upon assumptions about funding factors. The HAE index relies on real contemporary and historical data on income, debt, and funds available for down payments. Second, our methodology allows us to

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<sup>5</sup> One of the riskiest periods of a loan is in its first 60 to 90 days. An inability to pay the future mortgage payments is an obvious risk factor for immediate default and a potential put-back. Although not as likely today, immediate put-backs did occur a decade ago when underwriting and origination standards were looser.

<sup>6</sup> Affordability in this paper implies affordability in terms of homeownership and does not include rental affordability. The share of housing stock is based on all single-family homes in an area instead of the flow of properties that are listed for sale or that have sold recently. By focusing on the entire housing stock, our calculations are less susceptible to issues with seasonality and volatility but they may not always reflect an ability to purchase available properties, especially when there is a low percentage of new or existing homes for sale. To be abundantly clear, our estimate reflects affordability for a typical household in a certain area and a particular income group during a given period; it does not track individual homeowners or their actual wealth, income, and expenses.



evaluate families at other places in the income distribution that might not reflect a typical household. We produce affordability estimates for both median-income, low-income, and very-low-income households, but our approach can determine affordability for households of any income level.<sup>7</sup> With those two contributions, the general production process offers improved accuracy and increased granularity for measuring affordability concerns. The HAE data are available for public download as quarterly indexes for the nation and metropolitan markets at <https://www.fhfa.gov/hae>. Comments and feedback are welcome via [HAE@fhfa.gov](mailto:HAE@fhfa.gov).

The paper has six sections. In Section 2 we consider features of existing affordability statistics and compare to our new home affordability estimate. In Section 3 we outline the general steps and underlying processes for generating our new affordability estimate. In Section 4 we discuss key assumptions and important data calculations. In Section 5 we present our new home affordability estimate and discuss findings at national and metropolitan levels. Concluding remarks are provided in the last section.

## **2. Features of Existing Affordability Statistics**

Affordability estimates are available from both public and private sources.<sup>8</sup> Generally, these estimates assess affordability to a typical family while not addressing affordability to lower income families. For example, the NARHAI assesses the share of income a typical family has to purchase a typical home. Other common industry statistics include the National Association of Home Builders / Wells Fargo Home Opportunity Index (NAHB HOI) and the California Association of Realtors (CAR) Housing Affordability Index (HAI). Those sources concentrate on the share of available affordable housing stock (rather than available income to purchase a home), but they still examine affordability options of typical families.

Another prominent estimate is the U.S. Department of Housing and Urban Development (HUD) Location Affordability Index (LAI), which combines housing and transportation costs, and

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<sup>7</sup> For the purposes of the methodological descriptions we focus on three income groups that are most prominent in policy programs and affordability discussions. Definitions do vary across the industry. Future paper and data updates could offer additional groupings, or focus on distribution percentiles, and we welcome input on use cases.

<sup>8</sup> Such industry statistics are listed under “useful websites” at the end of this paper.

provides affordability data for various income brackets. One of the key features of the HUD LAI is that it uses data on homes that have already sold, instead of examining the total inventory of homes in assessing affordability. In addition, it is a backward-looking approach and model-driven. For instance, the most recent estimates calculate the expected housing cost of families living at a location between 2010 and 2014.

One of the common methodologies of these indexes is that the down payment amount, likely the single largest expense for many families seeking homeownership, is assumed and not observed. The HUD LAI and other affordability estimates rely on the availability of funds for making such a payment. To provide a further complication, the assumed amount varies by index. For instance, the NAR HAI assumes borrowers have funds available to make a 20 percent down payment, while the NAHB HOI uses a 10 percent down payment assumption.

A newer index by NAR partnered with REALTOR.COM, the REALTORS® Affordability Distribution Curve and Score (ADC), considers the affordability of low-income households in addition to other income groups. It evaluates the share of affordable housing stock across different income percentiles, including low-income families. Like the other estimates, the REALTORS ADC assumes the existence of funds for making a down payment. However, instead of using a fixed down payment assumption, the approach uses statistics from actual borrowers—individuals who already qualified for and obtained mortgages. Although that calibrated down payment information could potentially estimate down payment assumption more accurately over more arbitrary down payment assumptions, the ADC index applies the same assumption for families across all income brackets.

In addition to down payment assumptions, existing affordability indexes are constructed using initial monthly payment determinants, such as income, mortgage rates, and house prices. To our knowledge, however, industry statistics do not directly measure non-housing expenses. Rather, ratios or models are used to determine whether households have sufficient financial wherewithal to pay all their bills. For instance, the NAR HAI assumes housing expenses are 25 percent of gross income while the NAR ADC assumes 30 percent. The NAHB HOI uses ratio-based housing



expenses of 28 percent. On the other hand, the HUD LAI forgoes ratios to compute model driven housing expenses for different household profiles.

Upon reflection, existing statistics often share two assumptions that could be more flexible: their values are meant to reflect a typical family or a median-income household, and they assume the outcomes of important financial decisions (like down payment amounts or how much monthly income should be devoted to housing). On the other hand, we design our new HAE approach to improve upon existing indexes and offer additional flexibilities in *how* and *where* affordability is calculated. While the HAE and existing statistics assess affordability for a typical household, our new index can offer data about low-income and other households. We directly estimate funds available for down payment, monthly payment factors, and non-housing expenses utilizing real data. Finally, unlike existing industry statistics that do not consider the sustainability of payments over time, the HAE incorporates future expenses for housing and non-housing expenses in addition to projected income trends.

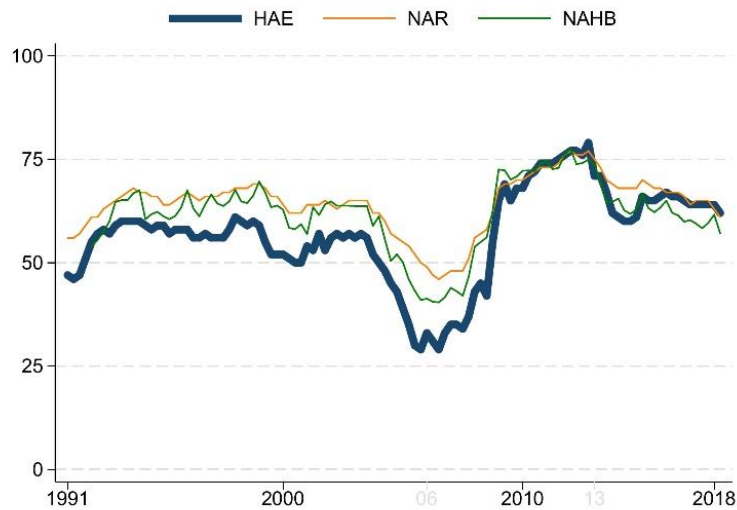
Although foreshadowing our resulting index, Figure 1 graphs the HAE with the main existing industry statistics and that helps motivate the discussion about why we chose the particular modeling processes as described in the next section. Panel (a) compares the median-income HAE with the NAR HAI equivalent and NAHB HOI indexes for the United States.<sup>9</sup> The three indexes trend similarly overtime; however, the HAE is relatively lower on average due in part by our methods to estimating inputs based on real data and consideration of future affordability. By the end of 2006, the affordability values reach the lowest levels across all three indexes but the HAE is lower than the other two representative indexes as a result of the increase in projected future housing expenses. Panel (b) illustrates the processes to construct the HAE and we consider each of these steps in detail in the next section.

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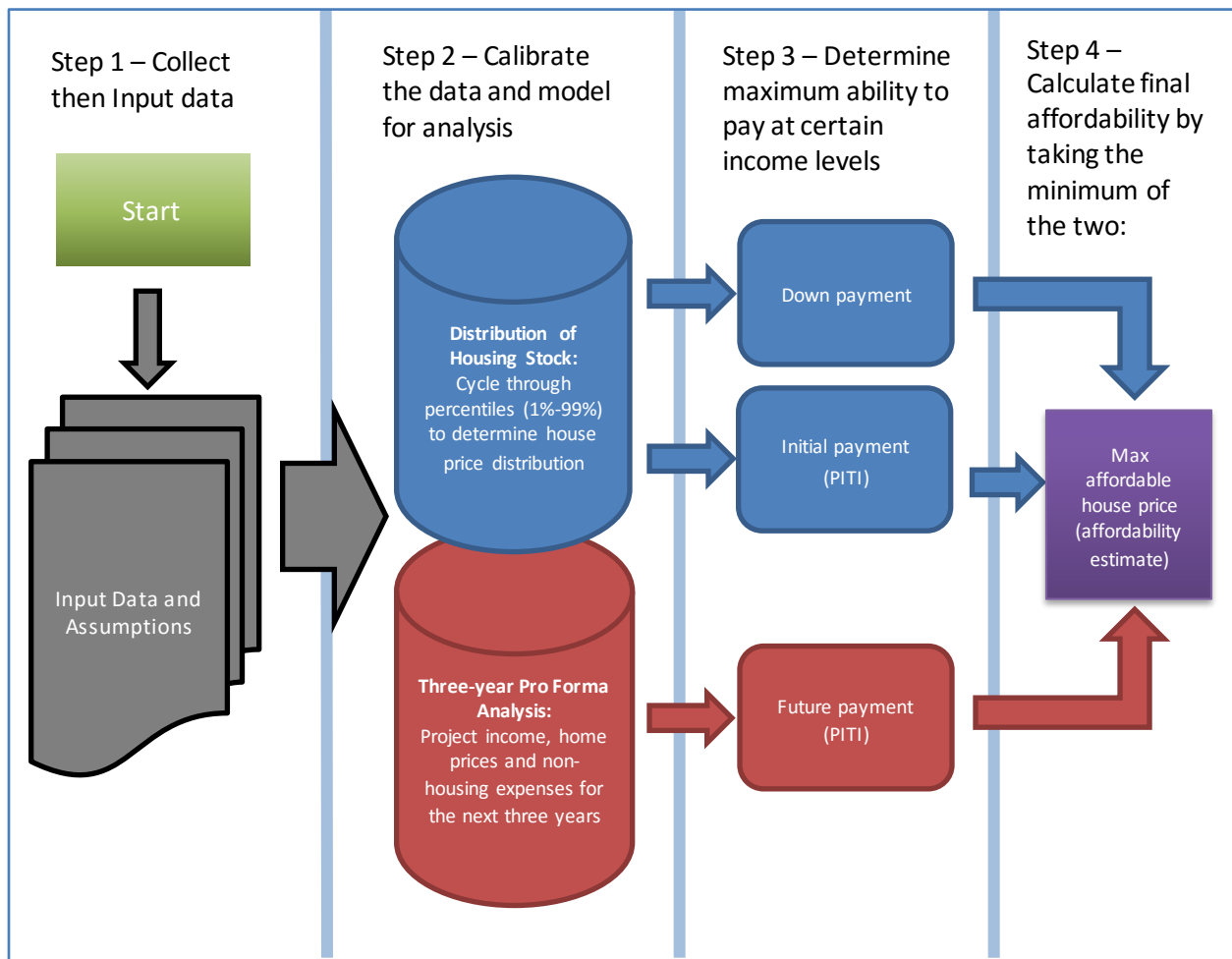
<sup>9</sup> NAR HAI calculates affordability based on share of income that a typical family has to purchase a median-priced home. We convert NAR HAI by applying a few key assumptions such as a 20 percent available down payment, a 25 percent cap on principal and interest of PITI, and “at origination” approach to our HAE to reverse engineer and construct NAR HAI equivalent index based on housing stock.

**Figure 1:** Making a new home affordability estimate

(a) Comparing HAE with other equivalent indexes



(b) Process flow of modeling the HAE index



### 3. General Steps and Processes

Several distinct processes guide the production of the HAE. Figure 1(b) models the flow with four general steps: collection, calibration, determination, and calculation. Steps are discussed below.

#### *Step 1 – Collect then input data*

We gather, input, and transform data into our model. These include, but are not limited to, house prices, income levels, available funds (for down payment), mortgage rates, and growth rates for future payments. Table 1 displays the variables, lists their sources, and briefly mentions assumptions or comments about the inputs with more discussion following in subsequent sections. The data are gathered from those primary sources, stored on a UNIX server, merged together by Metropolitan Statistical Area (MSA) and quarterly observation period from 1991 to 2018, and then modeled with the SAS software suite as noted below.<sup>10</sup>

#### *Step 2 – Calibrate the data and model for analysis of available housing and ability to pay*

An advantage of the HAE approach is that it offers flexibility to examine affordability at various points of the distribution of household income. To calculate housing stock, we need to calibrate house price distributions. A series of code is run for nearly 400 metropolitan areas from 1990 to present time. The loop generates percentiles of home prices from 1 to 99 percent of the housing stock, assuming normal distributions specified by the mean and standard deviation of the local geography.<sup>11</sup> This will enable us to understand whether a borrower could afford a particular house at a current moment. We also are interested in whether such a borrower will be able to remain in good financial standing shortly after beginning loan payments. To conduct a pro forma analysis, we need forecasted information about future income, home prices and non-housing expenses. Each series is projected out three years (12 quarters) at the MSA level.

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<sup>10</sup> We follow MSA delineations and codes issued by the Office of Management and Budget (OMB). According to the OMB, an MSA is the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration. The most recent bulletin (from April 2018) is available online at <https://www.whitehouse.gov/wp-content/uploads/2018/04/OMB-BULLETIN-NO.-18-03-Final.pdf>.

<sup>11</sup> This assumption may be relaxed in revised versions of this paper and after we have performed additional statistical tests. House prices do not necessarily follow normal distributions, especially when they may be impacted by non-market price controls (e.g., conforming loan limits, property tax exemptions, or land use regulations).

**Table 1:** Data sources and assumptions

Variable	Data Source	Assumptions/Comments
Funds available for down payment	<p>Survey of Income and Program Participation (SIPP) topical modules including Economic Stimulus, Assets &amp; Liabilities, Real Estate, Shelter Costs, Dependent Care, &amp; Vehicles, Interest Earning Accounts, Rental Property, Stocks &amp; Mutual Fund Shares, Mortgages, Other Financial Investments, and Value of Business.</p> <p>Median financial assets for households in second income quintile from Federal Reserve’s Survey of Consumer Finances (SCF).</p>	National number available for each panel. Metropolitan Statistical Area (MSA) estimate is derived as national number multiplied by the income ratio of the local median income to national income from HUD.
Down payment requirement	Federal Housing Administration (FHA) minimum.	3.0 percent until 2008, 3.5 percent thereafter.
Income	HUD’s median family income estimates based on ACS and Consumer Price Index (CPI) forecast by the Congressional Budget Office (CBO).	<p>HUD’s MSA median household income estimates for median-income.</p> <p>No greater than 80 percent of HUD’s MSA median household income estimates for low-income.</p> <p>No greater than 50 percent of median household income estimates for very low-income.</p>
House price and distribution of housing stock	Federal Housing Finance Agency (FHFA) House Price Index (HPI) sourced from transactions in county records, mortgages insured or guaranteed by FHA, and mortgages	Home values are assumed to be normally distributed.

	acquired by Fannie Mae and Freddie Mac (the Enterprises).	
Loan amount	FHFA HPI sourced from county records, FHA, and the Enterprises.	97 percent of home value until 2008, 96.5 percent of home value thereafter.
Mortgage rate	FHFA Mortgage Interest Rate Survey (MIRS).	30-year fixed rate mortgage.
Property tax rate		1.15 percent of home value, average effective tax rate.
Homeowner's insurance		0.35 percent of home value, rough estimate based on Federal Reserve's rule-of-thumb of \$3.50/\$1,000.
Non-housing expenses	Housing cost burden from HUD's Housing Affordability Data System (HADS) sourced from American Housing Survey.  Personal savings from Bureau of Economic Analysis (BEA).	Non-housing expense is residual income net of housing cost burden. Non-housing expense ratio is non-housing expense divided by income.
Income growth	HUD's median family income estimates.  SIPP core data.  Federal Reserve's SCF.	Expected income growth rate is rolling five-year average. Income estimates from HUD and observe income growth rates of these income cohorts from SIPP and SCF. Three-year look ahead window.
House price growth	FHFA HPI sourced from county records, FHA, and the Enterprises.	Expected house price growth rate is five-year average growth rate for each MSA. Three-year look ahead window.
Non-housing expenses growth	BLS Consumer Price Index.	Expected non-housing expenses growth rate is five-year average growth rate of inflation. Three-year look ahead window.

***Step 3 – Determine maximum ability to pay at certain income levels***

The ability to pay depends on a tradeoff between what an individual can afford financially and what is available to purchase. Concretely, the maximum affordable percentage of housing stock is based on funds available for down payment, initial payment, and future payment. We create these values in two ways. First, we calculate the maximum house price affordable for each MSA given specific funds available for down payment and the initial payment. We determine the maximum affordable percentile from the model generated distribution based on the FHA minimum requirement for down payment and estimated funds available for down payment. Then, we calculate the initial payment of principal, interest, taxes, and insurance (PITI) based on each MSA specific income, non-housing expenses, loan amount, mortgage rate, property taxes, and home insurance premium derived from house prices for each percentile of the housing stock. The maximum affordable percentile is the highest percentile of housing stock, which has positive residual income net of housing and non-housing expenses. We refer to this as the “at origination” approach. Second, we repeat the same iterative process for future payments subject to projections in income, home prices, and non-housing expenses. If future affordability is less than initial affordability based on PITI calculations for a respective period, the maximum affordable percentile is adjusted downward to the maximum affordable percentile taken from future payments. This is referred to as our “future affordability” approach.

***Step 4 – Calculate final affordability***

Final affordability is an outcome for a respective period for each MSA where we select the minimum of the two maximum affordability estimates as derived from the “at origination” approach and the “future affordability” approach. The national affordability index is produced by aggregating MSA affordability values with weighted averages of MSA shares as a percentage of total share of housing stock. The next section explores the details behind the specific assumptions leading up to this last step.

## **4. Key Assumptions and Important Data Calculations**

Affordability can be calculated in various ways. The HAE considers a home is affordable if:

- (a) the household has sufficient funds to make the down payment;

(b) at the time of loan origination, income is sufficient to cover housing-related and non-housing expenses; and

(c) forecasts from historical trends suggest that future household income will be sufficient to cover future housing and non-housing expenses. A three-year look-ahead period is examined given the uncertainty associated with forecasting trends for distant periods.<sup>12</sup>

Using the above definition, we estimate the *share* of the housing stock in the local area that is affordable. The geographic location is defined as the metropolitan area where a home is located. The magnitude of an affordable index reflects its affordable stock. To be clear, a value “25” would indicate that roughly 25 percent of the housing stock is estimated to be affordable.<sup>13</sup> We refine this definition another degree by constructing indexes for the typical median-income household and for two types of other households.

### ***Household income***

We begin with household income data published by the HUD in determining whether a home is affordable.<sup>14</sup> The data are published on a yearly basis back to 1990 for individual MSAs.<sup>15</sup> To demonstrate that our affordability estimate could reflect different points in the income distribution,

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<sup>12</sup> Shorter or longer look ahead periods could have been used. Shorter periods would have less uncertainty, but would fail to flag cases in which the mortgage will likely become unaffordable soon after origination. Longer periods would entail more forecast uncertainty, both in modeling and unforeseen behavioral changes. Indexes using a 0-year (no look ahead) and 3-year look ahead are shown later in Figure 6. Based on our sensitivity analysis modeling additional look ahead periods between one- and seven-year windows, our preliminary results suggest that beyond four years, we observe counterintuitive results where the very low-income group’s affordability is sometimes higher than the median-income group. For internal consistency, we use a three-year look ahead period. Potential negative shock episodes become more probable over longer periods. A modeling concern is that low-income households could be more likely to remain unemployed after suffering a job loss. The future income streams assume employment over three years, which is less likely during recessionary periods. For behavioral changes, demographics can evolve in ways that affect income streams and household formation. News stories have linked lower homeownership rates of millennial cohorts with increased educational debt and lower marriage rates. Our methodology estimates affordability of households who are fundamentally able to pay the necessary obligations and, as such, we ignore any zero income and wealth during the sampling process. This also implies that our model does not account for levels and changes in certain macro-economic conditions such as unemployment, population, and household formation, which could influence affordability. Finally, we do not presently account for potential changes to household size.

<sup>13</sup> This number does not mean households that *could* afford to buy such housing stock would actually *want* to do so. Even if they were able to purchase a house, low-income households may prefer paying rent instead of a mortgage because rentals have less hassles, more amenities, nicer locations, or better mobility.

<sup>14</sup> Data come from the HUD’s income limits that determine eligibility for various assisted housing programs. HUD develops income limits based on median family income estimates and fair market rent area definitions for each MSA, parts of some metropolitan areas, and each non-metropolitan county.

<sup>15</sup> Some missing MSA-level income data are derived by applying Moody’s income ratio to the national median family income from HUD for each missing MSA. Moody’s income ratio is defined as MSA median income divided by national median income.

we define income groups as representing “median-income”, “low-income”, and “very low-income” households. A median-income household’s earnings match the HUD’s MSA median household income estimates. Low-income households and very low-income households earn no greater than 80 percent and no greater than 50 percent of the median income, respectively.<sup>16</sup>

As mentioned before, existing estimates do not consider the sustainability of payments over time but adjustments can happen where income and costs are not the same as they were at mortgage origination. A borrower’s ability to make future monthly mortgage payments may be impacted by shifts in housing or non-housing related expenses. We address this potential issue using a residual income approach, where the future residual income is the remaining income after subtracting future non-housing expenses and future principal, interest, taxes, and insurance (PITI) payments from expected future income. Then, we run our pro forma model for every quarter using a three-year look ahead window to determine the residual income during these forecasted periods.<sup>17</sup>

To estimate expected future income, we start with the SIPP core data files. These core data files consist of four survey panels with each panel tracking several years of survey participants’ data. We perform two tasks. First, to capture the correct sample for median-, low-, and very low-income households, we create a range of household income values in the beginning of each survey panels based on HUD’s income data. We assume median-income household to be survey participants who reported household income of HUD’s national median family income plus or minus 10

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<sup>16</sup> As mentioned earlier, we could have selected a different percentage, or even a certain percentile of the income distribution. A variety of programs (e.g., public housing, housing vouchers, low-income housing tax credits) have eligibility criteria that are based on certain fractions of area median income (AMI) or individual income limit. The HUD have income limits that determine the eligibility for assisted housing programs. They are based on HUD estimates of median family income broken into the following four categories: AMI, low income as defined by no greater than 80 percent of AMI, very low income as defined by no greater than 50 percent of AMI, and extremely low income as defined by no greater than 30 percent of AMI. AMI does not reflect the number of persons in the household but the other three categories do have adjustments. We analyze the low-income and very-low income equivalent for demonstrative purposes and we do not adjust for household size. Future data releases may include additional cuts for users to choose an index that best fits a program’s definition.

<sup>17</sup> Commonly believed average life of a mortgage is between three to seven years. We use a three-year look ahead period for our analysis. Several data sources help determine growth in expected household income and costs. To calculate residual income, we rely on the United States Census Bureau’s Survey of Income and Program Participation (SIPP), HUD’s area median income, U.S. Department of Commerce Bureau of Economic Analysis’ (BEA) GDP & Personal Income, U.S. Department of Labor Bureau of Labor Statistics’ (BLS) Consumer Price Index, and Federal Housing Finance Agency’s (FHFA) House Price Index (HPI).



percent.<sup>18</sup> Similarly, we assume low-income and very low-income as participants who reported household income of no greater than 80 percent and 50 percent of the national median family income plus or minus 10 percent, respectively. Second, for each survey panel, we track median-, low- and very low-income households longitudinally to observe the change in income for these households. Then, we merge all four panels and interpolate the missing data:

- For the missing periods before the first quarter of 1997, we assume an annual income growth rate of 3 percent.
- For the missing periods after the fourth quarter of 2014, we derive the income growth rate from the Federal Reserve's SCF.<sup>19</sup>

Finally, we smooth out the income growth rate with rolling five-year averages. Then, we apply these rates for the corresponding quarters as their income growth rates.<sup>20</sup> Figure 2 has several panels that display time series for future payment input growth rates. Panel (a) shows the future income growth rates for both the median-income and the low-income families. Both groups exhibit similar patterns but the low-income growth rate is slightly higher and appears to be a leading indicator. The graphic only shows positive expected future income growth rates for the last 25 years.<sup>21</sup>

### ***Housing-related expenses***

When determining the cost side of affordability, we begin by calculating the likely mortgage payment, including taxes and insurance. To find principal payment, we estimate the overall loan amount with the assumption of a 3.5 percent down payment and a 30-year fixed rate mortgage to

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<sup>18</sup> We do not observe significant differences in results using wider calibration bands of plus or minus 25 percent and 50 percent. However, using a wider calibration band creates ranges that overlap and risks double-counting participants as we produce indexes for similar shares of AMI.

<sup>19</sup> Initial calibration values come from the Federal Reserve Board's Survey of Consumer Finances Table 1 (drawing from before-tax family income, percentage of families that saved, and distribution of families by selected characteristics of families, 2001–2016 surveys, 20-39.9 percentile of income, and median income).

<sup>20</sup> To reiterate, we calculate the household income in two steps that incorporates current and future income. First, we take income from the HUD from 1990 to current as a baseline level for all the MSAs. These levels are used for affordability at origination. Second, we adjust for the repayment affordability by multiplying the baseline income by the income growth rates derived from the other data sources mentioned above (SIPP, Federal Reserve's SCF). The adjusted levels represent future income that is used for future affordability estimates for repayment affordability or our look ahead models.

<sup>21</sup> Future methodological revisions may consider sensitivities to other forecasting methods and projections. When using a longer look ahead window, like a five-year instead of a three-year window, there is an increased influence on the final affordability metric but that comes with greater model risk which might not be as desirable.

Figure 2: Future payment input growth rates

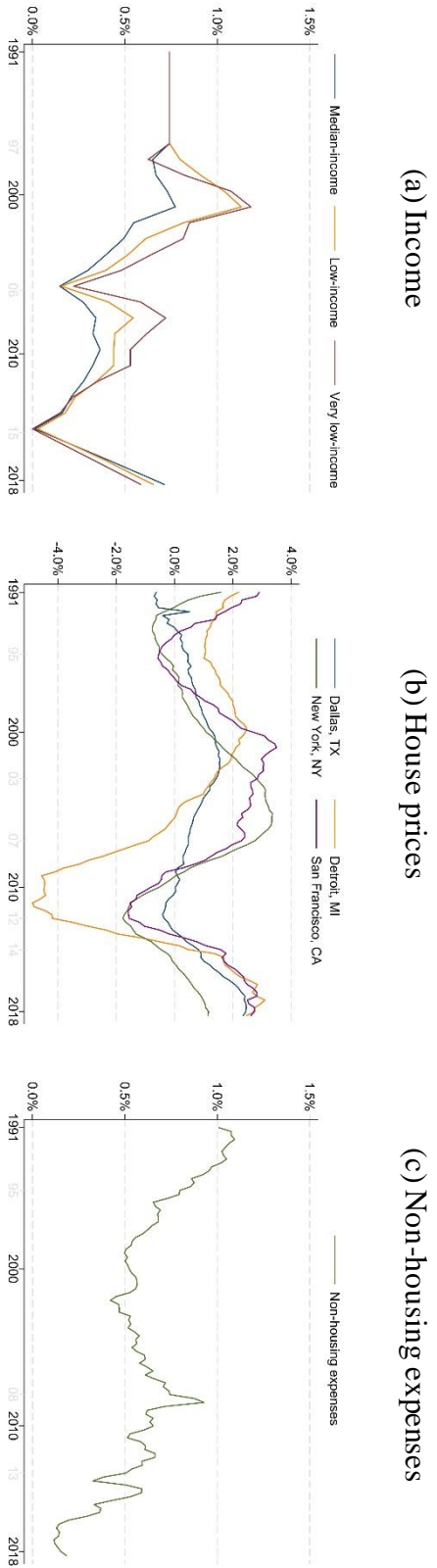
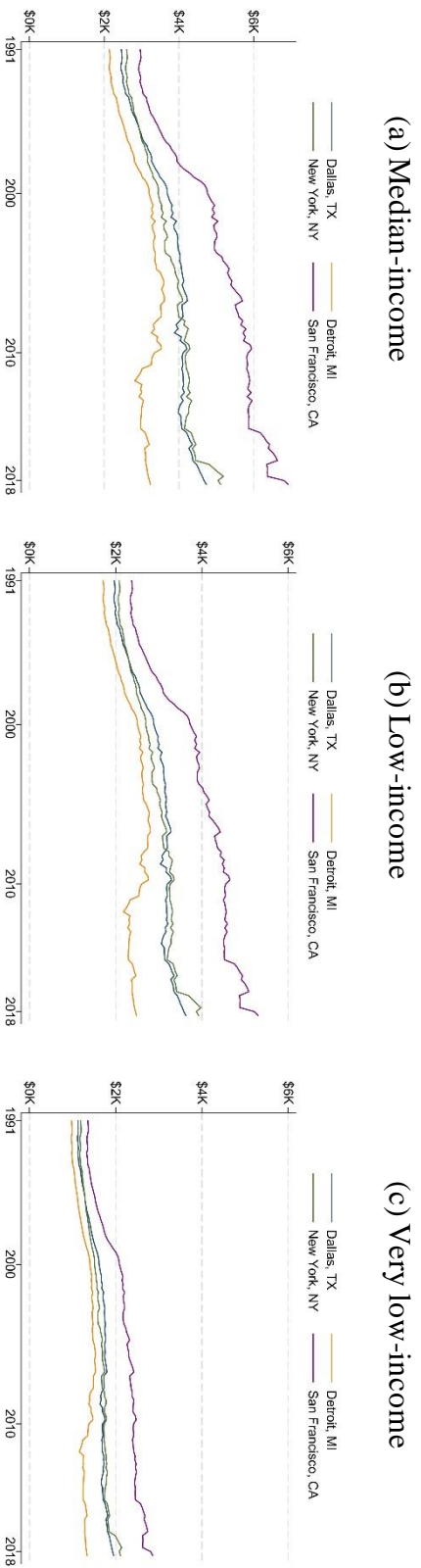


Figure 3: Baseline non-housing borrower expenses (for select MSAs)



finance the remaining amount.<sup>22</sup> FHFA's Monthly Interest Rate Survey (MIRS) allows us to estimate average interest rates.<sup>23</sup> For the monthly payment of the property taxes, we use 1.15 percent as an effective property tax rate across all municipalities and a 0.35 percent home insurance premium.<sup>24,25</sup>

The first two components, principal and interest, of the future PITI payments are not affected by changes in future economic conditions per our 30-year fixed rate mortgage assumption. The last two components, though, are modified to some extent when home value changes. We use our internal FHFA HPI, tracking back five years and applying the same growth rate in HPI for the future quarters to determine the change in property taxes and insurance in the future quarters. Tax rates and the home insurance premium rates remain constant at 1.15 percent and 0.35 percent, respectively. The chart in Figure 2(b) depicts house price growth rates for four select MSAs.<sup>26</sup> Growth rates are highest for the San Francisco area when house prices peak in the early 2000s. During this period, nearly all cities observe rates fall to negative values, but metropolitan areas in Texas are essentially flat. Recently, rates are back to positive, ranging from 1 to 3 percent.

### *Non-housing expenses*

Once we determine the likely mortgage payment in the form of PITI, we calculate whether households would have enough income net of non-housing expenses to cover the mortgage

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<sup>22</sup> We currently cap the down payment at 3.5 percent and do not consider access funds to be applied for higher down payment. Future work may further test the sensitivity of the 3.5 percent down payment to income group and location and the sensitivity of change in affordability if different down payment percentages or if access funds are applied toward the down payment assumption. Our preliminary analyses suggest that the sensitivity of down payment assumption varies by different income groups. Lower income groups tend to have disproportionately less wealth compared to the median income households. Also, each location (or MSA) has unique combinations of housing stock and economic characteristics that can impact borrowers' expenses and ability to accumulate sufficient funds. Down payment assumptions could be calibrated by income and location after further research and validations.

<sup>23</sup> The survey collects information on interest rates and loan terms for savings institutions, commercial banks, and mortgage loan companies on all single-family, fully amortized, purchase-money, nonfarm loans that have closed in the last several days of a month. The survey excludes FHA-insured and VA-guaranteed loans, multifamily loans, mobile home loans, and loans created by refinancing another mortgage.

<sup>24</sup> Effective tax rates should be simple to construct with property tax assessment data. Unfortunately, those data contain valuation information that do not consistently include tax amounts, millage rates, or consistent tax authority codes. Instead, we assume an average annual property tax is \$3,296, which is effectively a 1.15 percent property tax rate as of April 2017 according to ATTOM Data Solutions. Future work might obtain more precise estimates because there is variation among rates for metropolitan areas and that impacts housing-related expenses.

<sup>25</sup> According to the Federal Reserve Board, the average cost of an annual premium for homeowners insurance is between \$300 and \$1,000. The rule of thumb is 0.35 percent of the home value.

<sup>26</sup> MSAs are picked to illustrate regional differences in model inputs (not based on a statistical selection or criteria).

payment. This is unlike existing estimates which use simple ratios to determine whether households have sufficient financial wherewithal to pay all their financial obligations. To compute non-housing expenses, we first establish the historical non-housing expense ratio as a percentage of income. We derive this ratio by calculating the median housing cost burden whose incomes are greater than 80.1 and at or below 100 percent of Area Median Income (AMI) for median-income households, between 60.1 and 80 percent of AMI for low-income households, and between 30.1 and 50 percent of AMI for very low-income households from the HUD's Housing Affordability Data System (HADS).<sup>27</sup> Then, we net out the personal savings rate.<sup>28</sup> Non-housing expense ratio is calculated by netting the housing expenses and savings and dividing this amount by income. This ratio is multiplied by income estimates from HUD for each MSA to compute the dollar amount of non-housing expenses for each period. Figure 3 shows the baseline non-housing expenses for median-income borrowers (panel a) and low-income borrowers (panel b) in select MSAs. Growth rates are similar but levels are higher, as expected, for median-income borrowers, with San Francisco indicating the greatest expenses. Taking those series, the newly generated baseline non-housing expenses are multiplied by the five-year average inflation to forecast the future non-housing expenses.<sup>29</sup> Figure 2(c) summarizes the growth rate used for non-housing expenses. The series begins above 1 percent in 1990 then declines until around 0.6 percent when it flattens out for a dozen years until recently dropping below 0.2 percent.

### ***Assets available for down payment***

Likely one of the major reasons that existing affordability statistics have largely “assumed away” the issue of down payments is the dearth of financial information. It is extremely difficult to find data about the financial assets that consumers have available for making down payments. Because the availability of funds is so important to affordability, however, we assemble those data that do

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<sup>27</sup> HUD's housing cost burden is a household's monthly housing cost including utilities divided by its monthly income. In the sampling process, we exclude households with zero or negative income. All households, or both renters and owners, are included in these calibrations because of their potential to be home purchasers.

<sup>28</sup> Personal savings rate as a percentage of gross income is in BEA's Table 2.6. Personal Income and Its Disposition. We apply a savings rate proportionally to the income. For instance, we assume a low-income household's savings rate is 20 percent less than the savings rate of median-income households. This assumption is based on our observation from the SIPP data, which suggest that the lower income households have disproportionately lower financial wealth compared to their median-income counterparts.

<sup>29</sup> The Consumer Price Index is the all items less shelter (CUUR0000SA0L2) that comes from the BLS.

exist and make various assumptions where necessary. We draw from three sources: the United States Census Bureau's SIPP, HUD's median family income, and the Federal Reserve's SCF.

Assets data in the SIPP are the starting point for our estimates. The dataset shows information on household financial assets of various types for four points in time in the past.<sup>30</sup> We use the assets information from these periods as "anchor points," interpolating and extrapolating information for other periods as needed.

To determine funds available for down payment, we use the same definition as HUD based on our 3.5 percent down payment assumption and the industry standard for acceptable down payment sources. These include earnest money deposit, savings and checking accounts, cash, savings bonds, IRAs, 401(k) and Keogh accounts, stocks and bonds, thrift savings plans, gift funds, sales proceeds, sale of personal property, commissions from sale, trade equity, rent credit, sweat equity, collateralized loans, grants and loans, employer's guarantee plans, and employer assistance plans.<sup>31</sup> We recognize that other funds might be available for making down payments (e.g., money from gifts), but we lack data for those other financial resources.

When determining funds available to median-, low-, and very low-income households, we start with the SIPP data. First, we use the same technique as described above to identify the sample for median-, low-, and very low-income households. Second, we use the same definition as HUD for sources of borrower funds for down payments. Based on those two tasks, we analyze four SIPP survey panels, and Table 2 shows the summary of the survey participants' median funds available for down payment who had (1) median-, low- and very low-income and (2) more than zero funds available for down payment. From these four data points, we apply the following data interpolation methodology to fill in missing data in the time series:

- For the missing periods before the first quarter of 1997, we discount the down payments from the 1996 Panel by the annual long-term rate of 3 percent.

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<sup>30</sup> The SIPP collects source and amount data related to various types of income, labor force participation, and assets and liabilities. The survey design is a continuous series of national panels, with sample size ranging from approximately 14,000 to 52,000 interviewed households. The duration of each panel ranges from 2.5 to 4 years. More information is at <https://www.census.gov/programs-surveys/sipp/about/sipp-introduction-history.html>.

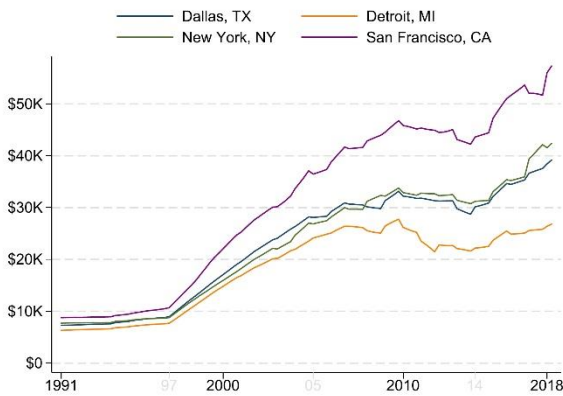
<sup>31</sup> HUD's acceptable sources of borrower funds from Document 4155.1, Chapter 5, Section B.

**Table 2:** Funds available for down payments pre-interpolation

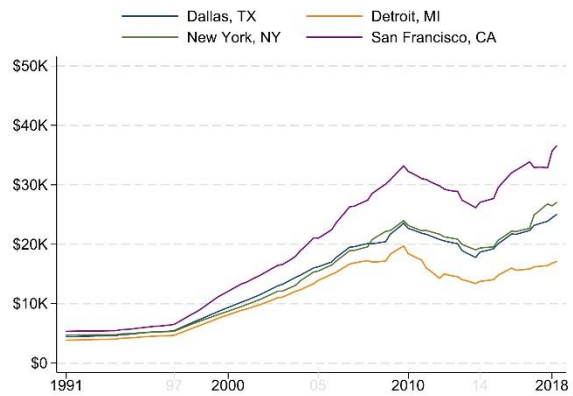
SIPP Panel	As of Date	Median Down Payment: Median-Income Household	Median Down Payment: Low-Income Household	Median Down Payment: Very Low-Income Household
1996	Q1 1997	\$7,771	\$4,742	\$2,232
2001	Q4 2001	\$18,788	\$10,000	\$4,200
2004	Q4 2004	\$25,000	\$14,200	\$4,800
2008	Q4 2009	\$30,150	\$21,400	\$7,000

**Figure 4:** Final funds available for borrower down payments (for select MSAs)

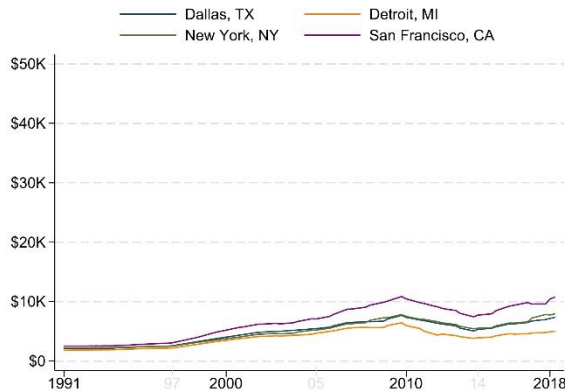
(a) Median-income



(b) Low-income



(c) Very low-income



- For the missing periods between the first quarter of 1997 and the fourth quarter of 2009, we apply a simple straight line using the two points (e.g., for Q2 1997, we used Q1 1997 and Q4 2001 funds for down payment).
- For the missing periods after the fourth quarter of 2009, we derive the down payments by applying the rate of growth in down payment from the Federal Reserve’s SCF to the baseline down payment from the 2008 Panel to each missing period.<sup>32</sup>

Finally, we construct the MSA level funds for down payment by multiplying the national level of funds available for down payment by the income ratio (defined by MSA median income divided by national median income). Figure 4 graphs computed funds available for down payments for selected MSAs for both median-income borrowers (panel a), low-income borrowers (panel b) and very low-income borrowers (panel c). In a relative sense, the funds are four times larger for median-income borrowers. Delving further, we regress income on income from financial assets across a cross-section of all states and find a near-perfect positive correlation (explaining over 90 percent of the variation). The relationship indicates that higher income levels are associated with greater income from financial assets and larger available funds for down payments.<sup>33</sup>

### ***Local market affordability including local income and the distribution of local home prices***

Incomes and home prices vary geographically, and measuring at a more local level could provide more insight for policymakers. For income, we use HUD’s area median income at the MSA level. For home prices, we compute mean and median home values in each MSA from a database of transaction prices used to construct the FHFA HPIs. Then we use MSA-specific standard deviations to compute home values for each percentile in an MSA. To produce HAE indexes for MSAs, other series are converted as needed.<sup>34</sup>

### ***An example of one MSA: Phoenix, Arizona***

We summarize this section by providing an example to demonstrate how the key assumptions and data calculations come together in an actual example. Figure 5 shows selected inputs for low-

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<sup>32</sup> Rate of growth is calibrated with the 20 to 39.9 percentile of income’s “Any financial Asset” from family holdings of financial assets, by selected characteristics of families and type of asset using 1989-2016 surveys in the SCF.

<sup>33</sup> Income is drawn from the BEA’s Personal Income by Major Component.

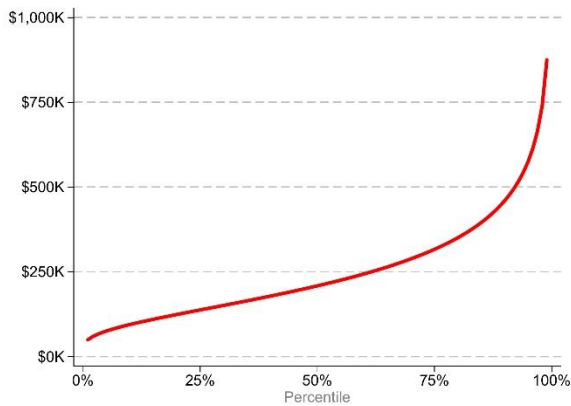
<sup>34</sup> For example, down payment funds are initially calculated at the national level and then converted with the income ratio while other inputs, such as taxes and insurance, remain constant to simplify the analysis.

**Figure 5:** Example of model outputs for Phoenix, Arizona

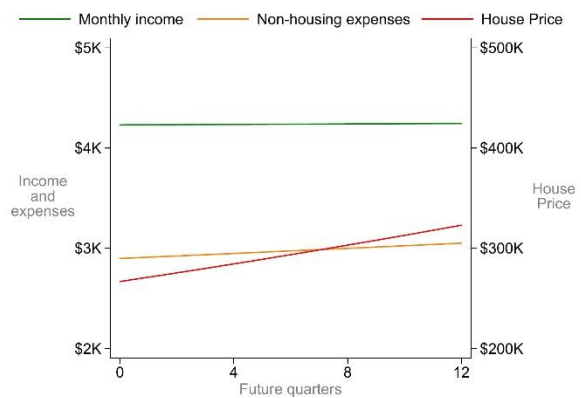
(a) Initial calibration

Inputs	Values
Income (80% of AMI)	\$50,774
Down payment funds	\$17,767
Mortgage rates	4.20%
Monthly gross income	\$4,231
Monthly non-housing expenses	\$2,899
Monthly maximum housing expenses	\$1,332
Maximum PITI	31%

(b) Cumulative distribution of house prices



(c) 3-year look ahead projections





income households in Phoenix, Arizona in the fourth quarter of 2014.<sup>35</sup> The example provides more detail on calibrated inputs (panel a), the distribution of housing stock prices (panel b), and estimates for future inputs (panel c).

Panel (a) provides summary information about how low-income households are able to afford 44 percent of the single-family housing stock in Phoenix, Arizona, adjusted for future affordability (i.e. with a 3-year look ahead period).<sup>36</sup> During this period, the average home price is \$266,990 and 80% of area median income is \$50,774 annually or \$4,231 monthly with estimated \$2,899 spent on non-housing expenses. We calculate the maximum PITI in two steps. First, we compute the maximum housing expenses or residual income by subtracting the non-housing expenses from the gross income. Second, we divide the residual income by gross income to derive the maximum PITI ratio. Panel (b) shows the distribution of housing stock using the MSA-specific house prices and standard deviations. Panel (c) presents projected input streams that can affect future affordability. Projected house prices drive calculations of future property taxes and insurance premiums (using growth rates shown in Figure 2). The projected income and expense streams both affect calculations of the future monthly maximum housing expenses.

Using all these values, we calculate two sets of affordability estimates; one at origination and one including the adjustments for future affordability. At origination, low-income households can afford 54 percent of the housing stock or 10 percentage points higher than the affordability with a 3-year look ahead period. We project non-housing expenses and house prices to grow faster than the income for this period. In effect, this reduces the future monthly maximum housing expenses and increases the future taxes and insurance premium, both negatively affecting the typical family's ability to make future payments. This is a single example; MSAs differ by input trends and final affordability estimate values. The next section presents the entire suite of HAE indexes.

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<sup>35</sup> We assume a normal distribution based on MSA specific home prices and standard deviations. The projected inputs are based on historical five-year rolling averages and follow steps as described earlier.

<sup>36</sup> For illustrative purposes, we select Phoenix, Arizona and use its low-income household HAE index for 2014Q4. The panels in the figure are selected to provide a more detailed demonstration about how affordability estimates are calculated (at origination and with a 3-year look ahead).

## 5. New Home Affordability Estimates

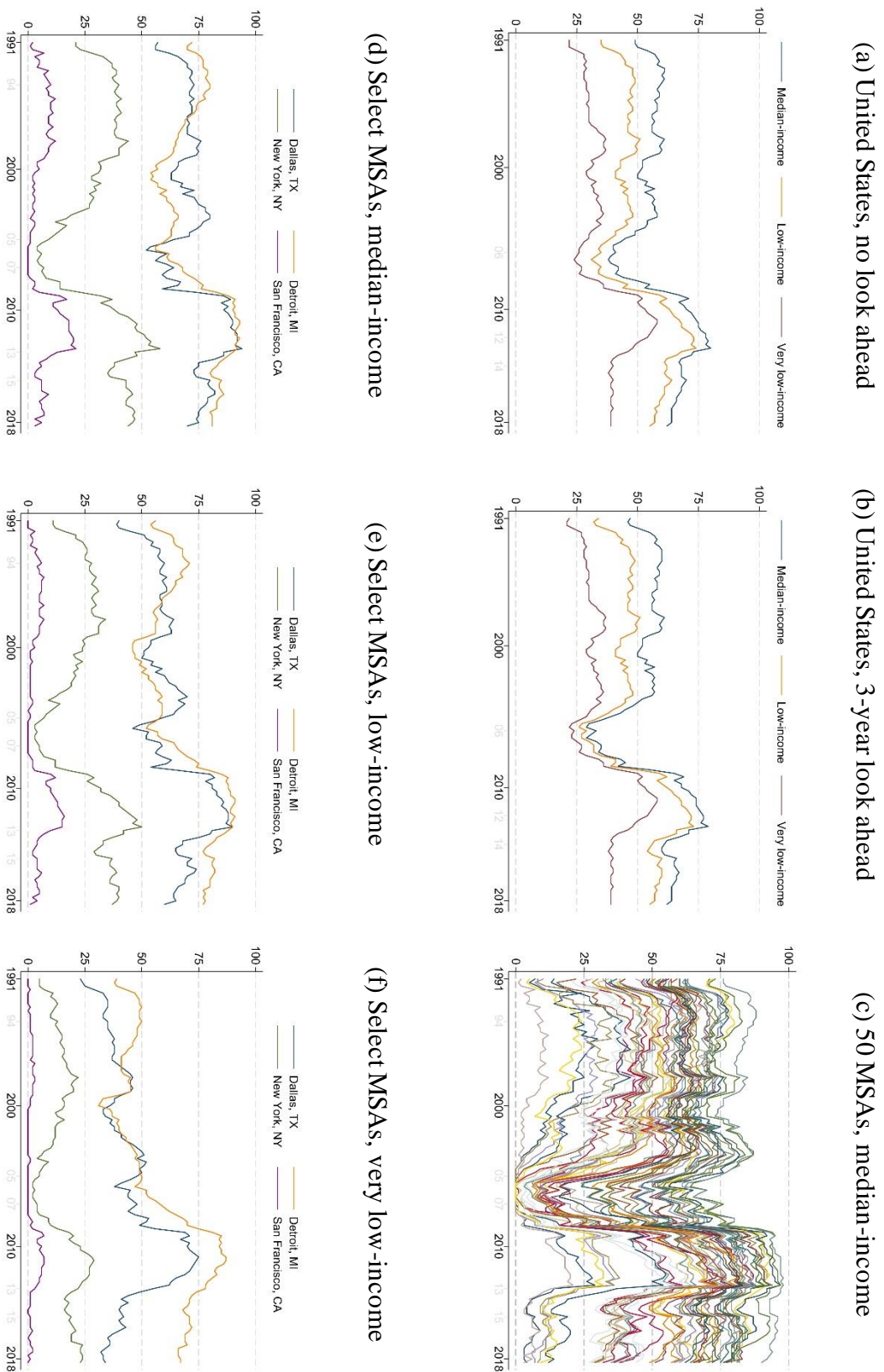
The HAE indexes are produced as an aggregated national index and disaggregated MSA indexes. Figure 6 displays their trends in multiple panels with colored lines denoting either the type of index or a particular location. A discussion is provided below for the data and figures in each panel.

### *United States*

Panels (a) and (b) portray the median-income, low-income, and very low-income HAE indexes for the United States. The two graphics differ in whether affordability is calculated at origination (i.e., without a look ahead period) or if the series include adjustments for future affordability (i.e., with a 3-year look ahead period). The former is more common in existing industry metrics while the latter is a contribution we make in this paper and the method we prefer. No matter which is used, for the first ten years of the sample, affordability is rather constant. The indexes for all three income groups begin to decline as house prices rise during the first part of this century. Notably, median-income affordability drops at a sharper rate, which is consistent with reports that the stock of higher-priced homes accelerated at faster rates relative to lower-priced homes.

By 2005, affordability falls to similar levels for the three series, showing values of 26 for median-income households, 26 for low-income households and 22 for very low-income families in the United States in panel (b). But, over the next dozen years, the recovery is not be the same. Affordability more than doubles for median-income households but improves at a lesser degree for low- and very low-income households by mid-2018. The divergences of these lines echoes popular media coverage that has been raising concerns about affordability for certain, or relative, groups of individuals. A typical median-income household would have been able to buy 62 percent of the single-family housing stock in the nation (and could adequately make future payments), while a low-income household and very-low income household would have afforded 55 and 39 percent, respectively, of the nation's single-family housing stock. Why has affordability risen recently for median-income households but remain unchanged for lower income households? Prospects for median-income households have improved more while the wage increases for the lower income group have not kept pace with recent house price gains.

**Figure 6: New home affordability estimate indexes**



The gaps between the three lines, though, are driven largely by differential changes to income and wealth, along with a host of other factors. We note that our affordability estimates are purely quantitative and do not take behavioral aspects into consideration such as prospective homeowner's appetite for homeownership and loosening or tightening of lending standards. A presence of affordability does not necessarily drive home purchases. A high estimate of affordability, like in 2011, is not a sufficient condition to higher home ownership.

### ***Select Metropolitan Statistical Areas***

We calculate HAE indexes for 50 MSAs, as alluded in panel (c), and those data are available in the datasets posted online with this paper.<sup>37</sup> The lower three panels (d, e, and f) illustrate the HAE indexes (median-income, low-income, and very low-income, respectively) for select MSAs of Dallas, TX; Detroit, MI; New York, NY; and San Francisco, CA.<sup>38</sup> We show affordability levels for these four cities for illustrative purposes to demonstrate that affordability levels and growth rates vary across geographies. Although not likely a surprise, the San Francisco area is the least affordable, and that remains true over the entire sample for median-, low-, and very low-income HAE indexes. While levels of affordability vary, the other three MSAs exhibit similar trends, a sharp drop in affordability during the housing boom and then a much quicker rise during the recovery.

House prices remain much more stable in Texas throughout that entire period, but that is not without consequences. If we graph the current values for the median-income, low-income, and very low-income series together for the top 20 MSAs, as is done in Figure 7, then it becomes apparent that Texas has the largest separation between the three affordability values (with both Dallas and Houston having the largest gaps between the very low-income and median-income affordability metrics). Another observation is that California locations exhibit extremely low

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<sup>37</sup> Panel (c) shows the median-income series for the largest 20 MSAs. The online data files actually have data for the top 50 MSAs, and that information covers low-income and very low-income indexes. Several other MSAs, like Kansas City and Pittsburgh, have greater affordability levels than Detroit in some quarters but it is still among one of the more affordable areas of the country when we add in the additional cities.

<sup>38</sup> The select MSAs are chosen to demonstrate that affordability levels vary across regions of the United States and that affordability levels may differ between income groups (i.e., local policies can influence whether there is more or less affordability for households in specific income categories).

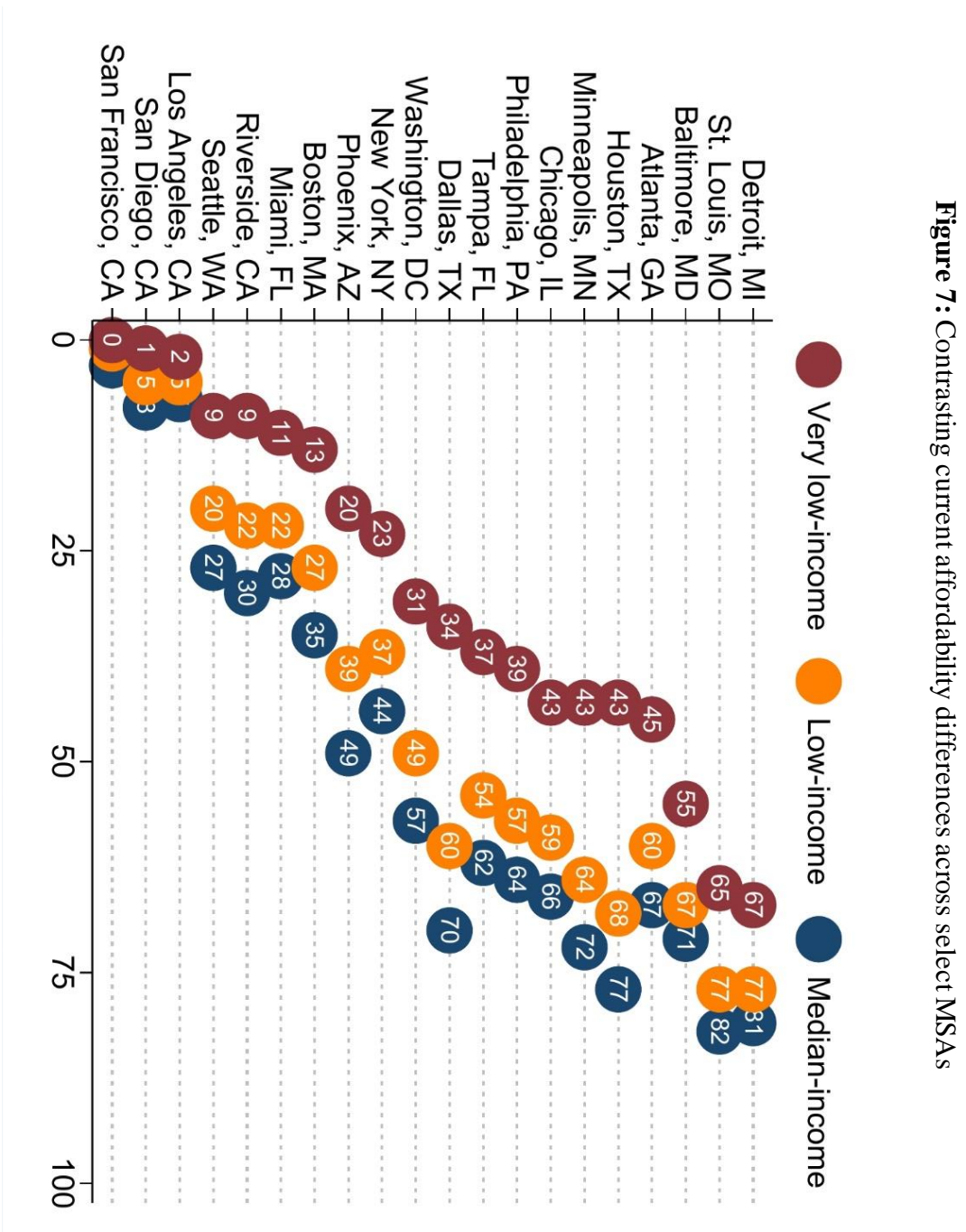


Figure 7: Contrasting current affordability differences across select MSAs

affordability, no matter the metric. Detroit has continually led the MSAs in having the highest levels of affordability with all three of our series.<sup>39</sup> To summarize, the visualization shows that there is a wide amount of variation among places; affordability ranges greatly between MSAs because of unique local economic drivers such as home prices, income, and wealth.

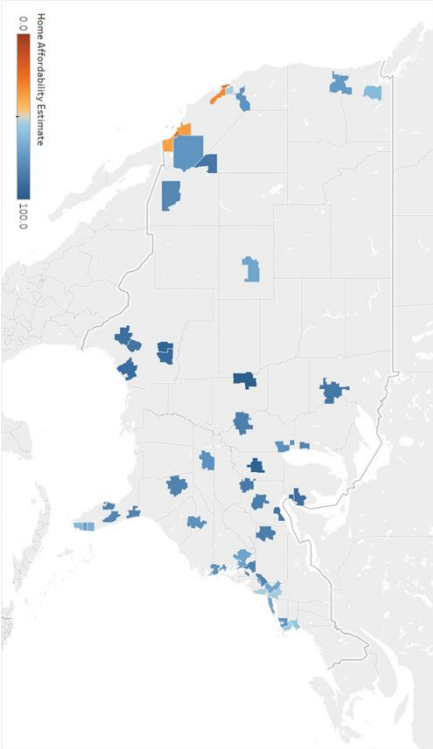
Affordability values vary significantly both geographically and over time. Figure 8 maps out the top 50 MSAs over four periods (1997, 2006, 2012, and 2018) to illustrate how the HAE indexes evolve over parts of a housing cycle for median-income households.<sup>40</sup> Low affordability is denoted with an orange shade while high affordability is shown with a blue color. The map visualization makes it even more apparent that are distinct regional differences in affordability. The least affordable values tend to appear concentrated around coastal areas but exceptions exist.

Panel (a) shows that in 1997 lower affordability levels exist in MSAs that are located in California, Florida, the New England region while there are high affordability levels almost everywhere else (outliers being Chicago and Denver). A decade later, panel (b) depicts that affordability levels decrease in most of the country as house prices reach their peak levels and drive up housing expenses. Several years later, with house prices at some of their lowest levels and coupled with record low mortgage rates, panel (c) shows that affordability levels increase throughout the country, except in California. Finally, in the last year of our data, panel (d) illustrates that affordability has once again reached lower levels in many MSAs but the trends are not as drastic as might be expected. The HAE values resemble what we saw in 1997 and have not returned to the 2006. Although current real house prices have either reached or exceed their peak price levels, the low interest rate environment has been working to keep down housing expenses. Overall, the cyclical behavior across the panels seems concentrated to the same MSA locations with California usually showing the lowest affordability across all years.

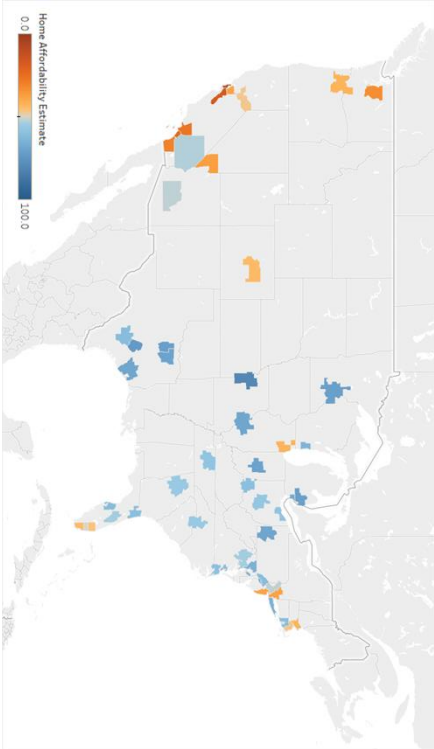
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<sup>39</sup> We caution, though, on extrapolating these results to normative conclusions. High affordability does not necessarily mean that very low-income people are finding more economic or financial success in a particular location. The value also does not indicate that borrowers would even be interested in buying the housing stock that they could afford. In other words, the HAE does not account for quality, desirability, or functionality of the stock.

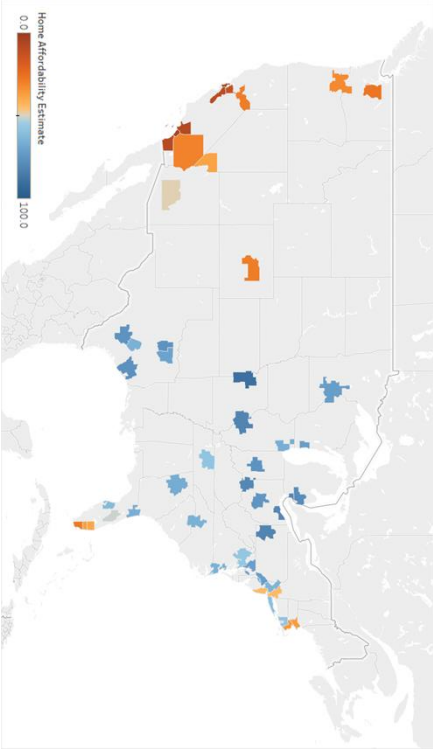
<sup>40</sup> All four panels show data as of second quarter in those years.



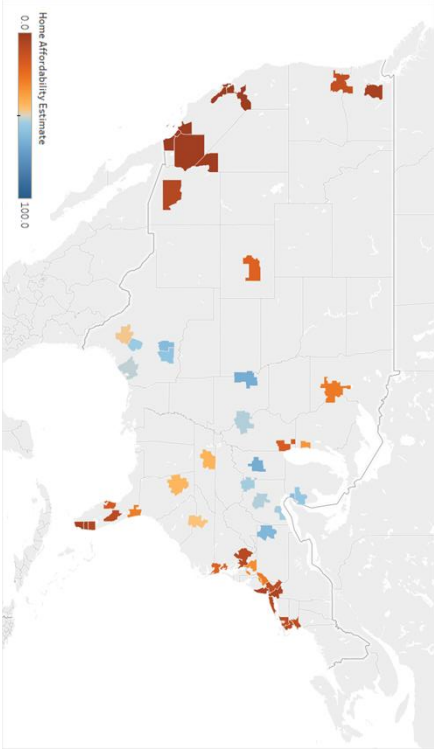
(c) 2012



(a) 1997



(d) 2016



(b) 2006

**Figure 8:** New home affordability estimate for top 50 MSAs (median-income)

## 6. Conclusion

This paper presents a new home affordability estimate that tracks the share of housing stock that is affordable to certain households. We can show that the HAE operates in the same fundamental way as existing industry affordability indexes. However, this new approach is able to make two potential improvements because of our access to individualized data. First, we calculate actual funding and expense streams instead of making assumptions for important calculations, like the size of a mortgage down payment. The difference provides more variation across cross-sectional areas, which allows affordability levels to vary among cities for a variety of reasons. Second, we construct indexes for particular points in the distribution of household income instead of being forced to choose the median-income level. This advantage could be helpful for exploring why inequities exist in certain areas of the country or for implementing policies that are directed to particular groups.<sup>41</sup> We leave such further explorations to future research.

The HAE indexes have been produced on a quarterly frequency for a subset of cities in the United States. We recognize that affordability may change over time; it may also differ greatly between large and small cities, or even within a single place. The data are being released for download at <https://www.fhfa.gov/hae> to stimulate public discussion but they should be considered developmental in nature. We welcome public feedback. The analysis and conclusions in this paper are the authors' and should not be represented or interpreted as conveying an official FHFA position, policy, analysis, opinion, or endorsement. Depending on comments, we may consider updating the indexes on a more regular production schedule. If the data are updated, methodological improvements could render refinements to future releases and revisions to existing series. Comments, questions, or suggestions about this paper may be sent to [HAE@fhfa.gov](mailto:HAE@fhfa.gov).

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<sup>41</sup> Our methodology has the ability to provide other data that could help inform policy work or rule-making decisions. For example, programs dealing with affordable lending or housing goals might be more interested in the estimated house price that is affordable for certain income groups in an area. Our work has already derived that kind of information and future data releases could include such information if feedback indicates that it would be useful.



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## Useful Websites

California Association of Realtors. Housing Affordability Index – Traditional. Website, <https://www.car.org/marketdata/data/haitraditional>

Federal Housing Finance Agency. Monthly Interest Rate Survey. Website, <https://www.fhfa.gov/DataTools/Downloads/pages/monthly-interest-rate-data.aspx>

Federal Housing Finance Agency. House Price Index. Website, <https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx>

The Federal Reserve. Survey of Consumer Finances. Website, <https://www.federalreserve.gov/econres/scfindex.htm>

Moody's Analytics. Data Buffet. US Metropolitan Areas median household income. Website, <https://www.economy.com/products/tools/data-buffet>

National Association of Home Builders. National Association of Home Builders and Wells Fargo Home Opportunity Index. Website, <https://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index>

National Association of Realtors. Housing Affordability Index. Website, <https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index>

National Association of Realtors. REALTORS® Affordability Distribution Curve and Score. Website, <https://www.nar.realtor/research-and-statistics/housing-statistics/realtors-affordability-distribution-curve-and-score>

Redfin. How Much House Can I Afford? Website, <https://www.redfin.com/how-much-house-can-i-afford>

Realtor.com. Home Affordability Calculator. Website, <https://www.realtor.com/mortgage/tools/affordability-calculator/>

Trulia. Affordability Calculator. Website, <https://www.trulia.com/house-affordability-calculator/>

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U.S. Department of Housing and Urban Development and Department of Transportation. Location Affordability Index. Website, <https://www.hudexchange.info/programs/location-affordability-index/>

Zillow. Affordability Calculator. Website, <https://www.zillow.com/mortgage-calculator/house-affordability/>

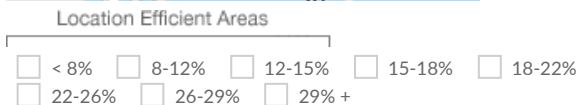
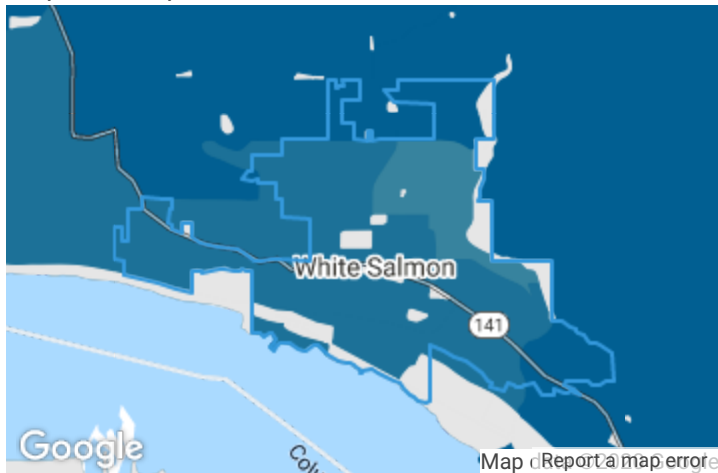


## Municipality: White Salmon, WA

Traditional measures of housing affordability ignore transportation costs. Typically a household's second-largest expenditure, transportation costs are largely a function of the characteristics of the neighborhood in which a household chooses to live. [Location Matters](#). Compact and dynamic neighborhoods with walkable streets and high access to jobs, transit, and a wide variety of businesses are more efficient, affordable, and sustainable.

The statistics below are modeled for the Regional Typical Household. Income: \$48,319 Commuters: 0.86 Household Size: 2.62 ()

### Map of Transportation Costs % Income



### Location Efficiency Metrics

Places that are compact, close to jobs and services, with a variety of transportation choices, allow people to spend less time, energy, and money on transportation.

0%

Percent of location efficient neighborhoods

### Neighborhood Characteristic Scores (1-10)

As compared to neighborhoods in all 955 U.S. regions in the Index

Job Access  
0.4

Very low access to jobs

AllTransit Performance Score  
0.6

Car-dependent with very limited or no access to public transportation

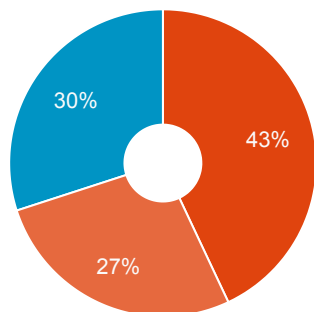
Compact Neighborhood  
4.9

Moderate density and walkable

### Average Housing + Transportation Costs % Income

Factoring in both housing *and* transportation costs provides a more comprehensive way of thinking about the cost of housing and true affordability.

- Housing
- Transportation
- Remaining Income



### Transportation Costs

In dispersed areas, people need to own more vehicles and rely upon driving them farther distances which also drives up the cost of living.



\$12,991

Annual Transportation Costs



1.74

Autos Per Household



21,407

Average Household VMT

0%

Transit Ridership % of Workers

3

Annual Transit Trips

9.42 Tonnes

Annual Greenhouse Gas per Household



## H+T Metrics

Affordability		Demographics	
Housing + Transportation Costs % Income:	70%	Block Groups:	2
Housing Costs % Income:	43%	Households:	668
Transportation Costs % Income:	27%	Population:	1,653

### Household Transportation Model Outputs

Autos per Household:	1.74
Annual Vehicle Miles Traveled per Household :	21,407
Transit Ridership % of Workers:	0%
Annual Transportation Cost:	\$12,991
Annual Auto Ownership Cost:	\$9,493
Annual VMT Cost:	\$3,495
Annual Transit Cost:	\$3
Annual Transit Trips:	3

### Housing Costs

Average Monthly Housing Cost:	\$1,728
Median Selected Monthly Owner Costs:	\$1,880
Median Gross Monthly Rent:	\$692
Percent Owner Occupied Housing Units:	56%
Percent Renter Occupied Housing Unit:	44%

### Greenhouse Gas from Household Auto Use

Annual GHG per Household:	9.42 Tonnes
Annual GHG per Acre:	10.81 Tonnes

### Environmental Characteristics

Residential Density 2010:	2.07 HHs/Res. Acre
Gross Household Density:	0.84 HH/Acre
Regional Household Intensity:	2,696 HH/mile <sup>2</sup>
Percent Single Family Detached Households:	74%
Employment Access Index:	3,606 Jobs/mi <sup>2</sup>
Employment Mix Index (0-100):	85
Transit Connectivity Index (0-100):	0
Transit Access Shed:	0 km <sup>2</sup>
Jobs Accessible in 30 Minute Transit Ride:	0
Available Transit Trips per Week:	0
Average Block Perimeter:	1,285 Meters
Average Block Size :	10 Acres
Intersection Density:	159 /mi <sup>2</sup>

# About the Index

The Center for Neighborhood Technology’s Housing and Transportation (H+T<sup>®</sup>) Affordability Index provides a more comprehensive way of thinking about the true affordability of place. It presents housing and transportation data as maps, charts and statistics covering 100% of the US population. Costs can be seen from the regional down to the neighborhood level.

## 2017 Update: H+T Index Release Notes

- Uses 2015 American Community Survey (ACS) data as input
- Uses 2014 Longitudinal Employer–Household Dynamics data
- Updated AllTransit™ data
- Expand geographic coverage to metropolitan, micropolitan regions and rural counties
- Enhanced transportation model including interaction variables

More information on the transportation cost model can be found in the [Methods document](#), and a list of all transit agencies used in developing this index are found in [Attachment A](#).

## About the H+T Index

[Methodology](#)

[History](#)

[Funders](#)

[Overview](#)

The Index shows that transportation costs vary between and within regions depending on neighborhood characteristics:

- People who live in location-efficient neighborhoods—compact, mixed-use, and with convenient access to jobs, services, transit and amenities—tend to have lower transportation costs.
- People who live in location-inefficient places—less dense areas that require automobiles for most trips—are more likely to have higher transportation costs.

The traditional measure of affordability recommends that housing cost no more than 30% of household income. Under this view, a little over half (55%) of US neighborhoods are considered "affordable" for the typical household. However, that benchmark fails to take into account transportation costs, which are typically a household's second-largest expenditure. **The H+T Index offers an expanded view of affordability, one that combines housing and transportation costs and sets the benchmark at no more than 45% of household income.**

When transportation costs are factored into the equation, the number of affordable neighborhoods drops to 26%, resulting in a net loss of 59,768 neighborhoods that Americans can truly afford. The key finding from the H+T Index is that household transportation costs are highly correlated with urban environment characteristics, when controlling for household characteristics.

## Methodology

### Neighborhood Characteristics

Gross Density  
 Regional Household Intensity  
 Fraction of Single-Family Detached Housing  
 Block Density  
 Employment Access Index  
 Employment Mix Index



Auto Ownership  
 +  
 Auto Usage  
 +  
 Public Transit Usage



**Transit Connectivity Index**  
**Transit Access Shed**  
**Transit Access Shed Jobs**  
**Average Available Transit Trips per Week**

**Household Characteristics**  
**Median Household Income**  
**Average Commuters per Household**  
**Average Household Size**

**TOTAL  
TRANSPORTATION  
COSTS**

© Center for Neighborhood Technology  **CNT**

The methods for the cost model are drawn from peer-reviewed research findings on the factors that drive household transportation costs. Throughout several iterations of the model's development, the assumptions, calculations, and methods have been reviewed by practitioners at the Metropolitan Council in Minneapolis-St. Paul, fellows with the Brookings Institution, and academics from the University of Minnesota, Virginia Tech, Temple University, and the University of Pennsylvania who specialize in transportation modeling, household travel behavior, community indicators, and related topics.

More information on the transportation cost model can be found in the [Methods document](#), and a list of all transit agencies used in developing this index are found in [Attachment A](#).

## History

The H+T Index was initially developed for Minneapolis-St. Paul as a project of the Brookings Institution's Urban Markets Initiative. The 2006 report, [The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice](#), found that location matters, and it can affect the true cost of housing when transportation costs are factored in. This research found that two primary independent variables in the household transportation model—residential density and household income—drive three dependent variables related to household travel behavior: auto ownership, auto use, and transit ridership. Today the model controls for household characteristics to show the effect of the built environment on transportation costs. More information on the transportation cost model can be found in the [Methods document](#), and a list of all transit agencies used in developing this index are found in [Attachment A](#).

Several iterations of the Index expanded its geographic coverage, improved its model, and advanced its website functionality. Improvements made to the current version of the H+T Index include a simplification of the transportation cost model, use of auto ownership costs based on the Consumer Expenditure Survey, new website features, and more accessible data. The H+T Index is employed across the US by planners, affordable housing advocates, policy makers and others. More information on the use and implementation of the Index can be found on the [Applications](#) page.

## Funders

CNT thanks its funders for their insightful and generous support for the development and expansion of the H+T Index:

- Brookings Institution Urban Markets Initiative/Living Cities
- Center for Housing Policy of the National Housing Conference
- Federal Transit Administration, United States Department of Transportation
- Field Foundation of Illinois
- Grand Victoria Foundation
- John D. and Catherine T. MacArthur Foundation
- Lloyd A. Fry Foundation
- McKnight Foundation



- Microsoft Foundation
- Nathan Cummings Foundation
- Rockefeller Foundation
- Searle Funds at the Chicago Community Trust
- Surdna Foundation
- The Energy Foundation
- The Ford Foundation
- The Joyce Foundation
- U.S. Department of Housing and Urban Development
- Wallace Global Fund
- United States Department of Energy
- United States Environmental Protection Agency



The Housing and Transportation (H+T<sup>®</sup>) Affordability Index provides a comprehensive view of affordability, one that includes the cost of housing and transportation at the neighborhood level.

The Index is part of a broader effort to explore urban sustainability through location efficiency. Learn more about the ideas, tools, development strategies and policies behind location efficiency at CNT's [Location Efficiency Hub](#).



The Center for Neighborhood Technology (CNT) is an award-winning innovations laboratory for urban sustainability.

CNT works across disciplines and issues, including transportation and community development, energy, water, and climate change. Learn more about CNT and its other programs at [CNT.org](#).

## Stay Connected



[Receive the CNT Update by email](#)

**Item Attachment Documents:**

12. Changes to Ordinance 2020-01-1060, Moratorium on Residential Development



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## AGENDA MEMO

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Changes to Ordinance 2020-01-1060, Moratorium on Residential Development  
Presented By: Marla Keethler, Mayor

### Action Required

Amendment of Ordinance 2020-01-1060, Moratorium on Residential Development to allow additional "exclusions" from the moratorium.

### Motion

Motion to amend Ordinance 2020-01-1060, Imposing a Temporary Six-Month Moratorium on Development in Residential Districts (short-title) as follows:

### Explanation of Issue

#### 1. Accessory Dwelling Units

The city has heard from a number of citizens, property owners, and developers regarding the Moratorium on Residential Development. One of the most common comments was asking why the city would not allow accessory dwelling units to be built/permitted if used for long-term rental purposes.

I am recommending that the exclusions be amended to allow accessory dwelling units if they are used for long-term rental (30 days or more) or for multi-generational family housing. The city would require language to be recorded with Klickitat County that would restrict the use of the accessory dwelling unit for these two purposes, i.e. the accessory dwelling unit could not be used for short-term rental purposes.

In addition, I am recommending that the exclusion provides that if a property owner commits to renting an accessory dwelling unit meeting the Affordability Housing Threshold that application fees associated with building/permitting the accessory dwelling unit would be waived. Again language requiring a rental cap would need to be recorded with Klickitat County that restricts the rent from rising above meeting the Affordable Housing Threshold.

#### 2. Two Family Residential District (R2)

I am recommending that the development of duplexes be included in the exclusions as long as the duplexes are not used for short-term rentals. The city would require language to be recorded with Klickitat County that would restrict the use of the duplex to not allow short-term rentals.

Duplexes are units where a property owner may live in one of the units and the second unit is rented out or both units are rented out.

#### 3. Multi-Family Residential District (R3)

I am recommending that townhomes with 4 or more units that commit to 20% of available units are sold meeting the Affordable Housing Threshold for a minimum of 30 years or in perpetuity be allowed. These townhomes could not be used for short-term rental purposes. Enforcement and commitment by deed restriction:

- Area Median Income targets as published annually by HUD for Klickitat County
- Housing Ratio between 30%-50%
- Household monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the home in question.

Triplexes and multi-family developments that commit to 20% of available rental units meeting the Affordable Housing Threshold for a minimum of 30 years of in perpetuity be allowed.

**ORDINANCE NO. 2020-01-1060**

**AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, ADOPTED PURSUANT TO RCW 35A.63.220 AND RCW 36.70A.390; IMPOSING A TEMPORARY SIX-MONTH MORATORIUM ON DEVELOPMENT IN THE MOBILE HOME RESIDENTIAL DISTRICT (MHR) WSMC CH.17.36, SINGLE FAMILY RESIDENTIAL DISTRICT (R1) CH. WSMC 17.24, SINGLE FAMILY LARGE LOT RESIDENTIAL DISTRICT (RL) WSMC CH. 17.23, TWO FAMILY RESIDENTIAL DISTRICT (R2) WSMC CH. 17.28 AND MULTIFAMILY RESIDENTIAL DISTRICT (R3) WSMC CH.17.32; SETTING FORTH FINDINGS OF FACT IN SUPPORT OF THIS MORATORIUM; IMPOSING THE MORATORIUM; STATING THE EFFECT ON VESTED RIGHTS; PROVIDING FOR EXCLUSIONS; RECOGNIZING THAT A PUBLIC HEARING WILL BE HELD WITHIN 60 DAYS; AUTHORIZING INTERPRETATIVE AUTHORITY; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; SETTING THE DURATION; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE**

**WHEREAS**, within the express terms of the Growth Management Act, the Washington State Legislature has specifically conferred upon the governing bodies of Washington cities the right to establish and adopt moratoria related to land uses; and

**WHEREAS**, the City Council of the City of White Salmon ("City") adopted the City's Comprehensive Plan in 2012; and

**WHEREAS**, the City Council has significant concerns about development and growth in the City under current regulations in the context of the vision and goals of the City's Comprehensive Plan, and is in the process of discussing how to best accommodate growth and development in both general and specific ways, and finds that unless the City acts immediately to preserve the status quo, there are likely to be adverse impacts on the City and its citizens; and

**WHEREAS**, the City's Comprehensive Plan housing goal (H-1) is to provide locations for a variety of residential uses and dwelling, while minimizing impacts on surrounding uses; and

**WHEREAS**, the City's Comprehensive Plan housing policy (H-1.3) states that the quality and character of all designated residential areas shall be maintained and protected from conversion to incompatible and irreversible land uses; and

**WHEREAS**, the City's Comprehensive Plan housing goal (H-2) is to promote diversified residential opportunities for all economic levels; and

**WHEREAS**, City's Comprehensive Plan housing policy (H-2.3) states opportunities for all economic income levels shall be encouraged, particularly workforce housing; and

**WHEREAS**, City's Comprehensive Plan housing goal (H-2.6) states both site built and manufactured housing shall be recognized as necessary and functional housing although special standards in placement and locations will apply to each; and

---

**WHEREAS**, the City Council and Planning Commission are currently working on a “buildable lands inventory, housing needs and economic opportunity analysis” in addition to the City’s Urbanization Study and Comprehensive Plan updates; and

**WHEREAS**, statewide Klickitat County repeatedly records the highest relative median home price increase, notably in 2008, 2017 and again in 2019 (Washington Center for Real Estate Research for the Washington State Real Estate Commission); and

**WHEREAS**, the City Council has concerns regarding likely adverse impacts related to growth and development under existing WSMC Title 17 residential zonings. More specifically, the potential for rezoning Mobile Home Residential District (MHR) WSMC Ch.17.36, Single Family Residential District (R1) Ch. WSMC 17.24, Single Family Large Lot Residential District (RL) WSMC Ch. 17.23, Two Family Residential District (R2) WSMC Ch. 17.28 and Multi-family Residential District (R3) WSMC Ch.17.32 regulations require immediate attention by the Council and City staff and include, but are not limited to, the following:

- (1) Compliance with design review standards and the role of Hearing Examiner, Planning Commission, and City Council in the land use development review and decision-making process, as well as meeting the goals of the Comprehensive Plan more generally.
- (2) Challenges providing opportunities for all economic income levels.
- (3) Challenges protecting designated residential areas from conversion to incompatible and irreversible land uses.
- (4) Serious challenges promoting affordable housing in a manner consistent with the City's Comprehensive Plan; and

**WHEREAS**, based on these and related concerns, the City Council requires additional time to review the regulations and policies at issue to ensure that the vision and goals of the City's Comprehensive Plan are being met to the Council's satisfaction; and

**WHEREAS**, the City possesses land use jurisdiction and regulatory authority over the City's incorporated lands; and

**WHEREAS**, one of the most frequent responses among citizens, as cited in the 2019 Visioning Survey presented to City Council and the Planning Commission this past September 2019, regarding what would they like to change or improve in White Salmon in the future, is the variety of housing types and the need for affordable housing; and

**WHEREAS**, the moratorium imposed herein promotes the public good and is necessary for the protection of public health, property, safety, and welfare. A public emergency exists requiring that the City's moratorium become effective immediately upon adoption.

---

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1. Findings of Fact.** The recitals set forth above are hereby adopted as the City Council's initial findings of fact in support of the moratorium established by this ordinance. The City Council may, in its discretion, adopt additional findings after the public hearing referenced in Section 5 below.

**Section 2. Moratorium Imposed.** As authorized by the police powers of the City as set forth, for example, in Article XI, Section 11, of the Washington State Constitution, and pursuant to statutory authority set forth, for example, in RCW 36.70A.390 and RCW 35A.63.220, and unless expressly excluded under Section 3 and Section 4 of this ordinance, the City hereby imposes a temporary moratorium on all building permit applications or other land development applications, included or otherwise described in White Salmon Municipal Code, as they relate to activities in:

- Mobile Home Residential District as defined by WSMC Chapter 17.36,
- Single Family Residential District (R1) Ch. WSMC 17.24,
- Single Family Large Lot Residential District (RL) WSMC Ch. 17.23,
- Two Family Residential District (R2) WSMC Ch. 17.28 and
- Multifamily Residential District (R3) WSMC Ch.17.32.

**Section 3. Effect on Vested Rights.** The moratorium imposed under Section 2 of this ordinance shall apply prospectively only, and shall operate to prevent acceptance of Permit Applications submitted after the effective date of this ordinance. Nothing in this ordinance shall be construed to extinguish, limit, or otherwise infringe on any permit applicant's vested development rights as defined by state law and City of White Salmon regulations, provided that a permit applicant has filed a complete Permit Application before the effective date of this ordinance.

**Section 4. Exclusions.** The provisions of this moratorium shall not apply to any Permit Applications or projects that are specifically excluded by the Exclusions set forth in this ordinance. These Exclusions, unless expressly modified by the City Council, are specifically limited to:

- A. Permits and approvals that are vested by contract, such as those covered by an approved development agreement.
- B. Permits and approvals for government facilities and structures (e.g., streets, utilities, surface water facility improvements), including for facilities and structures of municipal corporations and special purpose districts (e.g., the City of White Salmon, White Salmon Valley Metropolitan Park District, White Salmon Valley School District, Klickitat County, Klickitat County Public Utility District.
- C. Permits and approvals for additions, alterations, or remodels to existing buildings when such additions, alterations, or remodels do not require a Site Assessment Review. Site Assessment Reviews do not include site plan reviews conducted by the City of White Salmon building official.

- D. Permits and approvals for emergency repairs or construction to protect people or property necessitated by a hazardous event or natural disaster (e.g., geologically unstable slope, fire, flooding, earthquake).
- E. Permits and approvals for removal and replacement of hazardous trees or invasive plant species.
- F. Permits and approvals for signs.
- G. Permits and approvals for emergency medical and disaster relief facilities.
- H. Permits and approvals for housing projects meeting affordable housing thresholds as determined by City Council. The City Council shall adopt affordable housing thresholds within no less than 30 days from the date of this ordinance.
- I. Permits and approvals for maintenance and repair activities for privately owned sewer systems and water systems.
- J. Placement permits for manufactured homes.
- K. Building permit applications for complete site plan applications or other complete land use applications that have been submitted prior to the effective date of the moratorium.
- L. Building permits for single family residences to be constructed on vacant parcels of land to preserve reasonable use of property as guaranteed by the Fourteenth Amendment of the Constitution.

**Section 5. Public Hearing.** Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City Council shall hold a public hearing at a City Council meeting within 60 days of adoption of this ordinance in order to take public testimony and to consider adopting further findings of fact.

**Section 6. Interpretive Authority.** The City of White Salmon Mayor, or designee, is hereby authorized to issue official interpretations arising under or otherwise necessitated by this ordinance.

**Section 7. Severability.** Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

**Section 8. Declaration of Emergency; Effective Date; Duration.** This ordinance, as a public emergency ordinance necessary for the protection of the public health, public safety, public property, and public peace, shall take effect and be in full force immediately upon its adoption. Pursuant to *Matson v.*



Clark County Board of Commissioners, 79 Wn. App. 641 (1995), non-exhaustive underlying facts necessary to support this emergency declaration are included in the "Whereas" clauses above, all of which are adopted by reference as findings of fact as if fully set forth herein. This moratorium shall take effect immediately, and shall remain effective for six (6) months, unless terminated earlier by the City Council. Provided, that the Council may, at its sole discretion, renew the moratorium for one or more six month periods in accordance with state law. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City.

**Section 9. Severability:** If any section, sentence, or phrase of this Chapter is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence or phrase of this Chapter.

**Section 10. Effective date.** This ordinance shall take effect immediately upon adoption by a majority plus one of the councilmembers as necessary to protect public health and safety, public property or public peace.

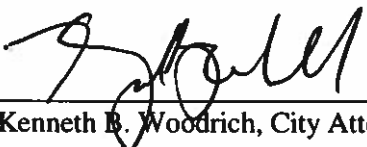
**PASSED** by the City Council of the City of White Salmon at a regular meeting this 15<sup>th</sup> day of January 2020.

  
Marla Keethler, Mayor

ATTEST:

  
Jan Brending, Clerk Treasurer

APPROVED AS TO FORM:

  
Kenneth B. Woodrich, City Attorney



# White Paper

12.12.19

## Accessory Dwelling Units

[www.mountainhousingcouncil.org](http://www.mountainhousingcouncil.org)

PROJECT OF  
**TAHOE TRUCKEE**  
COMMUNITY FOUNDATION

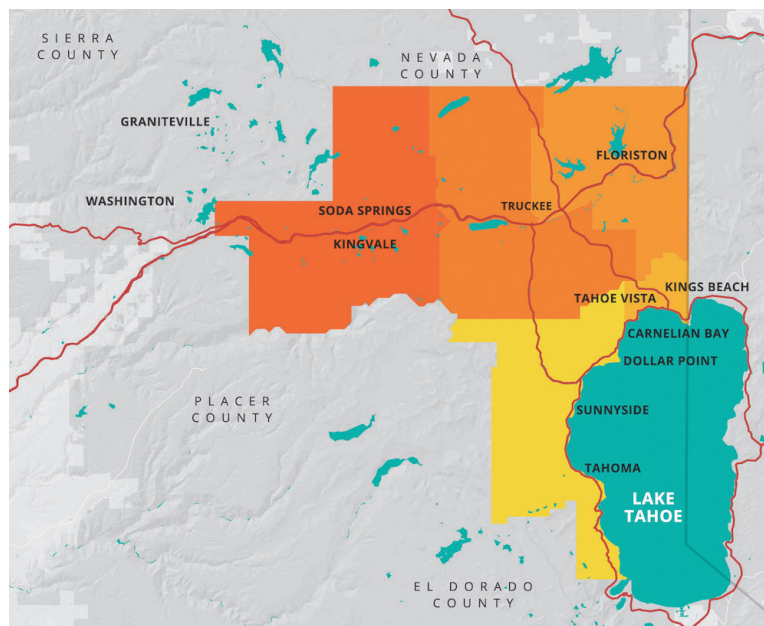
# ABOUT THE MOUNTAIN HOUSING COUNCIL OF TAHOE TRUCKEE

The Mountain Housing Council of Tahoe Truckee, a project of the Tahoe Truckee Community Foundation, is a regional coalition of diverse stakeholders working to accelerate solutions to achievable local housing. Over the past three years, these 29 partners have joined together to identify innovative policies, programs, and funding to create solutions for much needed locals' housing.

## PARTNER SUPPORT

The following Mountain Housing Council Partners support the research in this White Paper.

- |  |   |
|--|---|
| Community Collaborative of Tahoe Truckee | Tahoe Forest Hospital District                            |
| Contractors Association of Truckee Tahoe | Tahoe Prosperity Center                                   |
| Mountain Area Preservation Nevada County | Tahoe Regional Planning Agency                            |
| North Lake Tahoe Resort Association      | Tahoe Sierra Board of Realtors™                           |
| Placer County                            | Tahoe Truckee Community Foundation                        |
| Sierra Business Council                  | Tahoe Truckee Unified School District                     |
| Sierra Community House                   | Town of Truckee   |
| Squaw Valley   Alpine Meadows            | Truckee Chamber of Commerce                               |
| Squaw Valley Public Service District     | Truckee Downtown Merchants Association                    |
| Sugar Bowl Resort                        | Truckee North Tahoe Transportation Management Association |
| Tahoe City Public Utility District       | Truckee Tahoe Airport District                            |
|  | Vail Resorts / Northstar California                       |



**FIGURE 1** ► Geographic Scope of Mountain Housing Council

# ACKNOWLEDGEMENTS

The Mountain Housing Council of Tahoe Truckee would like to thank those who contributed to the research, development, and review of the Accessory Dwelling Unit White Paper.

## Local Jurisdictions

- ▶ Brian Foss, NEVADA COUNTY
- ▶ Emily Setzer, PLACER COUNTY
- ▶ Karen Fink, TAHOE REGIONAL PLANNING AGENCY
- ▶ Shawna Purvines, PLACER COUNTY
- ▶ Yumie Dahn, TOWN OF TRUCKEE
- ▶ Denyelle Nishimori, TOWN OF TRUCKEE

## Community

- ▶ Erik Smakulski

## Business

- ▶ Amie Quirarte, TAHOE LUXURY PROPERTIES
- ▶ Bill Dietz, TAHOE LUXURY PROPERTIES
- ▶ Brian Helm, PARADIGM8
- ▶ Heather Rankow, DEVELOPER'S CONNECTION
- ▶ Mark DiGiacomo, CARR LONG REALTY
- ▶ Marshall Saxe, NORTH TAHOE BUILDERS
- ▶ Weston Park, TAHOE SHED COMPANY

## Report Production Team

- ▶ Freshtracks Collaboration
- ▶ Sierra Business Council
- ▶ Tahoe Truckee Community Foundation

## Housing Consultant

- ▶ Wendy Sullivan, WSW CONSULTING



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## I. PURPOSE OF STUDY

The Mountain Housing Council of Tahoe Truckee (MHC) produced the following Accessory Dwelling Unit (ADU) White Paper in order to:

- 1 Increase understanding of ADUs and how they create housing opportunities for those who live and work in the region
- 2 Highlight the numerous ADU laws recently passed by the State of California, aimed at decreasing barriers to ADU creation
- 3 Offer ideas on ways to increase the number of ADUs being built in our region
- 4 Outline ways to offer incentives to homeowners who want to rent an ADU to a long-term tenant

### Who is This Study For?

- ▶ Builders and Developers
- ▶ Community Members
- ▶ Elected Officials
- ▶ Employers
- ▶ Financial Institutions
- ▶ Homeowners
- ▶ Homeowners Associations
- ▶ Local and Regional Government
- ▶ Real Estate and Insurance Professionals
- ▶ Special Districts

---

## II. MOUNTAIN HOUSING COUNCIL POSITION

Mountain Housing Council believes that accessory dwelling units:

- 1 Increase the diversity of housing types in the region
- 2 Can accelerate solutions for achievable local housing
- 3 Produce homes that are affordable by design
- 4 Create more socioeconomically diverse neighborhoods
- 5 Offer homeowners a solution for changing family and financial needs, such as housing a relative, caregiver, or as an alternative living space
- 6 Generate infill housing in existing neighborhoods which reduces sprawl

### III. DEFINITIONS

#### ACCESSORY DWELLING UNIT

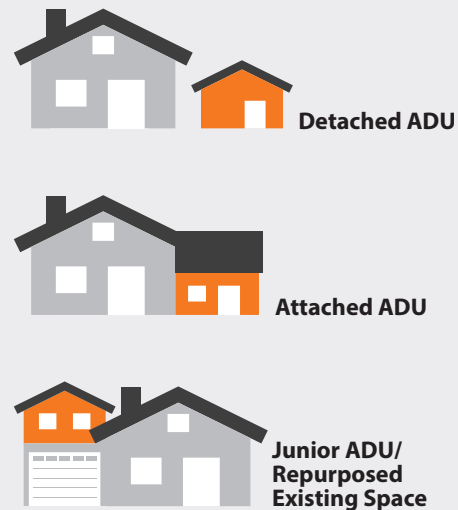
An Accessory Dwelling Unit, or ADU (also referred to as a second unit, in-law unit, granny flat, residential unit, or guest suite) is generally defined by the State of California Housing and Community Development Department as an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons “including permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling unit is situated<sup>1</sup>.” For local jurisdiction definitions, slightly different from state, see **Attachment A**.

The State of California generally recognizes the following ADU forms<sup>1</sup>:

- 1 **Detached:** The unit is separate from the primary structure
- 2 **Attached:** The unit is attached to the primary structure
- 3 **Repurposed Existing Space:** Space (e.g. master bedroom) within the primary residence that is converted into an independent living unit
- 4 **Junior Accessory Dwelling Units (JADU):** Similar to repurposed space with various streamlining measures. The JADU can be no more than 500 square feet, must have cooking facilities\*, including a sink with a maximum water line diameter of 1.5 inches, but is not required to have its own bathroom. Must have a separate main entrance with an interior entry to main living area

\*Cooking facilities/kitchen is defined as appliances which are connected to electric or gas systems.

**FIGURE 2 ▶ Forms of ADUs**



#### AREA MEDIAN INCOME

Area Median Income (AMI) is the household income for the median — or middle — household in a region. The US Department of Housing and Urban Development (HUD) publishes AMI data annually by household size for different geographic regions.

**EXAMPLES:**

- ▶ Nevada County AMI for family of four: \$85,100 (2019)
- ▶ Placer County AMI for family of four: \$83,600 (2019)

For more information on understanding AMI, visit [www.mountainhousingcouncil.org/tool-kit](http://www.mountainhousingcouncil.org/tool-kit)

<sup>1</sup> California Department of Housing and Community Development. Accessory Dwelling Unit Memorandum ([www.hcd.ca.gov](http://www.hcd.ca.gov), 2018).

## ACHIEVABLE LOCAL HOUSING

A framework, developed by MHC in 2017, to define the range of housing needs in the North Tahoe-Truckee region, which includes very low income earners as well as households earning up to 195% of the AMI (middle income).

Tahoe Regional Planning Agency (TRPA), using the MHC framework as a starting point, adopted its own framework to define the needs in the Tahoe Basin county by county. The TRPA defines achievable local housing in Eastern Placer County, as up to 215% AMI for multi-family and 235% AMI for single-family residences.

## DEED RESTRICTIONS

A deed restriction is an agreement that restricts the use of a property in some way.

### DEED RESTRICTED ADUs

A deed restriction is a requirement that jurisdictions can use in exchange for an incentive such as a fee waiver or construction fast-tracking. Deed restrictions can be used for:

- ▶ Tenant income limits
- ▶ Prohibiting short-term rentals
- ▶ Requiring long-term rentals
- ▶ Requiring primary residency of a tenant

Deed restrictions can be required in exchange for granting an incentive or subsidy to a project or home to provide an ADU for a certain purpose. Deed restrictions can be short-term or perpetual and are tied to the land (home), not the owner.

## INCENTIVES

Incentives are policies, programs, or funds which local jurisdictions use to encourage development of a certain type of housing such as:

- ▶ Fee deferrals or funds to reimburse fees
- ▶ Low-to-no interest loans and small grants
- ▶ Technical assistance for permits, design, and construction
- ▶ On-going property management support and landlord training
- ▶ Purchasing a deed restriction from a homeowner to limit occupancy to the local market<sup>2</sup>

Generally, some type of deed restriction must be in place in exchange for receiving an incentive from a jurisdiction.

## ADU ZONING CODE

Each local government agency is charged with writing and enforcing regulations around ADUs — where they can be built, how big, use, parking, etc. In the North Tahoe-Truckee region, the four local government agencies that regulate what can and cannot be built, and how are Nevada County, Placer County, Town of Truckee, and TRPA. Each agency has slightly different rules around ADUs but all local governments must comply with state laws except TRPA because of its status as a bi-state agency. For a summary of current ADU zoning codes, see **Attachment A**.

<sup>2</sup> Vail, Colorado. Vail Indeed Program ([www.vailindeed.com/](http://www.vailindeed.com/))



## IV. CALIFORNIA LAWS ON ADUs

Recently, the state of California passed many ADU laws which aim to make it easier for homeowners to build these units.

In the event that a local agency has an existing ADU ordinance that does not meet the requirements of new state laws, that ordinance will be null and void until the local agency adopts an ordinance that complies with the State.

### Summary of Local Adoption of State ADU Laws

- ▶ The Town of Truckee, Nevada County and Placer County, have updated, or are in the process of updating, several of their ADU ordinances to meet state requirements as shown in **Table 1** below.
- ▶ TRPA has not adopted the California ADU laws because of its status as a bi-state agency.
- ▶ Placer County and TRPA are discussing proposed amendments to the Tahoe Basin Area Plan that would alleviate constraints on ADUs in the Basin.

Below is a summary of recent laws passed in California and status of local jurisdiction adoptions as of November, 2019.

### STATE COMMITMENT TO ADUs

The California legislature found and declared that [ADUs] should be allowed in both single-family and multi-family zones and are an essential component in addressing housing needs in California.<sup>3</sup>

**TABLE 1 ▶ Approved State ADU Laws and Local Adoption Status (as of 11/4/2019)**

Law	Purpose	LOCAL ADOPTION STATUS			
		Town of Truckee	Placer County	Nevada County	TRPA
<b>SB 1069</b> (effective 1/1/2017)	Makes ADUs easier to build and approve by reducing parking and fire sprinkler requirements for some ADU types, prohibiting local agencies from precluding ADUs, or requiring utility connections or fees for some ADU types, and requiring ministerial approval of ADUs if they meet specified conditions. Provides that ADUs are not additional density.	Pending	Adopted	Adopted	Not adopted
<b>AB 670</b> (effective 1/1/2020)	Prohibits an HOA from precluding the construction of ADUs within common interest developments (CIDs) on lots that are zoned single-family.	Pending	Pending	Has not adopted but issues permits within HOAs	Not adopted
<b>AB 101</b> (effective 7/31/2019)	Creates a planning grant program that can be used to create or modify local ADU ordinances. Also authorizes the CalHOME program to fund ADU projects.	Actively pursues housing grant funding on an on-going basis	Actively pursues housing grant funding on an on-going basis	Not adopted	N/A

*Table 1 continued on next page*

<sup>3</sup> California Department of Housing and Community Development. Accessory Dwelling Unit Memorandum ([www.hcd.ca.gov](http://www.hcd.ca.gov), 2018).

Table 1 below continued from previous page

Law	Purpose	Town of Truckee	Placer County	Nevada County	TRPA
<b>SB 2299</b> (effective 1/1/2017)	Requires local governments to approve ADUs if the unit complies with certain parking, size, and setback requirements.	Adopted	Adopted	Adopted	Not adopted
<b>AB 2406</b> (effective 9/28/2016)	Creates more flexibility for housing options by authorizing local governments to permit JADUs (under 500 square feet). Requires owner occupancy.	Adopted	Adopted	NC does not have a JADU ordinance but does not prohibit them because they are considered an attached ADU	Not adopted
<b>Title 7 CA</b> Government Code, section 65852.2(a)(1)	Allows a local agency to adopt ordinances that allow ADUs in single-family and multi-family residential zones.	Adopted	Adopted	Adopted	Not adopted
<b>SB13</b> (effective 1/1/2020)	Creates a tiered fee structure which charges ADUs more fairly based on their size and location. Also lowers the application approval timeframe, creates an avenue to get unpermitted ADUs up to code, and enhances an enforcement mechanism allowing the state to ensure that localities are following ADU statute.	In review	In review	In review	Not reviewing
<b>AB 68</b> (effective 1/1/2020)	Removes requirements regarding minimum lot size for ADUs. Sets a standard timeframe for ADU approvals, sets minimum square footage, mandates minimum 30-day rentals of ADUs, modifies impact fees, and expands ministerial approvals.	In review	In review	In review	No action
<b>AB 881</b> (effective 1/1/2020)	Expands the types of ADUs eligible for ministerial approval, prohibits owner occupancy requirements until 2025, and modifies zoning, transit, and parking requirements.	In review	In review	In review	No action
<b>AB 671</b> (effective 1/1/2020)	Requires local agencies to include in their Housing Element a plan for incentivizing and promoting ADUs at affordable rates (defined as moderate income and below).	In review	In review	In review	No action
<b>AB 587</b> (effective 1/1/2020)	Allows a narrow exemption in the law for affordable housing nonprofits to sell deed restricted ADUs to eligible low-income homeowners separate from the sale of main housing units.	In review	In review	In review	No action

## V. ADU TRENDS

### Local ADU Zoning Codes

Today, because of the suite of state laws passed over the last few years, ADUs are allowed on many parcels throughout the North Tahoe-Truckee region. Following is a summary of ADU policies in place in the region. For a more detailed matrix of ADU Zoning Codes in place in the region, please see **Attachment A**.

#### PARCELS IN PLACER COUNTY, INSIDE THE TAHOE BASIN

- For parcels under one acre, ADUs are allowed if the unit is deed restricted for low income
- Short-term rental (STR) policy: a secondary unit is allowed if it is deed restricted to prohibit STRs. If the parcel is smaller than one acre, the ADU must be deed restricted for affordability. Additionally, either the primary or secondary residence on the site should be occupied at least ten months per year

#### PARCELS IN PLACER COUNTY, OUTSIDE THE TAHOE BASIN

- No more than one ADU allowed per parcel
- ADUs allowed in certain zones (all residential zones, Resort, Ag. Exclusive, and Forest zones)
- STR policy: If there is a secondary dwelling unit on a property with a single residence, only one can be rented short-term at any given time

#### PARCELS IN THE TOWN OF TRUCKEE

- One secondary residential unit is permitted in all zones where single-family residential is permitted
- STR policy: STRs only allowed on one of the two units in single-family residential zones. STRs only allowed in multi-family dwelling (apartment/condo) units with a use permit

#### PARCELS IN NEVADA COUNTY

- One ADU allowed per lot in certain zones
- STR policy: If there are two units on the property they cannot be rented separately at the same time but both can be rented to the same person/family at the same time

### New Law for Parcels in HOAs (AB 670)

On January 1, 2020, a new law (created by AB 670) will go into effect preventing HOAs from prohibiting ADUs within their jurisdiction on lots zoned single-family. The new law avoids existing prohibitions on ADUs in current HOA Covenants, Conditions, and Restrictions (CC&Rs), and allows 2 ADUs per single-family lot and additional ADUs for multi-family lots.

*To clarify further:*

- ▶ AB670 only applies to single-family, planned development lots — basically anything that falls under the category of a “common interest development,” such as condominiums and timeshares.
- ▶ HOAs will still be allowed to impose reasonable restrictions on ADU or JADU development, so long as those restrictions do not unreasonably raise the costs of building as to make it too expensive or difficult to build.
- ▶ Planned ADUs in common interest developments must still meet all applicable state laws pertaining to ADUs. This law does not streamline or create an incentive for ADUs; it merely lessens the ability of HOAs to prevent ADU construction.

*For more information on this new rule, go to:*

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB670](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB670).

## ADU Incentives

Incentives are programs put in place by local jurisdictions to encourage development of a specific type of housing. Incentives are determined by each jurisdiction and generally come in the following forms:

- 1 Fee waivers
- 2 Fee reductions
- 3 Density bonuses
- 4 Parking reductions
- 5 Expedited process review

Because of the recent passage of SB13, which will automatically reduce development impact fees based on a tiered structure and address processing time on all ADUs, local governments will need to rethink their incentive programs as many listed in **Table 2** focus on fee reductions and streamlining. See examples of what types of incentives other communities are offering on pages 18–21. Most of the incentives listed in other communities are in place to encourage ADU production in general but do not focus on incentives that target long-term rental occupancy.

### CREATION OF ADUs AS LONG-TERM RENTALS

If homeowners want to use their ADU as a long-term rental, local agencies may offer — in exchange for this community benefit — some sort of incentive. It is up to each local agency to define their own incentive program.

Listed below are some of the current incentives being offered in the North Tahoe-Truckee region that target the production of low-income ADUs. Again, these incentives are mostly in the form of fee reduction or waivers and will need to be updated in light of the passage of SB13 which automatically reduces fees for ADUs. Local agencies may need to look at incentives such as:

- 1 Increased technical support and services for homeowners
- 2 Community education tools
- 3 Partnerships outside of government for construction offset grants
- 4 Deed purchase programs

*For examples of how others have implemented these types of incentives, see pages 18–21: Learnings from other Communities.*

The main incentive tool used in our region is fee waivers. When a public subsidy (e.g. fee waiver, exemption, reduction, etc.) is given to help produce an ADU, the common approach to protect the public investment has been deed restrictions.

As listed in the table below, all fee waiver incentives are also linked to some sort of deed restriction.

## HOW DEED RESTRICTIONS WORK

The jurisdiction provides the homeowner with the deed restriction that is placed on the property and the owner submits proper documentation annually to show compliance.

**TABLE 2 ► Incentives Currently in Place, or In the Works, in the Region**

Law	Placer County (in Basin)	Placer County (out of Basin)	Nevada County	Town of Truckee	TRPA
<b>Incentives</b>	<p>For parcels smaller than one acre, if ADU is deed restricted for affordable (up to 80% AMI) incentives include:</p> <ol style="list-style-type: none"> <li>1 Fee Exemption: Exempt from payment of Building Permit Fees, Parks Impact Fees and Traffic Impact Fees</li> </ol>	<p>If ADU is deed restricted to tenants earning up to 120% AMI, they can be exempt from payment of Building Permit Fees, Parks Impact Fees and Traffic Impact Fees</p>	<p>If ADU is deed restricted for affordability up to 80% AMI, incentives include:</p> <p>Delayed payment of fees until Certificate of Occupancy is secured if:</p> <ol style="list-style-type: none"> <li>1 Meet income requirements above</li> <li>2 Unit is under 800SF</li> </ol>	<p>No impact fees for:</p> <ol style="list-style-type: none"> <li>1 Converting existing space (JADU)</li> <li>2 Spaces less than 500SF</li> </ol> <p>Facilities and Traffic impact fees are based on square footage</p> <p>In progress:</p> <p>Researching potential additional incentives</p>	<p>If ADU is deed restricted affordable, moderate, or achievable, and is within 1/2 mile of an existing transit stop, it will automatically receive a bonus unit from the bonus pool</p>

## ADU Permit Trends in California

According to a report published by the Turner Center for Housing Innovation at UC Berkeley, many cities across California are experiencing a significant increase in ADU permits as a result of new state laws that have loosened regulations.<sup>4</sup>

The report states that “planners from most of these cities indicated in interviews that the state-level laws enacted in 2017 have been a significant factor in the rise of interest in ADUs. Not only did these laws remove specific barriers, but they also raised the profile of ADUs in general, sparking interest amongst a broader group of property owners.”

<sup>4</sup> Turner Center of Housing Innovation at UC Berkeley. ADU Update Brief ([http://turnercenter.berkeley.edu/uploads/ADU\\_Update\\_Brief\\_December\\_2017\\_.pdf](http://turnercenter.berkeley.edu/uploads/ADU_Update_Brief_December_2017_.pdf), 2017).

**TABLE 3 ► ADU Applications Received 2015–2017**

California City	2015	2016	2017*
Los Angeles**	90	80	1,980
Long Beach	0	1	42
Oakland	33	99	247
Sacramento	17	28	34
San Diego	16	17	64
San Francisco***	41	384	593
San Jose	28	45	166

\* Through November 1, 2017

\*\* 2015/2016 Los Angeles data are for ADU construction permits; staff did not collect data on ADU applications prior to 2017. Date are through November 8, 2017

\*\*\* San Francisco data is only through Q3 2017

### ADU Permit Trends in North Tahoe-Truckee

While there has been some increase in the number of ADU permits in the local region, the rise has not been at the same pace as the rest of the state. The following **Table 4** and **Figure 3** show the trends in ADU permits issued by Placer County and the Town of Truckee. There was an upward trend in issuance of ADU permits in 2018 and 2019.

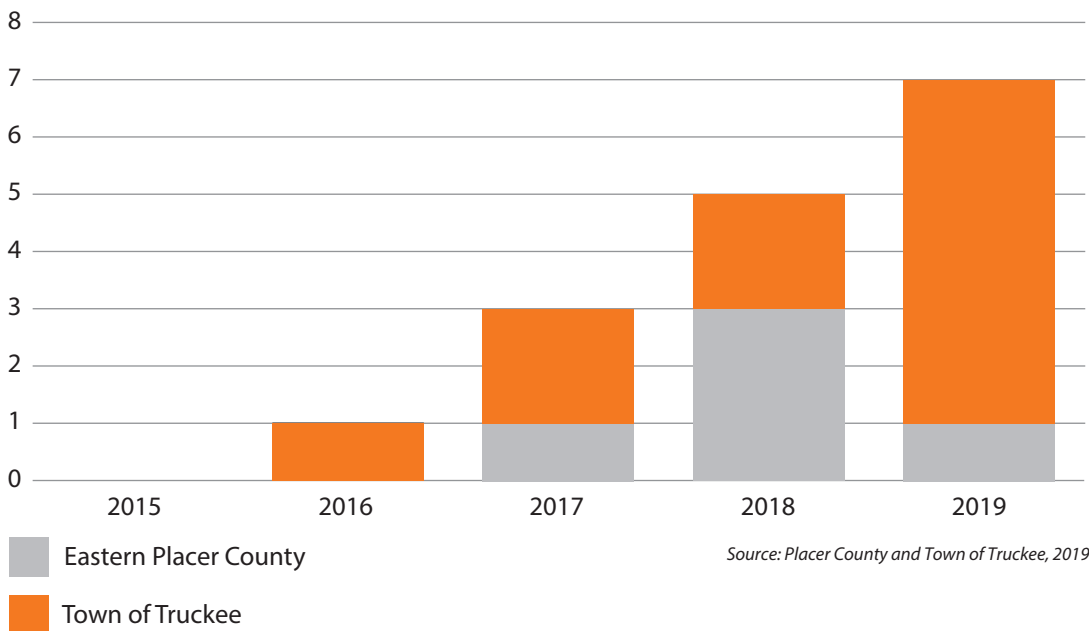
**TABLE 4 ►**

### ADU Permits in Eastern Placer County and Town of Truckee (2015–2019)

Permit Issue Year	EASTERN PLACER COUNTY			TOWN OF TRUCKEE		
	Issued	Per Year Completed	Total	Issued	Per Year Completed	Total
2015		1	1		1	1
2016		1	1	1	2	2
2017	1			2	1	1
2018	3			2	8	8
2019	1	1	2	6	2	2
<b>Totals</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>11</b>	<b>14</b>	<b>14</b>

Source: Placer County and Town of Truckee, 2019.

**FIGURE 3 ▶**  
**ADU Permits Issued in Eastern Placer County and Town of Truckee (2015–2019)**



The Town of Truckee transitioned to a new building permit system in 2015 and cannot provide ADU permit data prior to 2015. In eastern Placer County an additional five ADU permits have been issued and 21 completed since 2004, nine of which were in the Basin.

Based on conversations with local agency staff, the growth of ADU permits is attributed in part to:

- ▶ A desire to make existing unpermitted units legal
- ▶ A desire to build housing for a relative, adult child, or employee
- ▶ Income generation potential as a short-term rental

Nevada County’s building permit system is unable to break out ADU permits specifically for the eastern portion of the county. Per the County’s Planning Director, however, it is unlikely Nevada County has issued more than three ADU permits in the last ten years.

According to conversations with Town of Truckee, Placer County, and Nevada County planning staff, the data above accurately reflects permitted ADUs. Staff recommended that the actual number of ADUs in the region is likely higher due to non-permitted or illegal units. Data for the number of unpermitted units in the region is not collected at this time.

**ADUS USED AS SHORT-TERM RENTALS**

To date, there is no data collected by the Town of Truckee, Placer County, or Nevada County on the use of ADUs as short-term rentals. Information is available on the number of short-term rentals in the region, but is not categorized by type of housing unit.

**NUMBER OF DEED RESTRICTED ADUS IN THE REGION**

There are currently no deed restricted ADUs in eastern Placer County, Nevada County, or Town of Truckee.

## VI. ADU CHALLENGES

Local homeowners have been slow to respond to ADU opportunities despite new state laws loosening regulations, the high demand for rental units, and incentive programs. According to a survey sent out in August 2019 by the Contractors Association of Truckee Tahoe, MHC, and the Truckee Chamber of Commerce, more than 90 respondents stated that the main challenges in adding ADUs to their property include:

- ▶ Regulatory barriers: design or permit applications which are overly complicated and a challenge to understand (78%)
- ▶ Cost: ADUs are costly to build and the development and building permit fees are too high (67%)
- ▶ Local community does not allow ADUs (i.e. HOAs) (45%)

Knowing there are barriers to building ADUs, incentives identified by survey respondents that may help increase ADUs include:

- ▶ Waiving the development and/or building permit fee (79%)
- ▶ Offering help from Town/County staff for homeowners navigating the complicated permit approval process (70%)
- ▶ Providing financial incentives, e.g., payments to homeowners who restrict rentals to primary residents or payment to help with construction/design costs (63%)
- ▶ Offering pre-approved ADU designs for homeowners (60%)

### Monitoring and Enforcing Deed Restrictions on ADUs

According to planning staff, monitoring compliance of deed restrictions on ADUs can be a challenge for local government. Therefore, the simpler the deed restriction the better, in terms of enforcement. As mentioned earlier, often the jurisdiction will provide the deed restriction to the homeowner for the restricted ADU (in exchange for the incentive) and the owner is expected to submit some form of compliance documentation annually. Currently, Town of Truckee, Placer County, Nevada County, and TRPA manage their own deed restrictions. Additionally, onerous qualifying criteria for renters increases the difficulty of ensuring compliance. Through deed restrictions, for example, Crested Butte, Colorado requires all ADUs be deed restricted for long-term rental (meaning six months or more) to ensure occupancy by locals.

Crested Butte employs compliance actions also include:

- 1 Asking ADU owners to provide a copy of the lease, either when alerted by neighbors that there may be a concern, or every two years
- 2 Conducting a census of the use of all housing units in town every two years. This was instituted as part of their affordable housing program to monitor the loss of units to second homeownership and STRs over time, but is now also used to track ADU compliance



## Cost to Build

Building any type of home is expensive, especially in California, and even more so in snowy climates and in the highly regulated Tahoe Basin. As demonstrated in survey results and in conversations with local builders, the cost to build an ADU is a major barrier for homeowners. According to local contractors, a 700 square foot detached ADU can run upwards of \$300,000 to build. In response to the high cost of building ADUs and their increasing demand, many modular companies are responding with products that drop the price to build a small, detached ADU closer to \$100,000.

## Site Development

Both the TRPA and local jurisdictions have site development requirements that may limit the buildable area of a parcel. For instance, in Lake Tahoe there are coverage restrictions based on environmental sensitivity of the lot. TRPA and local jurisdictions also have setback regulations that dictate how close a structure can be to the edge of the lot. These rules can limit the amount of available space a homeowner has to construct a new, detached ADU on their property. In cases where a homeowner does not have enough buildable area, they may be able to construct an attached ADU over a garage, or by turning existing space in to a separate unit.

## Prevailing Wage Requirements

Financial incentives provided by local jurisdictions may trigger prevailing wage requirements, which affect the cost of construction and could limit the number of companies willing to bid on a prevailing wage job.

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<sup>5</sup> Placeworks. Housing Costs and Affordability Report ([www.trpa.org/wp-content/uploads/0\\_GreenReport\\_Housing-Costs-and-Affordability\\_011518.pdf](http://www.trpa.org/wp-content/uploads/0_GreenReport_Housing-Costs-and-Affordability_011518.pdf), 2018).

## VII. ADU BENEFITS

Many communities are prioritizing ADUs as a way to diversify housing choices and increase housing stock.

Below are commonly cited benefits of ADUs<sup>6</sup>:

- ▶ **Bring private solutions to a regional issue:** Residents in neighborhoods do the work rather than large, outside developers.
- ▶ **Increase diversity of housing types:** Single-family housing is the predominant form of development in the North Tahoe-Truckee area, representing over 80% of the region’s housing units<sup>7</sup>. ADUs offer an additional rental option currently in limited supply.
- ▶ **Create infill in existing neighborhoods:** Investing in existing neighborhoods and backyards limits urban sprawl and preserves open space.
- ▶ **Create affordability by design:** Small ADUs, specifically those 500 square feet and under, tend to be less expensive to build and rent.
- ▶ **Offer an age-in-place and multi-generational living solution:** ADUs offer many options for homeowners: a caretaker home, a space for parents/grandparents, and the ability for homeowners to rent the main home by moving into the ADU. Second dwelling units give homeowners the flexibility to share independent living areas with family members and others, allow seniors to age in place as they require more care, and help extended families be near one another while maintaining privacy.
- ▶ **Create local investments:** ADUs are a form of local investment where business and property owners may directly house their own employees or those of other local businesses. The rent stays in the local economy and does not transfer to large outside institutional investors.
- ▶ **Generate rental income:** ADUs can generate rental income to help homeowners cover expenses.

The August 2019 survey echoes these conclusions, suggesting that the main benefits of ADUs are that they:

- ▶ Add more housing variety and choices for locals (88%)
- ▶ Provide more affordable housing stock because ADUs are generally smaller units, translating to a lower rental price and the potential to share utility costs (77%)
- ▶ Provide an opportunity for homeowners to collect rental income to subsidize mortgage and home maintenance costs (76%)
- ▶ Provide housing for older adults who want to downsize but stay near families and/or neighborhoods (69%)
- ▶ Add equity to the home (58%)

### AUGUST 2019 ADU SURVEY RESULTS

**90%** of respondents like the idea of ADUs as a strategy to house those who live and work locally.

<sup>6</sup> AARP. The ABC’s of ADUs ([www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html](http://www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html)).

<sup>7</sup> BAE Urban Economics. Truckee North Tahoe Regional Workforce Housing Needs Assessment ([www.ttcf.net/wp-content/uploads/2016/01/NorthTahoe-Truckee-Housing-Study-Final-Presentation-Bookmarked.pdf](http://www.ttcf.net/wp-content/uploads/2016/01/NorthTahoe-Truckee-Housing-Study-Final-Presentation-Bookmarked.pdf), 2016).

## VIII. LEARNINGS FROM OTHER COMMUNITIES

Following is a list of communities that have taken various steps to increase the number of ADUs in their neighborhoods. Some have relaxed regulations, making it easier for homeowners to build ADUs. Some invested in programs to help educate homeowners by offering ADU templates, how-to manuals, videos, brochures, and support services. Others offered cash payments for deed restrictions as an incentive. All of these communities have made ADUs a priority and the results of their efforts are listed below.

Who/Where	City of San Francisco, CA
<b>Program</b>	<p><b>Incentives</b></p> <ul style="list-style-type: none"> <li>▶ Low- and no-interest loans and small grants</li> <li>▶ Permit fee waivers</li> <li>▶ Forgivable loans up to 100% of construction cost</li> <li>▶ Sliding scale incentive program: the more affordable the unit, the bigger the incentives for the homeowner</li> <li>▶ Project management support including technical assistance with permits, design, construction (Navigator)</li> <li>▶ On-going property management support and landlord training</li> <li>▶ Staffed program and application process required to qualify for incentives</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Went from three permits in 2013 to nearly 600 in 2017</li> </ul>
<b>Contact + Info</b>	<p>Daisy Quan, Affordable ADU Program Coordinator, City of SF  <a href="mailto:daisy.quan@sfgov.org">daisy.quan@sfgov.org</a>  <a href="http://www.sfplanning.org/accessory-dwelling-units">www.sfplanning.org/accessory-dwelling-units</a></p>

Who/Where	City of Santa Cruz, CA
<b>Program</b>	<p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>▶ Elimination of covered parking requirements</li> </ul> <p><b>Incentives</b></p> <ul style="list-style-type: none"> <li>▶ Fee waiver for low- and very-low income earners (with deed restriction)</li> <li>▶ Low interest loan program from local credit union</li> </ul> <p><b>Information/Education</b></p> <ul style="list-style-type: none"> <li>▶ Created How-to Manual for homeowners</li> <li>▶ Created ADU model plans (3)</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Tripled legal ADU production</li> <li>▶ Average 40–50 ADU permits per year</li> <li>▶ Community Development Director attributes increase of ADU permits to changes in regulations, making it easier to build ADUs</li> </ul>
<b>Contact + Info</b>	<p>(831) 420-5416  <a href="mailto:planningcounter@cityofsantacruz.com">planningcounter@cityofsantacruz.com</a></p>

<b>Who/Where</b>	<b>City of Clovis, CA</b>
<b>Program</b>	<b>Incentives/Regulation/Information</b> <ul style="list-style-type: none"> <li>▶ Cottage Home Program: For properties with access to alleys, the city offers three plans for pre-designed units to fit a variety of property configurations at no cost to the homeowner</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Plans and permits available within 10 days of application</li> <li>▶ Plan development takes 6–8 months to complete with a comprehensive design cost of \$27,000</li> <li>▶ To date, there are 10 completed cottage homes and one in progress. New permits in the pipeline for 2019–2020</li> </ul>
<b>Contact + Info</b>	<b>Maria Spera, (559) 324-2355</b> <a href="mailto:cottagehomes@cityofclovis.com">cottagehomes@cityofclovis.com</a> <a href="http://www.cloviscottagehomes.com">www.cloviscottagehomes.com</a>

<b>Who/Where</b>	<b>City of Portland, OR</b>
<b>Program</b>	<b>Regulatory</b> <ul style="list-style-type: none"> <li>▶ Reduced requirements around ADU placement and structural form</li> <li>▶ Removed requirement of off-street parking</li> <li>▶ Removed owner-occupancy requirements</li> </ul> <b>Education</b> <ul style="list-style-type: none"> <li>▶ Created an ADU program guide to educate homeowners on city website</li> </ul> <b>Incentives</b> <ul style="list-style-type: none"> <li>▶ Implemented a System Development Charge Waiver if ADU owners follow City regulations</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Went from 24 permits in 2000 to 660 in 2018</li> </ul>
<b>Contact + Info</b>	<b>(503) 823-7300</b> <a href="mailto:bds@portlandoregon.gov">bds@portlandoregon.gov</a> <a href="http://www.portlandoregon.gov">www.portlandoregon.gov</a>

Who/Where	Town of Crested Butte, CO
<b>Programs</b>	<p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>▶ ADUs are a conditional uses on all lots</li> <li>▶ As condition of approval, ADU must be restricted to long-term rental for at least six months (restrictive covenant defined in the development code)</li> </ul> <p><b>Incentives</b></p> <ul style="list-style-type: none"> <li>▶ Additional floor area ratio granted</li> <li>▶ Two thirds of tap fees (water/sewer hookups) paid by the Town (about \$12,000 per ADU)</li> </ul> <p><b>Information/Education</b></p> <ul style="list-style-type: none"> <li>▶ Mailers to community about ADU program</li> </ul> <p><b>Enforcement</b></p> <ul style="list-style-type: none"> <li>▶ Census of units and their use conducted by the Town every two years</li> <li>▶ Violators fined \$100/day if not rented for a consecutive 3-month period</li> <li>▶ Violators publicized in paper</li> <li>▶ 0.25 time staff person dedicated to enforcement</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ 96 have been built since 1989 — 7% of all structures in Town</li> <li>▶ Near 100% compliance — long-term rentals by default house residents/local employees</li> <li>▶ Wide community support</li> </ul>
<b>Contact + Info</b>	<p>Michael Yerman, Community Development Director  <a href="mailto:MYerman@crestedbutte-co.gov">MYerman@crestedbutte-co.gov</a>  <a href="http://www.crestedbutte-co.gov/?SEC=F9CA8442-B3B9-488D-8018-DACFFF57D855">www.crestedbutte-co.gov/?SEC=F9CA8442-B3B9-488D-8018-DACFFF57D855</a></p>

Who/Where	City of Durango, CO
<b>Program</b>	<p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>▶ Launched “Amnesty” program to bring illegal ADUs into legal compliance</li> </ul> <p><b>Information/Education</b></p> <ul style="list-style-type: none"> <li>▶ City launched a public education campaign to show how ADUs can weave into existing neighborhoods: <a href="http://www.youtube.com/watch?v=_s0p-zJeDpQ">www.youtube.com/watch?v=_s0p-zJeDpQ</a></li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Community acceptance of ADUs</li> <li>▶ Registration of more than 300 existing ADUs</li> <li>▶ Permitted 25 new ADUs between 2014–2018</li> <li>▶ Expanded allowance of ADU construction in a number of neighborhoods within the City</li> </ul>
<b>Contact + Info</b>	<p>(970) 375-4850  <a href="mailto:plansrvcs@durangogov.org">plansrvcs@durangogov.org</a>  <a href="http://www.durangogov.org/850/ADU-Program-Information">www.durangogov.org/850/ADU-Program-Information</a></p>

Who/Where	Town of Ridgway, CO
<b>Program</b>	<p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>▶ Increased ADU square footage allowance to 800SF in 2005</li> <li>▶ Revised hook-up requirements so ADUs can use primary residence sewer/water hookups</li> <li>▶ Implemented owner occupancy regulations and 90-day rental minimums to ensure safety of the “community fabric”</li> <li>▶ Worked with one neighborhood to update building requirements to allow for ADUs on 25+ lots</li> </ul> <p><b>Information/Education</b></p> <ul style="list-style-type: none"> <li>▶ Created an informational flyer: <a href="http://www.colorado.gov/pacific/ridgway/adus-ridgway">www.colorado.gov/pacific/ridgway/adus-ridgway</a></li> <li>▶ Partnered with a local bank to help with outreach: bank distributed personal letter and ADU flyer to community members</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Increase in ADU construction</li> <li>▶ Positive relationship with the community through transparency and communication</li> </ul>
<b>Contact + Info</b>	<p>Shay Coburn, Planner (970) 626-5308 ext. 222 <a href="mailto:scoburn@town.ridgway.co.us">scoburn@town.ridgway.co.us</a></p>

Who/Where	City of Vancouver, British Columbia
<b>Program</b>	<p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>▶ Established the 2006 initiative EcoDensity — a city-wide dialogue around urban form and sustainability (including ADUs)</li> <li>▶ Adopted the 2009 Laneway Housing Guidelines to allow for increased development of ADUs: <a href="https://vancouver.ca/people-programs/laneway-houses-and-secondary-suites.aspx">https://vancouver.ca/people-programs/laneway-houses-and-secondary-suites.aspx</a></li> </ul> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>▶ Developed an informational guide: <a href="https://vancouver.ca/home-property-development/build-a-new-house-or-laneway-house.aspx">https://vancouver.ca/home-property-development/build-a-new-house-or-laneway-house.aspx</a></li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>▶ Community acceptance of increased density</li> <li>▶ Highest number of ADUs in North America. Since 2009, when the Laneway Housing Program was adopted, more than 3,000 permits have been issued for laneway houses across the City</li> </ul>
<b>Contact + Info</b>	<p>(604) 873-7611</p>

## IX. RECOMMENDATIONS

Following is a set of recommendations that outline ways to **increase the production and supply of ADUs to house those who live and work in the North Tahoe-Truckee region**. The recommendations are a compilation of suggestions from the August 2019 survey, input from local jurisdiction planning and management staff already working on these issues, research from other communities, and multiple conversations with Mountain Housing Council and community partners. Many of the recommendations listed below are already being implemented by local jurisdictions.

We recognize that ADUs are not the silver bullet that will fix the housing challenges in our region but believe they are a productive and meaningful way to increase the inventory and affordability of units for the community.

Education + Information Solutions	Recommendation
<p><b>Collaborate Regionally to Create ADU Marketing Materials</b></p>	<p><b>1</b> Implement an ADU education and marketing initiative</p> <ul style="list-style-type: none"> <li>▶ Consider a regional approach</li> <li>▶ Bring in marketing expertise, outside of local government, to create materials including:               <ul style="list-style-type: none"> <li>• How-to website, videos, brochures</li> <li>• Simple deed restriction, tool kits, online return on investment calculator</li> </ul> </li> </ul> <p><b>Status</b></p> <ul style="list-style-type: none"> <li>▶ Town of Truckee: Working on educational booklet/pamphlet, to be released by end of 2019</li> <li>▶ Placer County: Working on ADU Tool Kit</li> </ul>
<p><b>Appoint one person at each jurisdiction to serve as the “ADU Navigator”</b></p>	<p><b>1</b> Consider implementing an ADU program at Town of Truckee and Placer County to:</p> <ul style="list-style-type: none"> <li>▶ Develop incentive programs (beyond AB 670/fee reductions)</li> <li>▶ Assign ADU Navigator at each jurisdiction to consistently walk homeowners through process</li> </ul> <p><b>Status</b></p> <ul style="list-style-type: none"> <li>▶ Town of Truckee hiring Housing Coordinator in 2020</li> <li>▶ TRPA created Housing Ombudsman Position in 2019</li> <li>▶ Placer County adding staff in Tahoe to support housing in 2020</li> </ul>

Regulatory Improvements	Recommendations
<p><b>Comply with all current and future ADU state laws</b></p>	<ol style="list-style-type: none"> <li>1 Town of Truckee, Nevada County, Placer County: Continue work of adopting all state ADU laws</li> <li>2 TRPA: consider adopting more flexible ADU regulations or regulations that allow local jurisdictions the flexibility to implement their respective state laws</li> <li>3 Special Districts: update ordinances to comply with state ADU laws (SB13) in 2020 — scalable fee vs. flat fee methodology</li> <li>4 HOA: Review State Law AB670 and consider application</li> </ol> <p><b>Status</b></p> <ul style="list-style-type: none"> <li>▶ See page 8–9 for summary of state law compliance</li> </ul>

Incentive Program	Recommendation
<p><b>Expand incentives programs beyond SB13*, to encourage more ADU production and occupancy by long-term renters</b></p> <p><i>SB13 requires jurisdictions, special districts, water districts, charge ADU impact fees based on tiered methodology</i></p>	<ol style="list-style-type: none"> <li>1 Consider allocating funds for an ADU incentive program beyond SB13 aimed at long-term renters. May require a deed restriction or some other type of guarantee that the unit will be rented long-term in exchange for incentives. Suggest that any incentive program that includes a deed program be supported with monitoring and compliance capacity (staff and resources).</li> </ol> <p><b>Status</b></p> <ul style="list-style-type: none"> <li>▶ Town of Truckee: The General Plan Advisory Committee (GPAC) made a recommendation to the Town Council to use one-time housing money (\$1M) to create a formalized ADU program</li> <li>▶ Placer County working on ADU incentive pilot</li> </ul>

Construction Solutions	Recommendation
<p><b>Pre-approved modular ADUs</b></p>	<ol style="list-style-type: none"> <li>1 Consider funding a regional ADU program that: <ul style="list-style-type: none"> <li>▶ Creates pre-approved ADU plans and designs</li> <li>▶ Secures a local lending partner who offers ADU loan products</li> <li>▶ Establishes relationships with ADU modular companies that can design and build pre-approved units at an affordable price</li> <li>▶ Establishes relationships with local vendors to lower costs of site work, engineering, etc.</li> </ul> </li> </ol> <p><b>Status</b></p> <ul style="list-style-type: none"> <li>▶ MHC has built relationships with several modular companies and started conversations with Placer County and Town of Truckee planning staff to consider a pre-approved, detached modular product</li> </ul>





ATTACHMENT A ►  
**MATRIX OF CURRENT  
REGIONAL ADU POLICIES**

**Current Accessory Dwelling Units (ADU) Zoning Codes in the Tahoe Truckee Region**  
**Updated: September 6, 2019**

	Placer County Inside Basin (Tahoe Basin Area Plan)	Placer County Outside of Basin	Nevada County	Town of Truckee	TRPA
<b>Definition + Purpose</b>	<p><b>Definition:</b> Secondary Residence is defined in section 21.3.2 of the TRPA Code of Ordinances:</p> <p>One secondary residence shall be considered an accessory use to the primary use it serves and may be permitted where the primary use is a permissible use.</p> <p>Secondary units may include a guest house; an affordable or market-rate rental unit; a caretaker residence for a residential use, commercial use, public service or recreational use; and a manager's quarters for a tourist accommodation or multi-residential use. A secondary residence shall be considered a residential unit subject to the residential allocation limitations and transfer provisions.</p>	<p><b>Definition:</b> "Secondary Dwellings" (Land Use) means a second permanent dwelling that is accessory to a primary dwelling on a site. A secondary dwelling may be either a detached or attached dwelling unit which provides complete, independent living facilities for one more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel or parcels as the primary dwelling. Secondary dwellings also include multi-generation housing units and are synonymous with accessory dwelling units as defined by California Government Code Section 65852-2. See Section 17.56.200 for specific use requirements applicable to secondary dwellings.</p>	<p><b>Definition:</b> An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons.</p>	<p><b>Definition:</b> An attached or detached residential dwelling which provides complete independent living facilities for one or more persons on the same site as a single-family residence. Also known as an accessory dwelling unit. The secondary residential unit shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as a single-family dwelling.</p>	<p><b>Definition:</b> Secondary Residence is defined in section 21.3.2 of the TRPA Code of Ordinances:</p> <p>One secondary residence shall be considered an accessory use to the primary use it serves and may be permitted where the primary use is a permissible use.</p> <p>Secondary units may include a guest house; an affordable or market-rate rental unit; a caretaker residence for a residential use, commercial use, public service or recreational use; and a manager's quarters for a tourist accommodation or multi-residential use. A secondary residence shall be considered a residential unit subject to the residential allocation limitations and transfer provisions.</p>
<b>Policy in Place</b>	<p>Secondary residences are permitted as accessory to a single family residence. If the parcel is one acre or smaller, the secondary residence must be deed restricted to prohibit the secondary residence to be converted to a tourist use or utilized as a vacation rental, and for affordability as determined by the Placer County Housing Specialist and in accordance with current California Department of Housing and Community Development requirements. A secondary residence shall be considered a Residential Unit subject to the residential allocation and transfer provisions of the TRPA Code of Ordinances. Could be prohibited HOAs.</p>	<p>No more than one secondary dwelling shall be allowed per parcel. Secondary dwellings allowed in certain zones (all residential zones, Resort, Ag, Exclusive and Forest zones).</p>	<p>1 per lot allowed in certain zones. The County will issue a permit for an ADU even within an HOA that does not allow them. The responsibility of abiding by HOA rules are up to the property owner. County will not enforce CCR's.</p>	<p>One secondary residential unit is permitted in all zones where single-family residential is permitted. If the Town is aware of HOA regulations that would prohibit secondary residential units, the Town notifies the applicant; however, the Town will issue building permits regardless of HOA rules. Parcels that are less than three acres in size that are on septic are not allowed to have secondary residential units.</p>	<p>Allowed on lots greater than one acre in size; on lots smaller than one acre in size where permitted by an Area Plan, or where included in a TRPA-certified Local Government Housing Program.</p>
<b>Type of Units Allowed</b>	<p>Attached to primary unit or detached.</p>	<p>Attached to the primary unit or detached.</p> <p>Detached secondary dwellings: may be attached to residential accessory structures as long as the secondary dwelling unit has a separate entrance with no internal circulation to the attached residential accessory structure, unless said structure is a garage.</p>	<p>1. Conventionally on-site constructed attached or detached structure from the primary residence (structures that meet building/electrical/fire codes. No tiny homes, RV's, tents, yurts, etc. Includes units within existing primary unit.</p> <p>2. A manufactured home that meet building codes.</p> <p>3. Converted existing accessory structure (such as a barn or garage) Needs to meet building codes.</p>	<p>Within, attached, or primary residence.</p>	<p>1. Within main house</p> <p>2. Attached to main house</p> <p>3. Detached from the existing main dwelling</p>
<b>Occupancy and Use Requirements</b>	<p>1. Either the primary or secondary residence on the site shall be occupied at least 10 months per year.</p> <p>2. Short-term rental of a secondary residence or its bedrooms to overnight guests for fewer than 30 consecutive days is prohibited.</p>	<p>Either the primary or secondary dwelling on the site shall be owner occupied or rented on a long-term basis. This provision is not to be construed as requiring occupancy of one of the dwellings on a continuous basis; rather it requires owner occupancy or long-term rental of one of the units at any one time. For purposes of this section, "long-term rental" is defined as thirty-one (31) consecutive calendar days or more. Failure to comply with this requirement shall be a violation of the County Code and subject to enforcement action by the county. No secondary dwelling may be sold separately from the primary single-family dwelling.</p>	<p>Either the primary or second dwelling unit on the site shall be owner occupied.</p> <p>1. Short-term rentals (less than 30-days) are allowed on properties that qualify for agritourism activities as allowed by Land Use and Development Code Section L-II 3.3 and verified by the County Agricultural Commissioner;</p> <p>2. Short-term rentals (less than 30-days) are allowed on properties that are within the Soda Springs Rural Center as defined of the County General Plan Land Use Maps;</p> <p>3. Renting an ADU within the Truckee Sphere of Influence for either a short or long term basis are subject to the same rental standards as established in the Town of Truckee Zoning Ordinance.</p>	<p>Both of the units can be long-term rented, but both cannot be short-term rented (only one can be short term rented).</p>	

	Placer County Inside Basin (Tahoe Basin Area Plan)	Placer County Outside of Basin	Nevada County	Town of Truckee	TRPA	
<b>Lot Size/Location on Lot</b>	Construction associated with any secondary residence shall conform to the height, setback, lot coverage, site plan review, fees, charges, and other requirements generally applicable to residential construction within the zoning subdistrict where the subject property is located.	Secondary dwellings are a residential use that is consistent with the existing General Plan and Zoning designation for the lot. See Section 17.56.180 for limitations on the total cumulative square footage of residential accessory structures on parcels of various sizes.	ADUs are allowed on any parcel that allows a primary dwelling unit regardless of parcel size as long as setbacks can be met.	ADUs are allowed on any parcel that allows a primary dwelling unit except if the parcel is on septic, then there is a 3-acre minimum.	Allowed on lots greater than one acre in size; on lots smaller than one acre in size where permitted by an Area Plan, or where included in a TRPA-certified Local Government Housing Program.	
<b>Floor Area/Size Limitations</b>	The maximum floor area allowed for a secondary residence, whether attached to the primary unit or detached, shall be based on the area of the lot as follows:  Attached unit shall not increase the floor area of an existing primary residence by more than 30 percent. [NOTE: "Floor area" as used in this section means the living area of a residence, exclusive of any garage or carport, which is measured from the outside surfaces of exterior walls or walls between living areas and a garage.]	The maximum floor area of a secondary dwelling attached to, or contained within the existing space of the primary single-family dwelling shall not exceed fifty (50) percent of the primary single-family dwelling living area, with a maximum floor area of one thousand two hundred (1,200) square feet. The maximum floor area for a secondary dwelling detached from an existing single-family dwelling shall not exceed one thousand two hundred (1,200) square feet. [Note: "Living area," for the sole purpose of calculating the maximum floor area of an attached secondary dwelling, means the interior habitable floor area of a dwelling unit, as measured to the outside surface of exterior walls, including habitable basements and attics, but does not include a garage or any accessory structure that was not developed as habitable space.]	1. Attached Units: maximum 50% of the existing residence gross floor area, but not to exceed 1,200 square feet.  2. Detached Units: maximum size shall be 1,200 square feet.  3. Detached second dwelling units may have an attached garage or carport that does not exceed 480 square feet.  *Exception: Previously approved senior citizen or disabled housing units may be modified to increase the square footage, not to exceed 1,200 square feet.	Minimum size of 150 square feet required.  Maximum size in relation to the main dwelling: the gross floor area of the unit shall not exceed the lesser of 50 percent of the existing living area of the main dwelling or:  1. On parcels less than one acre: 800 square feet of gross floor area; or  2. On parcels of one acre or more: 1,200 square feet of gross floor area.  A secondary unit shall be allowed at least 500 square feet of gross floor area in all cases	Defers to local regulations.	
	<b>Maximum Secondary Residence size</b>					
	<i>Lot Area of Site</i>					<i>Maximum Secondary Residence Floor Area</i>
	2.29 acres or less					840 sq. ft.
2.3 to 4.99 acres	1,000 sq. ft.					
5 acres or more	1,200 sq. ft.					
<b>Water/Sewage</b>	If property is on septic, septic system must demonstrate capacity of ADU or be expanded.	If property is on septic, septic system must demonstrate capacity for ADU or be expanded.	All water supply and sewage disposal requirements shall be complied with as administered by the Department of Environmental Health.	All water supply and sewage disposal shall be provided by an established community system or by an on-site system approved by the Nevada County Health Department. A secondary unit shall not be allowed on a parcel that is served by an on-site septic system and is less than three acres.	Defers to local regulations.	



DESIGN STANDARDS	Placer County Inside Basin (Tahoe Basin Area Plan)	Placer County Outside of Basin	Nevada County	Town of Truckee	TRPA
Appearance	The secondary residence shall be architecturally compatible with the primary residence. For attached units, the appearance of the building shall remain that of a single-family residence.		N/A	N/A	N/A
Porches, Entryways, & Decks	N/A	May be added provided that any such covered feature is open on at least two sides and occupies an area no larger than twenty-five (25) percent of the allowable living space of the secondary dwelling.	Shall not exceed a 10-foot depth. Enclosed decks or porches shall not exceed 15% of the total gross floor area of the second dwelling unit and shall be constructed as non-habitable space.	N/A	N/A
Garages, Driveways, & Pedestrian Access	<b>Allowable Garage Area.</b> Detached secondary residences may be allowed an attached garage or carport with a maximum size of 576 square feet in addition to maximum permitted living area. Such space must be clearly designed for the storage of an automobile(s).		Meet the minimum fire safe driveway standards pursuant to the Land Use and Development Code. Additional requirements for second dwelling units that are located beyond the dead-end road limit.	Served by the same driveway encroachment as the main dwelling unit. Exceptions for 2nd units on corner lots can be requested from Community Development Director.	
Parking	2 parking spaces required per unit	In addition to parking required for the primary single-family dwelling by Article 17.54, one parking space per unit shall be provided on-site for the secondary dwelling. Tandem parking on an existing driveway or in setback areas is permissible. In areas subject to winter snow removal operations, new encroachments onto county-maintained roadways shall be prohibited in order to preserve available snow storage areas. No additional parking is required if the proposed secondary dwelling is:  a. Within one-half mile of a public transit stop; b. Within an architecturally and historically significant historic district; c. Within the existing single-family dwelling or an existing residential accessory structure; d. In an area where on-street parking permits are required but not offered to the occupant of the secondary dwelling; or e. Within one block of a car share vehicle pick-up location.  Notwithstanding Section 17.54.130(B) (Resolution of conflicts), parking for secondary dwellings in Sawaw Valley	Must require 1 or more parking spaces depending on proximity to transportation.	<i>Pending approval of Truckee Town Council (as of 10/21/19):</i>  One on-site parking space shall be provided for a studio or one-bedroom secondary unit and two on-site spaces shall be provided for a secondary unit with two bedrooms or more, in addition to that required for the main dwelling unit, in compliance with Chapter 18.48 (Parking and Loading Standards), except as described below:  Parking exemptions: On-site parking shall not be required if the secondary unit is located within a half mile of a transit stop or within the Downtown Specific Plan Area General Plan Land Use Designation; the secondary unit is part of an existing primary residence or an existing accessory structure; or a car share vehicle station is located within one block of the secondary unit.	
Building Code	Detached secondary residences or additions to existing primary residences shall comply with appropriate building code requirements, minimum parcel size requirements, maximum unit floor area limits for the secondary residence, parking standards and building set-back standards.				
Set Backs	Must meet zone district setbacks	Must meet zone district setbacks	5'-30' ft depending on zoning *Can apply for variance and setback easements	Same as the main dwelling. Except for conversions to and additions to legally constructed garages:  Conversions: A legally constructed garage located within a front yard setback that is approved for conversion to a secondary unit shall comply with the requirements of Development Code Section 18.30.120.F.3, including restrictions on windows and other wall openings on the elevation facing the street. No additional setback is required for the conversion of legally constructed garages within a side or rear yard setback.  Additions: A minimum five-foot side or rear yard setback may be approved for a secondary unit that is constructed above or below a legally constructed garage.	

ADU PROGRAM SERVICES	Placer County Inside Basin (Tahoe Basin Area Plan)	Placer County Outside the Basin	Nevada County	Town of Truckee	TRPA
<b>Incentives</b>	<p>If deed restricted for affordable, TRPA Residential unit comes from bonus pool (no TRPA cost).</p> <p>Deed-Restricted Secondary Dwelling Units: In the case where a property owner voluntarily opts to deed-restrict a secondary dwelling unit for affordability, said unit shall be exempt from payment of building permit fees and those fees identified in Articles 15.28 (Road Network) and 15.34 (Park and Recreation).</p> <p>Deed-restricted secondary dwelling units are secondary dwelling units that are restricted for affordability as verified by the county housing specialist and in accordance with current State Department of Housing and Community Development requirements. Said verification must be rendered in writing prior to exemption from fees. (Ord. 5816-B § 5, 2016; Ord. 5134-B Exh. A, 2001)</p>	<p>Deed-Restricted Secondary Dwelling Units: In the case where a property owner voluntarily opts to deed-restrict a secondary dwelling unit for affordability, said unit shall be exempt from payment of building permit fees and those fees identified in Articles 15.28 (Road Network) and 15.34 (Park and Recreation).</p> <p>Deed-restricted secondary dwelling units are secondary dwelling units that are restricted for affordability as verified by the county housing specialist and in accordance with current State Department of Housing and Community Development requirements. Said verification must be rendered in writing prior to exemption from fees. (Ord. 5816-B § 5, 2016; Ord. 5134-B Exh. A, 2001)</p>	<p>Fees deferred until COB for:</p> <ol style="list-style-type: none"> <li>1. Deed restricted ADU's up to 80% AMI</li> <li>2. ADU less than 800 sq. ft</li> </ol>	<p>Current: Facilities and Traffic impact fees are based on a square footage basis.</p> <p>In the works: Researching potential incentives in addition to HOA and septic restrictions. Fees based on square footage. No impact fees for:</p> <ol style="list-style-type: none"> <li>1. Converting existing space</li> <li>2. Spaces less than 500 sq. ft</li> </ol>	
<b>Building Permits, Timeline</b>			<p>Only a building permit is required for ADU's. Processing time is typically 30 days for new construction, conversions may be less.</p>	<p>Generally, only a building permit is required. Processing time is typically 30 days for new construction, with additional time for corrections.</p>	<p>30 days for completeness review and 120 days to complete the permit.</p>

**Item Attachment Documents:**

13. Mobile Home Residential District, WSMC 17.36



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## AGENDA MEMO

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Proposed Amendments to WSMC 17.36, Mobile Home Residential District  
Presented By: Marla Keethler, Mayor and Patrick Munyan, City Administrator

### **Action Required**

Consent of city council to move proposed amendments forward to public hearing and consideration for adoption.

### **Motion**

None required at this time.

### **Explanation of Issue**

Staff has prepared amendments to White Salmon Municipal Code 17.36, Mobile Home Residential District to be align the code with the current goals and polices in the City's 2012 Comprehensive Plan.

The proposed amendments will be discussed by the city council and the planning commission at the joint meeting on February 26.

Attached is the city current WSMC 17.36 and the proposed amendments. The proposed amendments are in rough draft and prepared for discussion purposes only.

## Chapter 17.36 - MHR MOBILE HOME RESIDENTIAL DISTRICT

## 17.36.010 - General regulations and conditions.

Construction and maintenance of a new manufactured home park or expansion of an existing manufactured home park shall be in accordance with the standards established by this chapter. Any expansion or modification to a pre-existing/nonconforming manufactured home park shall be completed in compliance with this chapter.

- A. A manufactured home park shall consist of not less than two acres of land;
- B. Any person or persons operating a manufactured home park must possess a valid permit to do so from the county health department and a valid city business license;
- C. Every manufactured home park shall conform with all applicable rules and regulations of the Washington State Department of Health;
- D. Every manufactured home shall be situated on its individual manufactured home space, such space to have an area of not less than one thousand square feet; every space shall be sized to fully contain the mobile home placed on the space including dedicated parking and accessory structures related to the primary structure unless explicitly provided in a designated common area;
- E. Every owner or operator of a manufactured home park shall maintain such manufactured home park and all permanent equipment in connection therewith in a clean and sanitary condition, and shall maintain said equipment in a state of good repair;
- F. All manufactured home parks or expansion of same, shall submit, along with accompanying site development plans, proof of compliance with provisions for flood hazard protection as required by state and local law.

(Ord. No. 2012-11-905, 11-26-2012)

## 17.36.020 - Uses permitted outright.

Principal uses permitted outright in the MHR district include mobile home parks intended for single-family residency. Permitted uses include the following types of use:

- A. Individual single-family residential dwellings including site-built homes and manufactured homes;
- B. Attached or detached porches, decks, pergolas, stairs and landings;
- C. Garages and other accessory buildings and structures such as utility sheds, recreational vehicle enclosures, household pet enclosures, shop and studio buildings, greenhouses, common outdoor areas or designated common parking areas;
- E. Household gardens;
- F. Private swimming pools, above grade and below grade, provided they are adequately enclosed or fenced and do not constitute a hazard;
- G. Outdoor parking of motor vehicles, (excluding motor bikes, motorcycles, lawn and garden care machinery, golf carts, and excluding motor vehicles within a garage or other accessory building) equal in number to the number of licensed drivers in the household of each unit;





- H. Storage or parking of boats and boat trailers kept in an area specifically planned and provided for such site for other than gain or sale; provided, that no boat with an overall length, including the trailer, except shall be stored or parked in a manufactured home park;
- I. Outside barbeques and cooking facilities and eating areas;
- J. Outside storage of firewood; provided, that it is neatly and securely stacked and does not harbor rodents or collections of harmful insects or create a fire hazard.
- K. Home occupation per definition in Section 17.08.230.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.030 - Prohibited uses.

Prohibited uses include the following types of use:

- A. Outside storage of wrecked, inoperable or unlicensed vehicles on lots for more than a period of five consecutive days.
- B. Parking or storage of industrial or agriculture vehicles and equipment on lots.
- C. Outside collections of automobile, truck or other motor vehicle parts or paints, fuels, and lubricants.
- D. Outside accumulations of garbage, trash, household goods, yard trimmings, or other materials which create a public nuisance or fire hazard.
- E. On premise storage of flammable, toxic, corrosive, or explosive chemicals, gases, or materials other than reasonable amounts of normal household paints, cleaners, solvents, fuels.
- F. Possession of non-household animals including, but not limited to, horses, cows, sheep, goats, ponies, swine, fowl, and poisonous insects, reptiles, or spiders kept without city approval.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.040 - Accessory uses.

Accessory uses in the MHR district include uses customarily incidental to a principal use permitted outright, including buildings and facilities for the park office, laundry, toilets and washrooms.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.050 - Application—Detailed site plan.

At the time of application for a license for a new manufactured home park or the expansion of an existing park, the applicant shall submit twelve copies of the following required detailed plans and specifications drawn by a licensed engineer:

- A. New structures;
- B. Water and sewer systems;
- C. Electrical system;
- D. Roads, sidewalks, patio and manufactured home stand construction;



- E. Drainage system;
- F. Recreation area improvements;
- G. A landscape plan prepared by a landscape specialist;
- H. Before construction of any swimming pool, two copies of plans approved by the state board of health shall be filed with the city building inspector.

Before a plan is approved for construction of a new manufactured home park or to expand an existing park, the proposed location shall be approved for manufactured home park purposes in accordance with this chapter. The review shall follow the site plan review process in Section 17.81.120.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.060 - Density provisions.

Density provisions for the MHR district are as follows:

- A. Mobile home sites or pads may not be sold separately though spaces may be leased or rented for long term or permanent occupancy;
- B. Lot Size. The minimum site shall be two acres, however, this provision shall not apply to expansion of existing parks. The maximum number of acres shall be five.
  - 1. The density shall be ten units maximum per net acre;
  - 2. The minimum manufactured home park width adjacent to a street right-of-way shall be one hundred feet.
- C. Maximum Height. The maximum height of any structure shall be twenty feet as measured from grade.
- D. Buffering. A fifteen-foot buffer zone shall exist around the perimeter of the park. Buffering or screening with landscape planting, fencing, walls or any combination thereof is required in order to make the manufactured home park compatible with its adjacent surrounding residential or nonresidential area. All fencing or walls shall be a minimum height of six feet. Landscape plantings are required to reach the minimum height of six feet within five years of construction.
- E. Space Requirements.
  - 1. Each manufactured home space shall have a minimum area of not less than one thousand square feet. Each manufactured home space shall be a minimum of thirty feet in width and shall abut on a drive with unobstructed access to a street. Such spaces shall be clearly defined. Manufactured homes shall be located in such spaces with a minimum of ten feet between manufactured homes or between a home and any building except storage buildings.
  - 2. Each manufactured home space shall be improved with one patio of concrete or other suitable impervious material having a minimum area of one hundred fifty square feet.
  - 3. Each manufactured home space shall have a stand size equal to or greater than the dimensions of the manufactured home located on the stand.
  - 4. Permanent structures located within any manufactured home space shall be used for storage purposes only, shall have a minimum area of thirty-two square feet, and shall be located



less than six feet from manufactured home. These structures shall be uniform and included in the plans submitted to and approved by the planning commission. Permanent structures shall comply with the International Building Code as adopted.

5. No permanent additions of any kind shall be built on or become a part of any manufactured home. Skirting of homes is permissible but such skirting shall not attach the home to the ground.
6. Any part of any manufactured or demountable manufactured home accessory structure such as cabanas, carports, storage cabinet, awnings or porches, shall be located not closer than five feet from the line of the manufactured home space boundary line.
7. Manufactured homes shall be located not closer than ten feet to any access road right-of-way.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.070 - Utility requirements.

In MHR districts, all new structures shall be serviced by underground utilities.

- A. **Sewer Connections.** Every manufactured home park within the city shall connect to city sanitary sewers. This standard applies to any expansion of existing parks.
- B. **Water.** Every manufactured home park or expansion of the same within the city shall be connected to the city water supply system. Each home in the park must have an individual water meter installed and maintained by the park owner. Each home in the park must have an individual pressure reducing valve installed as per the Uniform Plumbing Code, if the supply pressure exceeds a pressure acceptable to the city engineer.
- C. **Electric Power.** Every manufactured home park or expansion of same within the city, shall supply the necessary public power utilities to each and every unit therein.
- D. **Lighting.** Access ways and walkways shall be well marked in the daytime and lighted at night with electric lamps shielded or hooded and directed downward to illuminate only the access and walk way intended to be lit.
- E. **Utility installation** shall be subject to review by city engineer prior to approval to excavate or otherwise begin installation. Installation shall be performed in accordance with an installation schedule that provides opportunity for notice and inspection as work proceeds. The installation schedule must be approved by the city engineer prior to start of work.

(Ord. No. 2012-11-905, 11-26-2012)

#### 17.36.080 - Binding site plan review.

Binding site plan review is required for mobile home parks in the mobile home park district. The review shall follow the site plan review process in Chapter 17.81, including steps necessary to amend a final binding site plan.

(Ord. No. 2012-11-905, 11-26-2012)



Ordinance No. \_\_\_\_

**AN ORDINANCE REPEALING CHAPTER 17.36 “MHR MOBIL HOME RESIDENTIAL DISTRICT” AND ADDING NEW CHAPTER 17.36 “MHRP MOBILE/MANUFACTURED HOME RESIDENTIAL PARK DISTRICT”, AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE**

**WHEREAS**, City’s Comprehensive Plan House goal (H-2.6) states both site-built and manufactured housing shall be recognized as necessary and functional housing although special standards in placement and locations will apply to each; and

**WHEREAS**, the city finds the current MHR MOBIL HOME RESIDENTIAL DISTRICT fails to ensure affordable mobile and manufactured housing is preserved in this community as an option for workforce housing; and

**WHEREAS**, the city is presently in a moratorium to allow code changes that will protect and promote workforce housing; and

**WHEREAS**, the city wishes to modify its code to further this goal.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON DO HEREBY ORDAIN as follows:**

**Section I**

WSMC CHAPTER 17.36 “MHR MOBIL HOME RESIDENTIAL DISTRICT” is hereby repealed in its entirety and a new WSMC CHAPTER 17.36 “MHRP MOBILE/MANUFACTURED HOME RESIDENTIAL PARK DISTRICT”, is hereby adopted as identified in Exhibit A attached hereto and by this reference incorporated herein.

**Section II – Severability**

That if any clause, section, or other part of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby, but shall remain in full force and effect.

**Section III – Effective Date**

This ordinance shall take effect five (5) days after its publication according to law.

**PASSED** by the Council for the City of White Salmon at a regular meeting this \_\_\_\_ day of \_\_\_\_\_, 2020.



\_\_\_\_\_  
Marla Keethler, Mayor of White Salmon

**ATTEST:**

\_\_\_\_\_  
Jan Brending, City Clerk/Treasurer

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

## Exhibit "A"

### Chapter 17.36 – MHR MOBILE HOME RESIDENTIAL DISTRICT

#### Sections:

<b>17.36.010</b>	<b>Purpose</b>
<b>17.36.020</b>	<b>Permitted Uses.</b>
<b>17.36.030</b>	<b>Conditional Uses.</b>
<b>17.36.040</b>	<b>Minimum Development Standards.</b>
<b>17.36.050</b>	<b>Off-Street Parking.</b>
<b>17.36.060</b>	<b>Roadway.</b>
<b>17.36.070</b>	<b>Expansion or Alteration of Existing Mobile Home Parks.</b>
<b>17.36.080</b>	<b>Eviction notices for change of use or closure of a mobile home park.</b>
<b>17.36.090</b>	<b>Relocation report and plan.</b>
<b>17.36.100</b>	<b>Certificate of completion of the relocation report and plan.</b>
<b>17.36.110</b>	<b>Notice of provisions.</b>
<b>17.36.120</b>	<b>Administration.</b>
<b>17.36.130</b>	<b>Appeal.</b>
<b>17.36.140</b>	<b>Closure and government sponsorship.</b>
<b>17.36.150</b>	<b>Additional Requirements.</b>
<b>17.36.160</b>	<b>Additional Requirements.</b>
<b>17.36.170</b>	<b>Building Permit Required.</b>
<b>17.36.180</b>	<b>Required Tiedowns.</b>

#### **17.36.010 Purpose.**

The purpose of the MHR district is to provide a zoning district exclusively for manufactured and mobile home parks and to enable zoning to conform to general planned densities. For purposes of this chapter, "Manufactured Home Park" is defined as any development of real property, within the City providing space for occupancy of two (2) or more manufactured homes as defined in Chapter 17.08.\_\_\_\_ and/or mobile homes as defined in Chapter 17.08.\_\_\_\_ and complies with the standards as designated on the data plate and with all the provisions of the Manufactured Housing Construction and Safety Standards in effect at the time of its construction and constitutes not less than 720 square feet of interior habitable room.

#### **17.36.020 Permitted Uses.**

The following uses are permitted, subject to conformance with applicable regulations stated below, and elsewhere in this Title:

- A. Mobile home parks.

- B. Dwellings and building when appurtenant to the mobile home park only.
- C. Accessory uses and structures related to any permitted use, except home occupation.
- D. Offices, restrooms, laundry, storage and recreational facilities, clubhouse, and similar uses appurtenant to the mobile home park residents only.
- E. The sale of items related to the maintenance and operation of manufactured and mobile homes within the park, or the residents thereof, provided:
  1. There are no signs advertising said sales on the external boundaries of the mobile home park.
  2. The facilities for said sales are located within the interior area of the mobile home park site.

**17.36.030 Conditional Uses.**

The following uses are permitted subject to approval of a conditional use permit:

- A. Home occupations.
- B. Public and quasi-public uses related to the district.
- C. Nursery schools and family child day care centers.
- D. Recreational Vehicle Park.

**17.36.040 Minimum Development Standards.**

The following are the minimum development standards for the MHR district:

- A. There shall be a minimum ten-foot setback from all interior property lines. Public street frontage setback shall be not less twenty-five (25) feet from the property line.
- B. Spacing of manufactured/mobile homes. There shall be a space of not less than twenty (20) feet between manufactured/mobile homes located side-by-side and parallel. The spacing between manufactured/mobile homes located end-to-end shall be not less than twenty (20) feet; provided, however, where the center line, as extended, of one unit does not extend through the adjacent unit, the spacing between the two units shall not be less than ten (10) feet. There shall be not less

than ten (10) feet between any manufactured/mobile home and any cabana, carport or other similar accessory structure related to another manufactured/mobile home nor between any manufactured/mobile home and any permanent structure. The average distance between adjacent angular manufactured/mobile homes shall be not less than twenty (20) feet with the closest point being no less than ten (10) feet. Each site shall be equipped with a storage shed not less than sixty (60) square feet of storage space. Each space shall be identified by a number, which shall be displayed with sufficient size and location to be readily visible from the adjacent roadway.

- C. Each manufactured/mobile home shall be serviced by at least one thirty (30) foot wide roadway to provide for two moving lanes of traffic and a four (4) foot delineated pedestrian walkway. Where on-roadway parking is desired, the roadway width shall be increased accordingly.
- D. All roadways and parking areas shall be improved with asphalt or concrete in accordance with the most current version of the City's street standards.
- E. All street frontage setback areas shall be landscaped and maintained.
- F. Landscaping and Fencing. A detailed landscape plan shall be required and include:
  - 1. The location and materials of all fencing.
  - 2. All plantings including the size, location, species name and method of irrigation.
  - 3. Existing trees or significant plant groupings that are intended to remain.
  - 4. Sight-obscuring buffer between the manufactured/mobile home park and any residential district or commercial district.
  - 5. Perimeter ground cover landscaping consisting of not less than five-foot width and established vision triangle requirements for driveways and intersections.
  - 6. Individual space landscaping, common areas and open space. Sight-obscuring buffer shall consist of opaque material fencing or a solid landscape screen which shall consist of an evergreen or nearly evergreen mixture of shrubs, bushes or trees that produce a dense, sight-obscuring screen at least six-feet in height within three years of planting. Berms

may be included as a sight-obscuring barrier to a maximum berm height of five feet planted on both sides with evergreen or nearly evergreen shrubs or bushes so that the total height of landscaping and berm will be at least six feet within three years of planting, and the top of the berm plantings form a dense, sight-obscuring screen within the same three-year period. Fencing materials, landscaping species and standards shall be consistent with WSMC.

- G. Site plan approval is required prior to the initial construction of any manufactured/mobile home park and prior to any substantial changes thereto, or to any existing manufactured/mobile home park.

**17.36.050 Off-Street Parking.**

There shall be two off-public-street parking spaces for each mobile home space.

**17.36.060 Roadway.**

Every roadway within the mobile home park shall be named and the names clearly posted. Every mobile home shall have a number which will be clearly visible from the roadway at all times.

**17.36.070 Expansion or Alterations of Existing Mobile/Manufacture Residential Parks.**

Any mobile home park existing or approved at the time of adoption of the ordinance codified herein may be enlarged or altered; provided all codes and ordinances of the city are complied with for that portion to be enlarged; and the enlargement is forty-nine percent or less of the area of the existing park. Where there is a proposed enlargement or alteration of an existing park to the extent of affecting higher than forty-nine percent of the area of the existing park, when such enlargement or alteration is carried out or planned, such enlargement or alteration shall require full integration of the existing park to conform to the provisions of this chapter. As sanctioned by the provisions of this section, A Mobile/Manufacture Residential Park can only be enlarged or altered one time without full integration of the existing park.

**17.36.080 Eviction notices for change of use or closure of a mobile home park.**

- A. Before a mobile home park owner may issue eviction notices pursuant to a closure or change of use under Chapter 59.21 RCW, the mobile home park owner must first submit to the City a relocation report and plan that meets the requirements of WSMC 17.36.090. If applying for a change of use, the mobile home park owner shall submit the relocation report and plan together with all other necessary applications. Once the City determines that the relocation report and plan meets the requirements of WSMC 17.36.090, the City shall stamp their approval on the relocation report and plan and

return a copy of the approved plan to the mobile home park owner. If the City determines that the relocation report and plan does not meet the requirements of WSMC 17.36.090, the City may require the mobile home park owner to amend or supplement the relocation report and plan as necessary to comply with this chapter before approving it.

- B. No sooner than upon approval of the relocation report and plan, the owner of the mobile home park may issue the twelve (12) month eviction notice to the mobile home park tenants. The eviction notice shall comply with RCW 59.20.080 and 59.21.030, as amended. No mobile home owner who rents a mobile home lot may be evicted until the twelve (12) month notice period expires, except pursuant to the State Mobile Home Landlord-Tenant Act, Chapter 59.20 RCW.

**WSMC 17.36.090 Relocation report and plan.**

- A. The relocation report and plan shall describe how the mobile home park owner intends to comply with Chapters 59.20 and 59.21 RCW, relating to mobile home relocation assistance, and with WSMC17.36.080 through 17.36.130. The relocation report and plan must provide that the mobile home park owner will assist each mobile home park tenant household to relocate, in addition to making any state or federal required relocation payments. Such assistance must include providing tenants an inventory of relocation resources, referring tenants to alternative public and private subsidized housing resources, helping tenants obtain and complete the necessary application forms for state-required relocation assistance, and helping tenants to move the mobile homes from the mobile home park. Further, the relocation report and plan shall contain the following information:

1. The name, address, and family composition for each mobile home park tenant household, and the expiration date of the lease for each household;
2. The condition, size, ownership status, HUD and State Department of Labor and Industries certification status, and probable mobility of each mobile home occupying a mobile home lot;
3. Copies of all lease or rental agreement forms the mobile home park owner currently has in place with mobile home park tenants;
4. To the extent mobile home park tenants voluntarily make such information available, a confidential listing of current monthly housing costs, including rent or mortgage payments and utilities, for each mobile home park tenant household;
5. To the extent mobile home park tenants voluntarily make such information available, a confidential listing of gross annual income for each mobile home park tenant household;

6. An inventory of relocation resources, including available mobile home spaces in King, Snohomish, Kitsap, and Pierce Counties;
7. Actions the mobile home park owner will take to refer mobile home park tenants to alternative public and private subsidized housing resources;
8. Actions the mobile home park owner will take to assist mobile home park tenants to move the mobile homes from the mobile home park;
9. Other actions the owner will take to minimize the hardship mobile home park tenant households suffer as a result of the closure or conversion of the mobile home park; and
10. A statement of the anticipated timing for park closure.

B. The manager of housing and human services may require the mobile home park owner to designate a relocation coordinator to administer the provisions of the relocation report and plan and work with the mobile home park tenants, the housing and human services office, and other city and state offices to ensure compliance with the relocation report and plan and with state laws governing mobile home park relocation assistance, eviction notification, and landlord/tenant responsibilities.

C. The owner shall make available to any mobile home park tenant residing in the mobile home park copies of the proposed relocation report and plan, with confidential information deleted. Within fourteen (14) days of the manager of housing and human service's approval of the relocation report and plan, a copy of the approved relocation report and plan shall be mailed by the owner to each mobile home park tenant.

D. The mobile home park owner shall update with the housing and human services office the information required under this section to include any change of circumstances occurring after submission of the relocation report and plan that affects the relocation report and plan's implementation.

**17.36.100 Certificate of completion of the relocation report and plan.**

No mobile home park owner may close a mobile home park, or obtain final approval of a comprehensive plan or zoning re-designation until the mobile home park owner obtains a certificate of completion from the housing and human services office. The manager of housing and human services shall issue a certificate of completion only if satisfied that the owner has complied with the provisions of an approved relocation report and plan, the eviction notice requirements of RCW 59.20.080 and 59.21.030, the relocation assistance requirements of RCW 59.21.021, and any additional requirements imposed in connection with required city applications.

**17.36.110 Notice of provisions.**

It is unlawful for any party to sell, lease, or rent any mobile home or mobile home park rental space without providing a copy of any relocation report and plan to the prospective purchaser, lessee, or renter, and advising the same, in writing, of the provisions of WSMC 17.36.080 through 17.36.130 and the status of any relocation report and plan.

**17.36.120 Administration.**

The City shall administer and enforce WSMC 17.36.080 through 17.36.130. Whenever an owner or an owner's agent fails to comply with the provisions of WSMC 17.36.080 through 17.36.130, the following may occur:

- A. The City may deny, revoke, or condition a certificate of completion, a permit, or another approval;
- B. Any other appropriate city official may condition any permit or other approval upon the owner's successful completion of remedial actions deemed necessary by the City carry out the purposes of WSMC 17.36.080 through 17.36.130.

**17.36.130 Appeal.**

Any appeal from a determination of the City administration under WSMC 17.36.080 (A), WSMC 17.36.100, and WSMC 17.36.120(A) shall be an open record hearing filed within fourteen (14) days of the determination and be processed in accordance with the procedures established for Type V applications under WSMC Title 19.

**17.36.140 Closure and government sponsorship.**

- A. If an eminent domain action by a federal, state, or local agency causes closure of a mobile home park and the procedures set forth in the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601 et seq., and the regulations of 49 CFR Part 24 or the Relocation Assistance – Real Property Acquisition Policy Act of Chapter 8.26 RCW and the regulations of Chapter 468-100 WAC are followed, the requirements of those acts and regulations will supersede the requirements of WSMC 17.36.080 through 17.36.170.
- B. If a condemnation action of the city causes closure of a mobile home park, the city will be responsible for fulfilling the requirements of the standards contained herein. If the city chooses to follow portions of the state act and regulations and the City determines that there is a conflict or redundancy between the portions of the state act and regulations being followed by the city, and the standards contained herein, the state act shall take precedence in such areas of conflict or redundancy. If the state act is followed



in all respects, such act will supersede the requirements of this section and the standards contained herein.

**17.36.150 Additional Requirements.**

- A. No manufactured or mobile home shall be moved into the City limits of White Salmon without prior authorization of the City, placement permit issued by the City Building Inspector and HUD and Washington State Labor and Industry inspection tag. The owner will need to provide picture and other document evidence that the manufactured or mobile home is in good or better condition and suitable for living.
- B. No manufactured or mobile home may be altered or added to without a Washington State Labor and Industry permit and City building permit.
- C. No manufactured or mobile home, or any addition or accessory building thereto, may be placed upon a lot in any MHR District without first obtaining a building permit and sewer and water connection permits, or authorization, from the building inspector. Any required fees shall be in accordance with the current City Fee Schedule.
- D. Any attached addition or attached accessory building shall be compatible with the design, color and exterior covering, including roofing, to the manufactured or modular home.
- E. Any addition or accessory structures or building shall be in compliance with all applicable WSMC and building codes.
- F. All Water, Sewer and Storm-water shall comply with the most current State laws and City standards and regulations. Connections shall be made to the city utility system, if available and applicable. The sewer connection shall be provided with suitable fittings so that a watertight connection shall be so constructed that it can be closed and locked, when not linked to a dwelling, and shall be capped so as to prevent any escape of odors.
- G. All equipment, including but not limited to tires, wheels and axles, which are needed to transport the structure to the site shall be removed from the structure, and said structure shall be attached to a permanent foundation or anchored to the ground in accordance with manufacture requirement and/or as approved by the building inspector.

**17.36.160 Building Permit Required.**

Issuance of a building permit is required prior to commencement of construction of any permanent improvements within any new mobile home park and prior to any enlargement,

alteration or addition to any permanent improvements within any existing mobile/manufacture residential park. The fees for said building permit shall be based on the cost of construction for said permanent improvements, and shall include such things as roadways, walkways, parking areas, permanent structures and other similar types of construction activities.

**17.36.170 Required Tiedowns.**

All mobile homes shall be tied down in accordance with manufacturer's recommendations. If a manufacturer recommendation cannot be provided, the mobile home owner shall provide the building inspector with an engineered stamped plan as to how the mobile home is to be tied down.

**Item Attachment Documents:**

14. Next Steps - Assignment of Areas of Focus



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## AGENDA MEMO

Needs Legal Review: Yes  
Council Meeting Date: February 26, 2020  
Agenda Item: Next Steps – Assignment of Areas of Focus  
Presented By: Marla Keethler, Mayor

### Action Required

Consent of city council and planning commission to revise as desired and accept the proposed assignment of areas of focus.

### Motion

None required at this time.

### Explanation of Issue

Below are initial ideas regarding next steps (as they relate to the current moratorium of residential development and the Comprehensive plan update) including assignment of areas of focus for staff, city council and the planning commission.

### Key Participants:

1. Planning Commissioners: Land-use Policy Advisors
  - Act as primary body to solicit, hear and weigh public input on land use matters.
  - Planning Chair attend council meeting 1x month for updates on moratorium, Comp Plan, and Buildable Lands Study work
  - Bi-Annual land-use retreat/workgroup with council going forward – Spring before Council Retreat and Fall before Budget development
2. City Councilors: Land-use Policy Makers
  - Consider recommendations from commissioners in shaping policy decisions.
3. Staff: Policy administrators and enforcers of the plans and codes

### City Council Led Focus

- Mobile Home Residential District (WSMC 17.36 Amendments)
- Housing Affordability Thresholds for moratorium only
- Moratorium exceptions/additional findings of fact
- Consideration of Housing Levy and resources city could be providing through such funds:
  - Relocation Assistance
  - Loan program for home improvements
  - Tenant Assistance
  - Accessory Dwelling Unit (ADU) How-To Program
- Land partnership opportunities with local agencies to support multi-family development
- Tenant protections
- Long-term policy approach to Urban Exempt Area and potential prioritizing of certain infrastructure improvements
- Annexation process
- Permitting/review process for various applications and assignment of authority between hearing examiner/planning commission/city council/planning administrative staff
- Joint Management Agreement with county for Urban Exempt Area

- Amend Two Family Residential District, R-2 (WSMC 17.28), Multi-Family Residential District R-3 (WSMC 17.32) and Residential Planned Unit Development, R-PUD (WSMC 17.75) and Mixed-Used Planned Unit Development, MU-PUD (WSMC 17.74) sections of city code
- Additional amendments as presented by Planning Commission

### **Planning Commission Led Focus**

- Global affordable housing incentives – multi-family
  - Explore all zones (including residential) as well as Residential Planned Unit Development, R-PUD and Mixed-Use Planned Unit Development, MU-PUD and determine approach for density bonus incentives; as well as consideration of waived fees (permitting/water hookups etc.)
    - varying bonus levels depending on type of low-income, workforce, or affordable housing
- Rework Two-Unit Residential District, R-2 and Multi-Family Residential District, R-3 based on current 2012 Comprehensive Plan policies
  - Reconsider minimum lot size requirements in R-2 and R-3
- Rework Title 17, Zoning definitions regarding housing terminology:
  - Affordable Housing
  - Low-income Housing
  - Workforce Housing
  - \*Attainable Housing (housing options that do not cost-burden residents across income levels)
- Revise accessory dwelling unit (ADU) ordinance
  - Continue to allow ADU throughout R-1 or reconsider?
  - Review ADU aesthetic requirements; possible cost barrier for developing ADUs
  - Consider ways to encourage development of ADU's that provide long-term rental or multi-generational housing vs. short-term rentals
- 2020 Comprehensive Plan Work: Reconsider residential policy approach to protect higher-density development; especially as the primary use of R-3 zone, and possibly R-2
- 2020 Comprehensive Plan Work: Buildable lands analysis to inform best use of land and rework of current land designation map as part of plan update (Note: The buildable lands inventory, housing analysis and draft urbanization study is expected by the end of March)
- 2020 Comprehensive Plan Work: Street standards and requirements for new developers and property owners (Note: the city will sign a contract with a consultant to complete the city's "Lite" Transportation System Plan in early March.)
- Review paving development requirements: Currently 150 feet from right-of-way to front door requires asphalt. City only really needs first 20-30 feet to be an asphalt apron
- 2020 Comprehensive Plan Work: Greenspace accommodations and protections in new residential development
- Review and recommendations on handling short-term rentals
- Reconsider Cottage Infill Projects code (WSMC 17.73) – is it necessary if we already have Residential Planned Unit Development, R-PUD and Mixed-Use Planned Unit Development, MU-PUD
- Comprehensive review of minimum square footage and parking requirements in all zones and housing scenarios

### **Ancillary Support**

Tree Board → Planning Commission → City Council

- Review Critical Areas Ordinance and Existing Heritage Tree protection

## Proposed Moratorium Calendar

<b>CITY COUNCIL</b>	<b>PLANNING COMMISSION</b>	<b>MISC. RELEVANT DATES</b>
<b>Wednesday March 4</b>	<b>Wednesday March 11</b>	<b>March 4 &amp; 5</b>
<ul style="list-style-type: none"> <li>Funding for Housing Efforts – considerations</li> <li>Tenant Protections – first reading</li> </ul>	<ul style="list-style-type: none"> <li>PUBLIC HEARING: MH Zone</li> <li>Housing Definitions</li> </ul>	<ul style="list-style-type: none"> <li>County Led Buildable Lands Focus Groups</li> </ul>
<b>Wednesday March 18</b>	<b>Wednesday March 25</b>	<b>Dates TBD: Public Input Workshops</b>
<ul style="list-style-type: none"> <li>Funding for Housing Efforts - action</li> <li>Tenant Protections – second reading</li> <li>PUBLIC HEARING: MH Zone</li> </ul>	<ul style="list-style-type: none"> <li>Multi-family Housing Incentives</li> <li>Square Footage/Parking Requirements across residential codes</li> <li>R-2 &amp; R-3 zone alignment with 2012 Comp Plan</li> </ul>	<ul style="list-style-type: none"> <li>Tenant Protections</li> <li>Housing incentives</li> <li>Short Term Rentals</li> <li>ADUs</li> </ul>
<b>Wednesday April 1</b>	<b>Wednesday April 8</b>	<b>Date TBD: Roundtables</b>
<ul style="list-style-type: none"> <li>Revised Decision-making authority for permit/approvals process-Hearing Examiner, PC, CC, Planning Admin – first reading</li> <li>Land Partnership Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>PUBLIC HEARING: R-2 &amp; R-3 zone recommendations</li> <li>Finalize square footage/parking update recommendations</li> <li>Multi-family Housing Incentives</li> </ul>	<ul style="list-style-type: none"> <li>(Select members from PC, CC, city staff): <ul style="list-style-type: none"> <li>Builders</li> <li>Housing Organizations</li> </ul> </li> </ul>
<b>Wednesday April 15</b>	<b>Wednesday April 22</b>	<b>March/April</b>
<ul style="list-style-type: none"> <li>PUBLIC HEARING: R-2 and R-3 Zone Public Hearing</li> <li>Multi-Family Housing Incentives adoption/review from PC</li> <li>Land Partnership Opportunities</li> <li>Revised Decision-making authority for permit/approvals process-Hearing Examiner, PC, CC, Planning Admin – second reading</li> </ul>	<ul style="list-style-type: none"> <li>Cottage Infill Evaluation</li> <li>Comp Plan 2020: Buildable Lands Evaluation</li> <li>Comp Plan 2020: Zoning</li> </ul>	<ul style="list-style-type: none"> <li>Tree Board <ul style="list-style-type: none"> <li>Critical Areas Review and recommendations to PC: Heritage Tree Protections</li> </ul> </li> </ul>
<b>Wednesday May 6</b>	<b>Wednesday May 13</b>	
<ul style="list-style-type: none"> <li>Joint Management Plan for UGA</li> <li>Square Footage/Parking Recommendations - action</li> </ul>	<ul style="list-style-type: none"> <li>Short Term Rentals policy review/workshop</li> <li>Heritage Tree recommendations from Tree Board</li> </ul>	
<b>Wednesday June 3</b>	<b>Wednesday June 10</b>	
<ul style="list-style-type: none"> <li>Annexation Process</li> </ul>	<ul style="list-style-type: none"> <li>Comp Plan 2020: Zoning</li> </ul>	
<b>Wednesday June 17</b>	<b>Wednesday June 24</b>	
<ul style="list-style-type: none"> <li>Heritage Tree recommendations from PC</li> </ul>	<ul style="list-style-type: none"> <li>Short Term Rentals recommendations for CC</li> </ul>	

## Don't dilly dally

There is pressure on the White Salmon Planning Commission now to stay focused on completing a critical areas ordinance for White Salmon and the update of the City's comprehensive plan and zoning. The moratorium on land divisions that the City Council currently has in place is buying planners time to work on a wide range of planning and development policies and guidelines that will have an impact on how White Salmon develops over the next several years. As we've noted before, the comprehensive plan and zoning update is a work in progress (as is the critical areas ordinance). It's unclear how much progress the Planning Commission has made since the comp plan update kicked off in February 2019. And, we have no idea when the update will go before the City Council for consideration.

This much we know: the Planning Commission can't dilly dally in 2020. It is imperative that it continue working apace to complete the critical areas ordinance and comp plan/ zoning update. With no land divisions or conditional use permits to process for the next six months, at least, the Planning Commission should be able to give its undivided attention to the items on its agenda. On top of that, the City Council should refrain from discharging additional policy work, such as the proposed affordable housing income thresholds, to the Planning Commission.

Before she became mayor, Marla Keethler served on the City Council's Community Development Committee. That committee got a lot of work done in 2019, such as advancing the carry-out bag ordinance and the short-term rental policies that the council eventually enacted. Have these committees gone dormant?

In our view, the City Council should skip that step in the process and instead hold its own series of workshops open to the public to hash out the affordable housing income thresholds as a policy of the City Council. All councilors will vote on the policy eventually anyway. It's important that every one of them has a thorough understanding of what Mayor Keethler is trying to accomplish in terms of policy. The only way to get there is to be involved first-hand in the policy's development.

The one complication in the processing of these land use development updates is time and effort. Members of the City Council and the Planning Commission are all volunteers, more or less. And though they have come forward in service to their community, their time and energy are precious commodities to them that should not be wasted. Everybody with an interest in how the City develops is dealing with constraints, which is why it's critical to success that the City Council pick up the slack where it can and allow the Planning Commission to maintain a singular focus on getting the comp plan and zoning update done in a timely fashion. If that's a year, so be it, as long as the commission can demonstrate to the community that it is working diligently and making progress per a published schedule. Otherwise, the community will be justified in questioning the necessity of a moratorium on land divisions and non-single-family residential permits. SB



## 19.110.010 Affordable housing regulations.

(1) *Purpose.* To provide affordable housing to the citizens of Federal Way and to comply with the Growth Management Act and the county-wide planning policies for King County.

(2) *Affordable housing defined.* “*Owner-occupied affordable housing*” means dwelling units that are offered for sale at a rate that is affordable to those individuals and families having incomes that are 80 percent or below the median county income. “*Rental affordable housing*” means dwelling units that are offered for rent at a rate that is affordable to those individuals and families having incomes that are 50 percent or below the median county income.

(3) *Multiple-family developments; senior citizen housing; assisted living facilities; townhouse development; zero-lot line townhouse development; mixed-use projects; and cottage housing in multifamily zones.* New projects involving 25 dwelling units or more are required to provide affordable dwelling units as part of the project. At least two dwelling units or five percent of the total number of proposed units, whichever is greater, shall be affordable. Projects including affordable dwelling units may exceed the maximum allowed number of dwelling units as follows:

(a) One bonus market rate unit for each affordable unit included in the project; up to 10 percent above the maximum number of dwelling units allowed in the underlying zoning district.

(4) *Single-family developments.* New single-family developments in the RS-35, RS-15, RS-9.6, and RS-7.2 zoning districts have the option of providing affordable dwelling units as part of the project. Projects including affordable dwelling units may reduce minimum lot size as follows:

(a) Those lots in a new single-family conventional subdivision or short subdivision which are proposed to contain affordable dwelling units may be reduced in area by up to 20 percent of the minimum lot size of the underlying zoning district; provided, that the overall number of dwelling units in the subdivision may not exceed 10 percent of the maximum number of units allowed in the underlying zoning district.

(5) Provisions for affordable housing for cottage housing development in single-family residential zones are set forth in Chapter [19.250](#) FWRC.

(6) *Duration.* An agreement in a form approved by the city must be recorded with King County department of elections and records requiring affordable dwelling units which are provided under the provisions of this section to remain as affordable housing for the life of the project. This agreement shall be a covenant running with the land, binding on the assigns, heirs and successors of the applicant.

(Ord. No. 08-585, § 3(Exh. A), 11-4-08; Ord. No. 07-554, § 5(Exh. A(8)), 5-15-07; Ord. No. 02-424, § 3, 9-17-02; Ord. No. 97-306, § 3, 12-2-97. Code 2001 § 22-976.)

### Federal Way



## Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

### Sections:

- 112.05 User Guide
- 112.10 Purpose
- 112.15 Affordable Housing Requirement
- 112.20 Basic Affordable Housing Incentives
- 112.25 Additional Affordable Housing Incentives
- 112.30 Alternative Compliance
- 112.35 Affordability Provisions
- 112.40 Regulatory Review and Evaluation

### 112.05 User Guide

This chapter offers dimensional standard flexibility and density and economic incentives to encourage construction of affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

If you are interested in proposing four (4) more residential units in commercial zones, high density residential zones, medium density zones or office zones, or you wish to participate in the City's decision on such a project, you should read this chapter.

(Ord. 4392 § 1, 2012; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

### 112.10 Purpose

There is a limited stock of land within the City zoned and available for residential development and there is a demonstrated need in the City for housing which is affordable to persons of low and moderate income. Therefore, this chapter provides development incentives in exchange for the public benefit of providing affordable housing units in commercial zones, high density residential zones, medium density zones and office zones.

(Ord. 4392 § 1, 2012; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

### 112.15 Affordable Housing Requirement

#### 1. Applicability –

a. Minimum Requirement – All developments creating four (4) or more new dwelling units in commercial, high density residential, medium density and office zones shall provide at least 10 percent of the units as affordable housing units and comply with the provisions of this chapter as established in the General Regulations or the Special Regulations for the specific use in Chapters 20 through 56 KZC. This subsection is not effective within the disapproval jurisdiction of the Houghton Community Council, except in the HENC 1 and HENC 2 zones.

b. Voluntary Use – All other provisions of this chapter are available for use within the disapproval jurisdiction of the Houghton Community Council and in developments where the minimum requirement does not apply; provided, however, the provisions of this chapter are not available for use in developments located within the BN zone.

2. Calculation in Density-Limited Zones – For developments in density-limited zones, the required amount of affordable housing shall be calculated based on the number of dwelling units proposed prior to the addition of any bonus units allowed pursuant to KZC 112.20.

3. Calculation in CBD 5A, RH, HENC 2, TL, FHNC and PLA 5C Zones – For developments in the CBD 5A, RH, TL, FHNC, HENC 2 and PLA 5C zones, the required amount of affordable housing shall be calculated based on the total number of dwelling units proposed.

4. Rounding and Alternative Compliance – In all zones, the number of affordable housing units required is determined by rounding up to the next whole number of units if the fraction of the whole number is at least 0.66. KZC 112.30 establishes methods for alternative compliance, including payment in lieu of construction for portions of required affordable housing units that are less than 0.66 units.

(Ord. 4650 § 1, 2018; Ord. 4637 § 3, 2018; Ord. 4636 § 3, 2018; Ord. 4476 § 3, 2015; Ord. 4474 § 1, 2015; Ord. 4392 § 1, 2012; Ord. 4390 § 1, 2012; Ord. 4337 § 1, 2011; Ord. 4286 § 1, 2011; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

**112.20 Basic Affordable Housing Incentives**

1. Approval Process – The City will use the underlying permit process to review and decide upon an application utilizing the affordable housing incentives identified in this section.

2. Bonus

a. Height Bonus. In RH, PLA 5C, FHNC, and TL use zones where there is no minimum lot size per dwelling unit, additional building height has been granted in exchange for affordable housing, as reflected in each Use Zone Chart for the RH, FHNC and TL zones and table for the PLA 5C zone.

b. Development Capacity Bonus. On lots or portions of lots in the RH 8 use zone located more than 120 feet north of NE 85th Street, between 132nd Avenue NE and parcels abutting 131st Avenue NE, in the HENC 2 use zone, and in the CBD 5A use zone, where there is no minimum lot size per dwelling unit, additional residential development capacity has been granted in exchange for affordable housing as reflected in the Use Zone Chart.

c. Bonus Units. In use zones where the number of dwelling units allowed on the subject property is determined by dividing the lot size by the required minimum lot area per unit, two (2) additional units ("bonus units") may be constructed for each affordable housing unit provided. (See Plate 32 for example of bonus unit calculations.)

d. Maximum Unit Bonuses. The maximum number of bonus units achieved through a basic affordable housing incentive shall be 25 percent of the number of units allowed based on the underlying zone of the subject property.

e. Density Bonus for Assisted Living Facilities. The affordable housing density bonus may be used for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25 percent of the base density of the underlying zone of the subject property.

3. Alternative Affordability Levels – An applicant may propose affordability levels different from those defined in Chapter 5 KZC for the affordable housing units.

a. In use zones where a density bonus is provided in exchange for affordable housing units, the ratio of bonus units per affordable housing unit for alternative affordability levels will be as follows:

Affordability Level	Bonus Unit to Affordable Unit Ratio
<i>Renter-Occupied Housing</i>	
60% of median income	1.9 to 1

Affordability Level	Bonus Unit to Affordable Unit Ratio
70% of median income	1.8 to 1
<i>Owner-Occupied Housing</i>	
90% of median income	2.1 to 1
80% of median income	2.2 to 1

b. In the CBD 5A, HENC 2, RH, TL and PLA 5C use zones, the percent of affordable units required for alternative affordability levels will be as follows:

Affordability Level	% of Project Units Required to Be Affordable
<i>Renter-Occupied Housing</i>	
60% of median income	13%
70% of median income	17%
<i>Owner-Occupied Housing</i>	
70% of median income	8%
90% of median income	13%
100% of median income	21%

c. To encourage “pioneer developments” in the Rose Hill and Totem Lake business districts, the definition of affordable housing for projects in the RH and TL zones shall be as provided in the following table. This subsection shall apply only to those projects which meet the affordability requirements on site or off site. This subsection shall not apply to those projects which elect to use a payment in lieu of constructing affordable units as authorized in KZC 112.30(4).

The affordable housing requirements for projects vested on or after the effective date of the ordinance codified in this section must be targeted for households whose incomes do not exceed the following:

Number of Total Units		Affordability Level	
<i>RH Zones</i>	<i>TL Zones</i>	<i>Renter-Occupied</i>	<i>Owner-Occupied</i>
First 50 units	First 150 units	70% of median income	100% of median income
Second 50 units	Second 150 units	60% of median income	90% of median income
All subsequent units	All subsequent units	50% of median income	80% of median income

“Number of Total Units” shall mean the total number of housing units (affordable and otherwise) permitted to be constructed within the RH and TL zones where affordable housing units are required and which have not received funding from public sources.

d. Depending on the level of affordability provided, the affordable housing units may not be eligible for the impact fee waivers described in subsections (5)(a) and (5)(b) of this section.

4. Dimensional Standards Modification – To the extent necessary to accommodate the bonus units allowed under subsection (2)(c) of this section on site, the following requirements of the Kirkland Zoning Code may be modified through the procedures outlined in this subsection. These modifications may not be used to accommodate the units resulting from the base density calculation.

a. Maximum Lot Coverage. The maximum lot coverage may be increased by up to five (5) percentage points over the maximum lot coverage permitted by the underlying use zone. Maximum lot coverage may not be modified through this provision on properties with streams, wetlands, minor lakes or their buffers. In addition, this modification would require a shoreline variance as set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.

b. Parking Requirement. The required parking may be reduced to 1.0 space per affordable housing unit. No additional guest parking is required for affordable housing units. If parking is reduced through this provision, the owner of the affordable housing unit shall sign a covenant, in a form acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a maximum of one (1) automobile.

c. Structure Height. Maximum height for structures containing affordable housing units may be increased by up to six (6) feet for those portions of the structure(s) that are at least 20 feet from all property lines. Maximum structure height may not be modified through this provision for any portion of a structure that is adjoining a low density zone. This modification may be permitted or may require a shoreline variance as set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.

d. Required Yards. Structures containing affordable housing units may encroach up to five (5) feet into any required yard except that in no case shall a remaining required yard be less than five (5) feet. A modification to the shoreline setback would require a shoreline variance set forth in Chapter 141 KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter 83 KZC.

e. Common Recreational Space. Common recreational open space per unit, when required, may be reduced by 50 square feet per affordable housing unit.

#### 5. Impact Fee and Permit Fee Calculation

a. Applicants providing affordable housing units may request an exemption from payment of road impact fees for the affordable housing units as established by KMC 27.04.050.

b. Applicants providing affordable housing units may request an exemption from payment of park impact fees for the affordable housing units as established by KMC 27.06.050.

c. Applicants providing affordable housing units are eligible for exemption from various planning, building, plumbing, mechanical and electrical permit fees for the bonus units allowed under subsection (2)(c) of this section as established in KMC 5.74.070 and KMC Title 21.

#### 6. Property Tax Exemption – A property providing affordable housing units may be eligible for a property tax exemption as established in Chapter 5.88 KMC.

(Ord. 4637 § 3, 2018; Ord. 4636 § 3, 2018; Ord. 4498 § 3, 2015; Ord. 4476 § 3, 2015; Ord. 4474 § 1, 2015; Ord. 4337 § 1, 2011; Ord. 4252 § 1, 2010; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

### 112.25 Additional Affordable Housing Incentives

1. Approval Process for Additional Affordable Housing Incentives – An applicant may request that the City grant affordable housing incentives in addition to or in place of the basic affordable housing incentives allowed in KZC 112.20 due to specific site conditions. Such a request shall be reviewed and decided upon as outlined below.

2. Density Bonus – An applicant may propose more than two (2) bonus units for every affordable housing unit or a density bonus exceeding 25 percent of the number of units allowed in the underlying zone of the subject property. However, in no event may a project receive a bonus that would result in a number of bonus units that

exceeds 50 percent of the number of units allowed based on the underlying zone of the subject property. Such a request shall be reviewed and decided upon by the Planning Director. The decision of the Planning Director in approving or denying a modification under this subsection may be appealed using the appeal provision, as applicable, of Process I, KZC 145.60 through 145.110.

3. Dimensional Standards Modification – An applicant may request further modification from the dimensional standards listed in KZC 112.20(4). Approval of any further modification of the dimensional standards will be based on the applicant's demonstration that the subject property cannot reasonably achieve the permitted density, including the bonus units. Such a request shall be reviewed and decided upon using Process I, described in Chapter 145 KZC. If the development, use, or activity requires approval through Process IIA or IIB, the entire proposal will be decided upon using that other process.

4. Criteria for Approving Additional Affordable Housing Incentives – The City may approve one (1) or more of the additional affordable housing incentives listed in subsection (2) or (3) of this section, in addition to or in place of the basic affordable housing incentives, if one (1) or more of the following requirements are met:

- a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to offset the cost of providing the affordable housing units.
- b. The additional incentive is necessary to reasonably achieve the permitted density, including the bonus units.
- c. The additional incentive is necessary to achieve a greater number of affordable housing units than the affordable housing requirements would prescribe or a greater level of affordability than is defined by the term affordable housing unit.

In making its decision on additional incentives, the City will consider the value of any property tax exemptions available to the project from the City as established in Chapter 5.88 KMC, as well as other fee waivers or reductions as established in the Kirkland Municipal Code.

(Ord. 4286 § 1, 2011; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

### 112.30 Alternative Compliance

1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the required affordable housing units on the subject property, the Planning Director may approve a request for alternative compliance. Alternative compliance may include providing affordable housing units at another location within the City of Kirkland, payment to the City in lieu of constructing partial affordable housing units to be used to create affordable housing units, or such other means proposed by the applicant and approved at the discretion of the Planning Director, consistent with the following criteria for alternative compliance.

2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if both of the following requirements are met:

- a. The applicant demonstrates that the proposed alternative compliance method achieves an affordable housing benefit to the City equal to or better than providing the affordable housing units on site.
- b. The affordable housing units provided through the alternative compliance will be based on providing the same type of ownership of units as would have been provided on site.

3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to the following requirements:



a. The off-site location chosen for the affordable housing units shall not lead to an undue concentration of affordable housing either at the off-site location or in any particular area of the City.

b. Any building permits required for off-site affordable housing units shall be submitted prior to submittal of building permits for the subject property. Certificates of occupancy for off-site affordable housing units shall be issued prior to issuance of the final certificate of occupancy for the subject property.

4. Requirements for Payment in Lieu Alternative Compliance – Payments in lieu of constructing affordable housing units are subject to the following requirements:

a. To encourage “pioneer developments” subject to these regulations, payments in lieu are allowed for one (1) whole required affordable housing unit and portions of required affordable housing units that are less than 0.66 units during the five (5) years immediately following the effective date of the ordinance codified in this chapter (until April 1, 2015). After that time period, payments in lieu are allowed only for portions of required affordable housing units that are less than 0.66 units. Rounding up to the next whole number of units and actual construction of the affordable units is required when the calculated number of required affordable units results in a fraction of 0.66 or more.

b. Payments in lieu shall be based on the difference between the cost of construction for a prototype affordable housing unit on the subject property, including land costs and development fees, and the revenue generated by an affordable housing unit. The formula for payments shall be established by the Planning Director.

c. The payment obligation shall be established prior to issuance of any building permits for the project and shall be due prior to issuance of any certificate of occupancy for the project. Collected payments shall be deposited in the City’s Housing Trust Fund account.

(Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

### 112.35 Affordability Provisions

1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

a. The affordable housing units shall be intermingled with all other dwelling units in the development.

b. The type of ownership of the affordable housing units shall be the same as the type of ownership for the rest of the housing units in the development.

c. The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.

d. The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the development, must be approved by the Planning Director. In no case shall the affordable housing units be more than 10 percent smaller than the comparable dwelling units in the development, based on number of bedrooms, or less than 500 square feet for a 1-bedroom unit, 700 square feet for a 2-bedroom unit, or 900 square feet for a 3-bedroom unit, whichever is less.

e. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

f. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.

g. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the City of Kirkland.

2. **Affordability Agreement** – Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications, long-term affordability, and any other applicable topics of the affordable housing units shall be recorded with King County Recorder's Office. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

Affordable housing units that are provided under this section shall remain as affordable housing for a minimum of 50 years from the date of initial owner occupancy for ownership affordable housing units and for the life of the project for rental affordable housing units.

(Ord. 4491 § 11, 2015; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

#### **112.40 Regulatory Review and Evaluation**

At least every two (2) years, the Planning and Building Department shall submit a report that tracks the use of these regulations to the Houghton Community Council, Planning Commission and City Council.

(Ord. 4491 § 3, 2015; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

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#### **The Kirkland Zoning Code is current through Ordinance 4713, passed December 10, 2019.**

Disclaimer: The City Clerk's Office has the official version of the Kirkland Zoning Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

## Chapter 22C.090

# RESIDENTIAL DENSITY INCENTIVES

### Sections:

- 22C.090.010 Purpose.**
- 22C.090.020 Permitted locations of residential density incentives.**
- 22C.090.030 Public benefits and density incentives.**
- 22C.090.040 Density bonus recreation features.**
- 22C.090.050 Rules for calculating total permitted dwelling units.**
- 22C.090.060 Review process.**
- 22C.090.070 Minor adjustments in final site plans.**
- 22C.090.080 Applicability of development standards.**

### **22C.090.010 Purpose.**

The purpose of this chapter is to provide density incentives to developers of residential lands in exchange for public benefits to help achieve comprehensive plan goals of creation of quality places and livable neighborhoods, affordable housing, open space protection, historic preservation, energy conservation, and environmentally responsible design by:

- (1) Defining in quantified terms the public benefits that can be used to earn density incentives;
- (2) Providing rules and formulae for computing density incentives earned by each benefit;
- (3) Providing a method to realize the development potential of sites containing unique features of size, topography, environmental features or shape; and
- (4) Providing a review process to allow evaluation of proposed density increases and the public benefits offered to earn them, and to give the public opportunities to review and comment. (Ord. 2852 § 10 (Exh. A), 2011).

### **22C.090.020 Permitted locations of residential density incentives.**



Residential density incentives (RDI) shall be used only on sites served by public sewers and only in the following zones:

- (1) In R-12 through R-28 zones;
- (2) Planned residential developments;
- (3) In MU, CB, GC and DC zones; and
- (4) SF, MF, and MU zones within the Whiskey Ridge master plan. (Ord. 2852 § 10 (Exh. A), 2011).

**22C.090.030 Public benefits and density incentives.**

(1) The public benefits eligible to earn increased densities, and the maximum incentive to be earned by each benefit, are set forth in subsection (4) of this section. The density incentive is expressed as additional bonus dwelling units (or fractions of dwelling units) earned per amount of public benefit provided. Where a range is specified, the earned credit will be determined by the community development director during project review.

(2) Bonus dwelling units may be earned through any combination of the listed public benefits.

(3) Residential development in R-12 through R-28 zones with property-specific development standards requiring any public benefit enumerated in this chapter shall be eligible to earn bonus dwelling units as set forth in subsection (4) of this section when the public benefits provided exceed the basic development standards of this title. When a development is located in a special overlay district, bonus units may be earned if the development provides public benefits exceeding corresponding standards of the special district.

(4) The following are the public benefits eligible to earn density incentives through RDI review:

Benefit	Density Incentive
1. Affordable Housing	

Benefit	Density Incentive
<p>a. Benefit units consisting of rental housing permanently priced to serve nonelderly low-income households (i.e., no greater than 30 percent of gross income for household at or below 50 percent of Snohomish County median income, adjusted for household size). A covenant on the site that specifies the income level being served, rent levels and requirements for reporting to the city shall be recorded at final approval.</p>	<p>1.5 bonus units per benefit, up to a maximum of 30 low-income units per five acres of site area; projects on sites of less than five acres shall be limited to 30 low-income units.</p>
<p>b. Benefit units consisting of rental housing designed and permanently priced to serve low-income senior citizens (i.e., no greater than 30 percent of gross income for one- or two-person households, one member of which is 62 years of age or older, with incomes at or below 50 percent of Snohomish County median income, adjusted for household size). A covenant on the site that specifies the income level being served, rent levels and requirements for reporting to the city of Marysville shall be recorded at final approval.</p>	<p>1.5 bonus units per benefit, up to a maximum of 60 low-income units per five acres of site area; projects on sites of less than five acres shall be limited to 60 low-income units.</p>
<p>c. Benefit units consisting of mobile home park space or pad reserved for the relocation of an insignia or noninsignia mobile home that has been or will be displaced due to closure of a mobile home park located in the city of Marysville.</p>	<p>1.0 bonus unit per benefit unit.</p>
<p>2. Public Facilities (Schools, Public Buildings or Offices, Trails and Active Parks)</p> <p>a. Dedication of public facilities site or trail right-of-way meeting city of Marysville or agency location and size standards for the proposed facility type.</p>	<p>10 bonus units per usable acre of public facility land or one-quarter mile of trail exceeding the minimum requirements outlined in other sections of this title.</p>

Benefit	Density Incentive
b. Improvement of dedicated public facility site to city of Marysville standards for the proposed facility type.	2 – 10 (range dependent on facility improvements) bonus units per acre of improvement. If the applicant is dedicating the site of the improvements, the bonus units earned by improvements shall be added to the bonus units earned by the dedication.
c. Improvement of dedicated trail segment to city of Marysville standards.	1.8 bonus units per one-quarter mile of trail constructed to city standard for pedestrian trails; or 2.5 bonus units per one-quarter mile of trail constructed to city standard for multipurpose trails (pedestrian/bicycle/equestrian). Shorter segments shall be awarded bonus units on a pro rata basis. If the applicant is dedicating the site of the improvements, the bonus units earned by improvements shall be added to the bonus units earned by the dedication.
d. Dedication of open space, meeting city of Marysville acquisition standards, to the city, county or a qualified public or private organization such as a nature conservancy.	2 bonus units per acre of open space.
3. Community Image and Identity a. Contribution towards an identified capital improvement project, including, but not limited to, parks, roadways, utilities, gateway sign, etc.	\$15,000 per bonus unit.
4. Historic Preservation a. Dedication of a site containing an historic landmark to the city of Marysville or a qualifying nonprofit organization capable of restoring and/or maintaining the premises to standards set by Washington State Office of Archaeology and Historic Preservation.	0.5 bonus unit per acre of historic site.
b. Restoration of a site or structure designated as an historic landmark.	0.5 bonus unit per acre of site or 1,000 square feet of floor area of building restored.
5. Locational/Mixed Use	

Benefit	Density Incentive
a. Developments located within one-quarter mile of transit routes, and within one mile of fire and police stations, medical, shopping, and other community services.	5 percent increase above the base density of the zone.
b. Mixed use developments over one acre in size having a combination of commercial and residential uses.	10 percent increase above the base density of the zone.
<b>6. Storm Drainage Facilities</b> Dual use retention/detention facilities. a. Developments that incorporate active recreation facilities that utilize the storm water facility tract.	5 bonus units per acre of the storm water facility tract used for active recreation.
b. Developments that incorporate passive recreation facilities that utilize the storm water facility tract.	2 bonus units per acre of the storm water facility tract used for passive recreation.
<b>7. Project Design</b> a. Preservation of substantial overstory vegetation (not included within a required NGPA). No increase in permitted density shall be permitted for sites that have been cleared of evergreen trees within two years prior to the date of application for PRD approval. Density increases granted which were based upon preservation of existing trees shall be forfeited if such trees are removed between the time of preliminary and final approval and issuance of building permits.	5 percent increase above the base density of the zone.
b. Retention or creation of a perimeter buffer, composed of existing trees and vegetation, or additional plantings, in order to improve design or compatibility between neighboring land uses.	1 bonus unit per 500 lineal feet of perimeter buffer retained, enhanced or created (when not otherwise required by city code).
c. Installation of perimeter fencing or landscaping, in order to improve design or compatibility between neighboring land uses.	1 bonus unit per 500 lineal feet of perimeter fencing or landscaping installed (when not otherwise required by code).
d. Project area assembly involving 20 acres or more, incorporating a mixture of housing types (detached/attached) and densities.	10 percent increase above the base density of the zone.

Benefit	Density Incentive
e. Private park and open space facilities integrated into project design.	5 bonus units per improved acre of park and open space area. Ongoing facility maintenance provisions are required as part of RDI approval.
8. Energy Conservation a. Construction of a certified Leader in Energy and Environmental Design (LEED), Evergreen Sustainable Development Standard (ESDS), Built Green, or other equivalent certified energy efficient unit as approved by the director.	0.20 bonus unit for each certified unit constructed.
9. Low Impact Development (LID) a. Integration of LID measures in project design and storm water facility construction.	5 – 10 percent increase over base density (range dependent on degree of LID integration in project design and construction).
10. Pedestrian Connections and Walkability a. Construction of an identified pedestrian/bicycle deficiency (per city of Marysville improvement plan). Improvements may consist of paved shoulder, sidewalk or detached path or walkway depending on adjoining conditions.	1 bonus unit per 75 lineal feet of frontage improvement (curb, gutter, sidewalks) on minor arterial streets. (Fee in lieu of improvement at \$15,000 per bonus unit.) 1 bonus unit per 100 lineal feet of frontage improvement (curb, gutter, sidewalks) on neighborhood collector or collector arterial streets. 1 bonus unit per 300 lineal feet of walkway improvement (7-foot paved shoulder or walkway). (Rate may be increased if additional right-of-way is required.)
11. Critical Areas Buffer Enhancement a. Enhancement of a degraded critical areas buffer, in accordance with Chapter 22E.010 MMC, Critical Areas Management.	1 bonus unit per acre of buffer enhancement.

(Ord. 3074 § 1, 2017; Ord. 2852 § 10 (Exh. A), 2011).

#### **22C.090.040 Density bonus recreation features.**

(1) Active recreation features qualifying for a density bonus shall include one or more of the following:

(a) Multipurpose sport court;

(b) Basketball court;

(c) Tennis court;

(d) Tot lot with play equipment (soft surface);

(e) Any other active recreation use approved by the director.

(2) Passive recreation qualifying for density bonus shall include one or more of the following:

(a) Open play areas;

(b) Pedestrian or bicycle paths;

(c) Picnic areas with tables and benches;

(d) Gazebos, benches and other resident gathering areas;

(e) Community gardens;

(f) Nature interpretive areas;

(g) Waterfalls, fountains, streams;

(h) Any other passive recreation use approved by the director.

(3) Design in ponds as dual use storm water retention/detention and/or recreation facilities.

(a) The facility should be designed with emphasis as a recreation area, not a storm water control structure. The majority of the storm water retention/detention tract shall be designed as usable open recreation area.

(b) Control structures shall not be prominently placed. Care should be taken to blend them into the perimeter of the recreation area.

(c) Ponds used as recreation areas shall have a curvilinear design with a shallow water safety bench. (Ord. 2852 § 10 (Exh. A), 2011).

### **22C.090.050 Rules for calculating total permitted dwelling units.**

The total dwelling units permitted through RDI review shall be calculated using the following steps:

- (1) Calculate the number of dwellings permitted by the base density of the site in accordance with Chapters 22C.010 and 22C.020 MMC;
- (2) Calculate the total number of bonus dwelling units earned by providing the public benefits listed in MMC 22C.090.030;
- (3) Add the number of bonus dwelling units earned to the number of dwelling units permitted by the base density;
- (4) Round fractional dwelling units down to the nearest whole number; and
- (5) On sites with more than one zone or zone density, the maximum density shall be calculated for the site area of each zone. Bonus units may be reallocated within the zone in the same manner set forth for base units in MMC 22C.010.230 and 22C.020.200. (Ord. 3074 § 2, 2017; Ord. 2852 § 10 (Exh. A), 2011).

#### **22C.090.060 Review process.**

(1) All RDI proposals shall be reviewed concurrently with a primary proposal to consider the proposed site plan and methods used to earn extra density as follows:

(a) For the purpose of this section, a primary proposal is defined as a proposed rezone, subdivision or short subdivision, binding site plan, or site plan review;

(b) When the primary proposal requires a public hearing, the public hearing on the primary proposal shall serve as the hearing on the RDI proposal, and the reviewing authority shall make a consolidated decision on the proposed development and use of RDI;

(c) When the primary proposal does not require a public hearing under this title, the director shall administratively make a consolidated decision on the proposed development and use of RDI; and

(d) The notice for the RDI proposal also shall include the development's proposed density and a general description of the public benefits offered to earn extra density.

(2) RDI applications which propose to earn bonus units by dedicating real property or public facilities shall include a letter from the applicable receiving agency certifying that the proposed dedication qualifies for the density incentive and will be accepted by the agency or other qualifying organization. The city of Marysville shall also approve all proposals prior to granting density incentives to the project. The proposal must meet the intent of the RDI chapter and be consistent with the city of Marysville comprehensive plan. (Ord. 3074 § 3, 2017; Ord. 2852 § 10 (Exh. A), 2011).



**22C.090.070 Minor adjustments in final site plans.**

When issuing building permits in an approved RDI development, the department may allow minor adjustments in the approved site plan involving the location or dimensions of buildings or landscaping, provided such adjustments shall not:

- (1) Increase the number of dwelling units;
- (2) Decrease the amount of perimeter landscaping (if any);
- (3) Decrease residential parking facilities (unless the number of dwelling units is decreased);
- (4) Locate structures closer to any site boundary line; or
- (5) Change the locations of any points of ingress and egress to the site. (Ord. 2852 § 10 (Exh. A), 2011).

**22C.090.080 Applicability of development standards.**

- (1) RDI developments shall comply with dimensional standards of the zone with a base density most closely comparable to the total approved density of the RDI development.
- (2) RDI developments in the R-12 through R-28 zones and the mixed use zone shall be landscaped in accordance with Chapter 22C.120 MMC.
- (3) RDI developments shall provide parking as follows:
  - (a) Projects with 100 percent affordable housing shall provide one off-street parking space per unit. The community development director may require additional parking, up to the maximum standards for attached dwelling units, which may be provided in common parking areas.
  - (b) All other RDI proposals shall provide parking consistent with Chapter 22C.130 MMC.
- (4) RDI developments shall provide on-site recreation space at the levels required in MMC 22C.010.320 and 22C.020.270. (Ord. 2852 § 10 (Exh. A), 2011).



The Marysville Municipal Code is current through Ordinance 3145, passed February 11, 2020.

Disclaimer: The city clerk's office has the official version of the Marysville Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.marysvillewa.gov/>

City Telephone: (360) 363-8000

Code Publishing Company

## ARTICLE II CITYWIDE REGULATIONS

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### RZC 21.20 AFFORDABLE HOUSING

#### 21.20.070 Affordable Senior Housing

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- A. Except for Retirement Residences developing under RZC [21.08.370.C.3.b](#), the affordable senior housing bonus may be used in any zone that allows retirement residences or multifamily housing. The bonus shall be part of any land use application. Where the affordable housing bonus was requested in an earlier land use application, the bonus does not have to be requested in subsequent land use applications provided that the number of bonus units is included in the subsequent land use applications. If the bonus is approved, the land use shall comply with the requirements of this section for the life of the use.
- B. The development shall be restricted to persons 55 years of age or older and handicapped persons as defined by federal law. At least 80 percent of the total housing units shall be occupied by at least one person who is 55 years of age or older. Owners of affordable senior housing units shall be required to verify annually that the occupancy requirements of this section are met as provided for in the Affordable Housing Agreement pursuant to RZC 21.20.070. It is the intent of this section to promote the provision of housing for older persons in compliance with the Housing for Older Persons Act (HOPA) 42 U.S.C. sec. 3607, as the same now exists or is hereafter amended, by providing a density bonus for affordable housing that meets the requirements of HOPA.
- C. No conversion of occupancy to persons other than those specified by subsection RZC 21.20.070.B shall be allowed without first complying with the underlying zoning and site requirements. The bonus shall not apply to the property if it is no longer occupied by those persons specified by subsection RZC 21.20.070.B, and the bonus housing units shall be eliminated unless otherwise authorized by the applicable development regulations.
- D. If an affordable senior housing bonus application is approved, developments may exceed the allowed density of a zone by as much as 50 percent, provided that 50 percent of the bonus units are low-cost affordable housing units.
- E. The bonus shall only be used in the multifamily or retirement residence development for which it is approved. The bonus application shall be made as part of the first land use application made for the project. The decision maker for this application shall decide the request for the bonus.
- F. All site requirements and development standards of the Zoning Code shall apply to uses that obtain an affordable senior housing bonus with the following exceptions:
1. The site requirements that shall apply to the development (see applicable zone use charts in RZC [21.08.020](#) through [21.08.140](#)) shall follow the zone which most closely matches the approved density of the use including density bonuses and not the density of the underlying zone. This subsection shall not apply to retirement residences.

2. Developments shall be designed to project a residential appearance through architectural design, landscaping, and building materials.

Effective on: 4/16/2011

**Redmond**

**20.40.230 Affordable housing.**

A. Provisions for density bonuses for the provision of affordable housing apply to all land use applications except the following, which are not eligible for density bonuses: (a) the construction of one single-family dwelling on one lot that can accommodate only one dwelling based upon the underlying zoning designation, and (b) provisions for accessory dwelling units.

1. Density for land subject to the provisions of this section may be increased by up to a maximum of 50 percent above the underlying base density when each of the additional units is provided for households in these groups:

- a. Extremely low income – 30 percent of median household income;
- b. Very low income – 31 percent to 50 percent of median household income;
- c. Low income – 51 percent to 80 percent of median household income;
- d. Moderate income – 80 percent of median household income;
- e. Median household income is the amount calculated and published by the United States Department of Housing and Urban Development each year for King County.

(Fractions of 0.5 or greater are rounded up to the nearest whole number.)

**2. Residential Bonus Density for the Development of For-Purchase Affordable Housing.** Density for land subject to the provisions of this section may be increased above the base density by the following amounts (fractions of 0.5 or greater are rounded up to the nearest whole number):

- a. Up to a maximum of 50 percent above the underlying base density when each of the additional units or residential building lots are provided for households in the extremely low, very low, or low income groups.

3. A preapplication conference will be required for any land use application that includes a proposal for density bonus.

4. Residential bonus density proposals will be reviewed concurrently with the primary land use application.

5. All land use applications for which the applicant is seeking to include the area designated as a critical area in the density calculation shall satisfy the requirements of this Code. The applicant shall enter into a third party contract with a qualified professional and the City to address the requirements of the critical area regulations, Chapter [20.80](#) SMC, Critical Areas, or Shoreline Master Program, SMC Title [20](#), Division II.

B. The affordable units constructed under the provisions of this chapter shall be included within the parcel of land for which the density bonus is granted. Segregation of affordable housing units from market rate housing units is prohibited.

C. Prior to the final approval of any land use application subject to the affordable housing provisions, the owner of the affected parcels shall deliver to the City a duly executed covenant running with the land, in a form approved by the City Attorney, requiring that the affordable dwellings that are created pursuant to those sections remain affordable housing for a period of 30 years from the commencement date. The commencement date for for-purchase units shall be the date of settlement between the developer and the first owner in one of the applicable income groups. The commencement date for rental units shall be the date the first lease agreement with a renter in one of the applicable income groups becomes effective. The applicant shall be responsible for the cost and recording of the covenant.

D. When dwelling units subject to this section will be constructed in phases, or over a period of more than 12 months, a proportional amount of affordable housing units must be completed at or prior to completion of the related market rate dwellings, or as approved by the Director.

E. If a project is to be phased, the proportion of affordable units or residential building lots to be completed with each phase shall be determined as part of the phasing plan approved by the Director.

F. In subdivisions where the applicant intends to sell the individual unimproved lots, it is the responsibility of the applicant to arrange for the affordable units to be built.

G. In single-family developments where there are two or more affordable units, side yard setbacks may be waived to allow for attached housing units for affordable units only. The placement and exterior design of the attached units must be such that the units together resemble as closely as possible a single-family dwelling.

H. A development fee waiver may be approved by the Director for City imposed fees based on the percentage of affordable housing units to be constructed or remodeled that will be affordable to residents whose annual income does not exceed 60 percent King County Area Median Income. The development fee waiver will be commensurate with the percentage of affordable units in the development. (Ord. 767

§ 1 (Exh. A), 2017; Ord. 731 § 1 (Exh. A), 2015; Ord. 724 § 1 (Exh. A), 2015; Ord. 462 § 1, 2007; Ord. 238 Ch. IV § 3(B), 2000).

**Shoreline**

## Chapter 14.285

### LOW-INCOME HOUSING INCENTIVES

Sections:

- 14.285.010 Purpose**
- 14.285.020 Eligibility**
- 14.285.040 Procedure for Review and Approval**
- 14.285.050 General Low-Income Density Incentive**
- 14.285.060 Low-Income Senior Housing Density Incentive**

#### **14.285.010 Purpose.**

The intent of this chapter is to encourage development of low-income housing within the City of Snohomish in order to meet the housing needs of all economic segments of the community and to meet the goals and objectives of Washington's Growth Management Act, Chapter 17, Laws of 1990, while maintaining high standards of design. This chapter provides for density incentives, which may be granted by the City when certain ownership, management, and occupancy criteria are met by the proposed low-income development. Additionally, in order to further encourage the development of low-income housing within the City of Snohomish, this chapter will provide for relaxed parking requirements upon a showing by the project proponent that parking impacts of the project will be less than would be required by Chapter [14.235](#) SMC. (Ord. 2143, 2008)

#### **14.285.020 Eligibility.**

This chapter allows for two types of low-income density incentives. A general low-income housing density incentive may be granted to multi-family projects being developed within the Low Density Multi-Family Residential, Medium Multi-Family Residential, and High Density Multi-Family Residential designations. A low-income senior housing density incentive may be granted to multi-family projects proposed in the Low Density Multi-Family Residential, Medium Density Multi-Family Residential, High Density Multi-family Residential, Commercial, and Mixed Use designations. The incentives shall be mutually exclusive. A project may use either the general low-income density incentive or low-income senior density incentive, depending on eligibility.

- A. Projects eligible for the general low-income housing density incentive shall meet all of the following criteria:
  - 1. The property owner will manage the development of the project to meet the housing needs of low-income persons whose total household income does not exceed the Housing and Urban Development (HUD) thresholds for a low-income household at sixty (60) percent of the annual median income, adjusted for family size, in the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area.

2. The owner as grantor shall execute a covenant to run with the land to the City of Snohomish as grantee. The City shall record the covenant with the County Auditor at the owner's expense. The covenant shall state the density and parking standards that the City has approved, the age and income-level occupancy requirements, and any other applicable conditions of approval. The covenant shall also state that the right to maintain the approved standards is dependent on the continued status of the project as an eligible project under this chapter and conformance with the conditions and limitations stated in the covenant. The covenant shall further state that the project must comply with the normal zoning and parking requirements if it ceases to be eligible under this chapter, and that the City may enforce the covenant through any legal means.
  3. The density incentive will not be permitted for projects with a pre-incentive development containing more than forty units upon any given site or within any given development. To qualify for a density incentive, a development must be no more than forty units, and any development shall be separated from other developments qualifying for a density incentive by an unrelated land use, under separate ownership, other than a public or private street, easement, or buffer strip. However, where a 10 percent density bonus is requested for projects between twenty and forty units, the 10 percent density bonus may be denied or reduced, if shopping opportunities are not available within reasonable proximity and if neighborhood parks are not within reasonable proximity or recreational opportunities are not provided on site.
  4. The project proponent will demonstrate through occupancy studies that the increase in density will not result in a significant increase in the on-street parking, traffic, park, and utility impacts in the neighborhood over those which would be expected by a project developed at the pre-incentive density.
- B. Projects eligible for the low-income senior housing density incentive shall meet all of the following criteria:
1. All eligibility criteria in SMC [14.285.020\(A\)](#); and
  2. Occupancy of each unit is restricted to one or more persons fifty-five (55) years of age or older and one other person for whom no age restriction shall be imposed. (Ord. 2143, 2008)

#### **14.285.040 Procedure for Review and Approval.**

Density incentives and any relaxation of parking requirements shall be granted only upon review of the application and binding covenant as specified in Chapter [14.285](#) SMC by the City Planner and review under the City's Design Standards. The City Planner shall approve or deny the application and binding covenant. A low-income development that receives a density incentive and/or a relaxation of parking requirements under SMC [14.235.055](#) shall not receive building, construction, or other permits until the binding covenant has been executed. (Ord. 2143, 2008)



### 14.285.050 General Low-Income Density Incentive.

A multi-family project meeting the eligibility criteria contained within SMC [14.285.020\(A\)](#) may be granted a 10 percent density incentive. Fractional units shall be rounded up to the next whole unit. All other dimensional standards in Chapter [14.210](#) SMC shall be met. (Ord. 2082, 2005; Ord. 2143, 2008)

### 14.285.060 Low-Income Senior Housing Density Incentive.

A. A multi-family project meeting the eligibility criteria in SMC [14.285.020\(B\)](#) may be granted density incentives to achieve the maximum densities in the following table. Fractional units shall be rounded up to the next whole unit:

Land Use Designation	Maximum Density with Incentive
Low Density Residential	16 units/acre
Medium Density Residential	24 units/acre
High Density Residential	30 units/acre
Commercial	24 units/acre
Mixed Use	24 units/acre

B. All other dimensional standards in Chapter [14.210](#) SMC shall be met. (Ord. 2143, 2008)

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**The Snohomish Municipal Code is current through Ordinance 2388, passed January 7, 2020.**

Disclaimer: The city clerk's office has the official version of the Snohomish Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: [www.snohomishwa.gov](http://www.snohomishwa.gov)

City Telephone: (360) 568-3115

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#### 4.4 MODEL AFFORDABLE HOUSING DENSITY BONUS ORDINANCE

Many communities today are adopting inclusionary zoning ordinances with the intent of increasing the supply of affordable housing. These ordinances either require or encourage the provision of affordable housing in market-rate development, typically by the provision of density bonuses and other incentives. The ordinances include:

- ◆ Definitions, including those defining “affordable housing” and “low- and moderate-income households”;
- ◆ Procedures for the review of affordable housing developments;
- ◆ A requirement that the developer of housing enter into development agreements that will ensure that the affordable housing, whether for sale or for rent, remains affordable;
- ◆ Designation of an officer or body to review and approve applications for developments that include affordable housing; and
- ◆ Provisions for enforcement.

Some communities with such ordinances have made a political commitment to such housing, recognizing that, in some real estate markets, affordable housing would not be produced without governmental intervention, and others have adopted such ordinances to respond to state-established housing goals. In addition, such ordinances ensure that critical governmental service workers (e.g., teachers, firefighters, and police officers) can afford to live in communities where they work despite their low pay. Numerous monographs and studies have described the operation and success of such programs in both suburban areas and central cities. For a good overview, see Morris (2000), Ross (2003), and Brunick (2004a and 2004b).

The following model ordinance for affordable housing provides two alternatives: (1) a mandatory alternative in which affordable housing is required, in some manner, in all development that produces new residential units, either through new construction or through rehabilitation and conversion of existing units or commercial space; (2) an incentive-based approach in which a density bonus of one market-rate unit for each affordable unit is offered as of right. In either case, the affordable housing density bonus is offered for all types of residential construction. The model ordinance uses the U.S. Department of Housing and Urban Development definitions of low- and moderate-income to establish eligibility criteria for purchase or rental of affordable units.

An applicant for an Affordable Housing Development would be required to submit an Affordable Housing Development Plan and enter into a development agreement with the local government. The development agreement would fix the responsibilities of the respective parties with regard to the provision of affordable housing. Under this model, affordable housing units need not only be those subsidized by the federal or state government. Rather, they can be subject to private deed restrictions to ensure they remain affordable for a period of time, typically for 30 years. In the case of for-sale affordable units, purchasers would have to be income-qualified, and appreciation of the dwelling unit would be calculated on the basis of certain listed factors to ensure that the unit remains affordable in the case of resale. In the case of for-rent affordable units, the development agreement would establish an income-qualification process to ensure that the affordable units are rented to eligible households. The model ordinance also describes the

creation of an affordable housing trust fund that can be used for a variety of purposes, including waivers of permit and tap-in fees.

Primary Smart Growth Principle Addressed: Range of housing choices.

Secondary Smart Growth Principle Addressed: Not applicable

### 101. Purpose

The purposes of this ordinance are to:

(a) Require the construction of affordable housing [or payment of fees-in-lieu] as a portion of new development within the community;

[Or]

(a) Create incentives for the provision of affordable housing as a portion of certain new development within the community;

(b) Implement the affordable housing goals, policies, and objectives contained in the [insert name of local government's ] comprehensive plan;

(c) Ensure the opportunity of affordable housing for employees of businesses that are located in or will be located in the community; [and]

(d) Maintain a balanced community that provides housing for people of all income levels [; and]

[(e) Implement planning for affordable housing as required by [cite to applicable state statutes]].

### 102. Definitions

As used in this ordinance, the following words and terms shall have the meanings specified herein:

“**Affordable Housing**” means housing with a sales price or rental amount within the means of a household that may occupy moderate- and low-income housing. In the case of dwelling units for sale, affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than [30] percent of such gross annual household income for a household of the size that may occupy the unit in question. In the case of dwelling units for rent, affordable means housing for which the rent and utilities constitute no more than [30] percent of such gross annual household income for a household of the size that may occupy the unit in question.

**“Affordable Housing Development Agreement”** means a written agreement between an applicant for a development and the [name of local government] containing specific requirements to ensure the continuing affordability of housing included in the development.

**“Affordable Housing Dwelling Unit”** means any affordable housing subject to covenants or restrictions requiring such dwelling units to be sold or rented at prices preserving them as affordable housing for a period of at least [30] years.

**“Affordable Housing Development”** means any housing subsidized by the federal or state government, or any housing development in which at least [20] percent of the housing units are affordable dwelling units.

**“Affordable Housing Development Plan”** means that plan prepared by an applicant for an Affordable Housing Development under this ordinance that outlines and specifies the development’s compliance with the applicable requirements of this ordinance.

**“Affordable Housing Trust Fund”** means the fund created by the [name of local government] pursuant to Section 109 of this ordinance.

**“Affordable Housing Unit”** means either a housing unit subsidized by the federal or state government or an affordable dwelling unit.

**Comment:** *Note that an “Affordable Housing Unit” can either be federally or state subsidized or subject to covenants and deed restrictions that ensure its continued affordability.*

**“Conversion”** means a change in a residential rental development or a mixed-use development that includes rental dwelling units to a development that contains only owner-occupied individual dwelling units or a change in a development that contains owner-occupied individual units to a residential rental development or mixed-use development.

**“Density Bonus”** means an increase in the number of market-rate units on the site in order to provide an incentive for the construction of affordable housing pursuant to this ordinance.

**“Development”** means the entire proposal to construct or place one or more dwelling units on a particular lot or contiguous lots including, without limitation, a planned unit development, site plan, or subdivision.

**“Lot”** means either: (a) the basic development unit for determination of area, width, depth, and other dimensional variations; or (b) a parcel of land whose boundaries have been established by some legal instrument, such as a recorded deed or recorded map, and is recognized as a separate legal entity for purposes of transfer of title.

**“Low-Income Housing”** means housing that is affordable, according to the U.S. Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50 percent of the median gross household income for households of the same size within the *[insert name of housing region or county]* in which the housing is located.

**“Median Gross Household Income”** means the median income level for the *[insert name of housing region or county]*, as established and defined in the annual schedule published by the Secretary of the U.S. Department of Housing and Urban Development, adjusted for household size.

**“Moderate-Income Housing”** means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50 percent but does not exceed 80 percent of the median gross household income for households of the same size within the *[insert name of housing region or county]* in which the housing is located.

**“Renovation”** means physical improvement that adds to the value of real property, but that excludes painting, ordinary repairs, and normal maintenance.

### 103. Scope of Application; Density Bonus

*[Alternative 1: Mandatory Affordable Units]*

(1) All of the following developments that result in or contain five or more residential dwelling units shall include sufficient numbers of affordable housing units in order to constitute an Affordable Housing Development as determined by the calculation in paragraph (2) below:

- (a) New residential construction, regardless of the type of dwelling unit
- (b) New mixed-use development with a residential component
- (c) Renovation of a multiple-family residential structure that increases the number of residential units from the number of units in the original structure

- (d) Conversion of an existing single-family residential structure to a multiple-family residential structure
- (e) Development that will change the use of an existing building from nonresidential to residential
- (f) Development that includes the conversion of rental residential property to condominium property

Developments subject to this paragraph include projects undertaken in phases, stages, or otherwise developed in distinct sections.

(2) To calculate the minimum number of affordable housing units required in any development listed in paragraph (1) above, the total number of proposed units shall be multiplied by 20 percent. If the product includes a fraction, a fraction of 0.5 or more shall be rounded up to the next higher whole number, and a fraction of less than 0.5 shall be rounded down to the next lower whole number.

(3) Any development providing affordable housing pursuant to paragraph (1) above shall receive a density bonus of one market-rate unit for each affordable housing unit provided. All market-rate units shall be provided on site, except that, in a development undertaken in phases, stages, or otherwise developed in distinct sections, such units may be located in other phases, stages, or sections, subject to the terms of the Affordable Housing Development Plan.

(4) Any development containing four dwelling units or fewer shall comply with the requirement to include at least 20 percent of all units in a development as affordable housing by:

- (a) Including one additional affordable housing dwelling unit in the development, which shall constitute a density bonus;
- (b) Providing one affordable housing dwelling unit off site; or
- (c) Providing a cash-in-lieu payment to the [*name of local government's*] affordable housing trust fund proportional to the number of market-rate dwelling units proposed.

**Comment:** *Under (3)(c), the proportion of the in-lieu fee would be computed as follows. Assume an affordable unit in-lieu fee of \$120,000. In a four-unit development, the fee would be 4/5s of the \$120,000, or \$96,000, in a three-unit development, the fee would be 3/5s, or \$72,000, and so on.*

[*Alternative 2: Incentives for Affordable Units*]

Any Affordable Housing Development or any development that otherwise includes one affordable housing dwelling unit for each four market-rate dwelling units shall receive a density bonus of one market-rate unit for each affordable housing dwelling unit provided on-site.

**104. Cash Payment in Lieu of Housing Units**

**Comment:** *This section would be required only under a mandatory affordable housing alternative.*

(1) The applicant may make a cash payment in lieu of constructing some or all of the required housing units only if the development is a single-family detached development that has no more than [10] dwelling units. In the case of an in-lieu payment, the applicant shall not be entitled to a density bonus.

(2) The [legislative body] shall establish the in-lieu per-unit cash payment on written recommendation by the [*planning director or city or county manager*] and adopt it as part of the [local government's] schedule of fees. The per-unit amount shall be based on an estimate of the actual cost of providing an affordable housing unit using actual construction cost data from current developments within the [local government] and from adjoining jurisdictions. At least once every three years, the [legislative body] shall, with the written recommendation of the [*planning director or city or county manager*], review the per-unit payment and amend the schedule of fees.

(3) All in-lieu cash payments received pursuant to this ordinance shall be deposited directly into the affordable housing trust fund established by Section 109 below.

(4) For the purposes of determining the total in-lieu payment, the per-unit amount established by the [legislative body] pursuant to paragraph (1) above shall be multiplied by 20 percent of the number of units proposed in the development. For the purposes of such calculation, if 20 percent of the number of proposed units results in a fraction, the fraction shall not be rounded up or down. If the cash payment is in lieu of providing one or more of the required units, the calculation shall be prorated as appropriate.

**105. Application and Affordable Housing Development Plan**

(1) For all developments [in which affordable housing is required to be provided *or* in which the applicant proposes to include affordable housing], the applicant shall complete and file an application on a form required by the [local government] with the [*name of local government*



*department responsible for reviewing applications*]. The application shall require, and the applicant shall provide, among other things, general information on the nature and the scope of the development as the [local government] may determine is necessary to properly evaluate the proposed development.

(2) As part of the application required under paragraph (1) above, the applicant shall provide to the [local government] an Affordable Housing Development Plan. The plan shall be subject to approval by the [local government] and shall be incorporated into the Affordable Housing Development Agreement pursuant to Section 106 below. An Affordable Housing Development Plan is not required for developments in which the affordable housing obligation is satisfied by a cash payment in lieu of construction of affordable housing units. The Affordable Housing Development Plan shall contain, at a minimum, the following information concerning the development:

- (a) A general description of the development, including whether the development will contain units for rent or for sale
- (b) The total number of market-rate units and affordable housing units
- (c) The number of bedrooms in each market-rate unit and each affordable unit
- (d) The square footage of each market-rate unit and of each affordable unit measured from the interior walls of the unit and including heated and unheated areas
- (e) The location in the development of each market-rate and affordable housing unit
- (f) If construction of dwelling units is to be phased, a phasing plan stating the number of market-rate and affordable housing units in each phase
- (g) The estimated sale price or monthly rent of each market-rate unit and each affordable housing unit
- (h) Documentation and plans regarding the exterior appearances, materials, and finishes of the Affordable Housing Development and each of its individual units
- (i) A marketing plan the applicant proposes to implement to promote the sale or rental of the affordable units within the development to eligible households



### 106. Criteria for Location, Integration, Character of Affordable Housing Units

An Affordable Housing Development shall comply with the following criteria:

- (a) Affordable housing units in an Affordable Housing Development shall be mixed with, and not clustered together or segregated in any way from, market-rate units.
  
- (b) If the Affordable Housing Development Plan contains a phasing plan, the phasing plan shall provide for the development of affordable housing units concurrently with the market-rate units. No phasing plan shall provide that the affordable housing units built are the last units in an Affordable Housing Development.
  
- (c) The exterior appearance of affordable housing units in an Affordable Housing Development shall be made similar to market-rate units by the provision of exterior building materials and finishes substantially the same in type and quality.

**Comment:** *Some of the affordable housing ordinances reviewed by APA contained minimum-square-footage requirements for dwelling units or suggested that there be a mix of units with different numbers of bedrooms, especially to ensure that for-rent projects contain sufficient numbers of bedrooms for larger families. While minimum-square-footage requirements, especially for bedroom sizes, are customarily found in housing codes, rather than zoning codes, it is possible to amend this model to include such minimums.*

### 107. Affordable Housing Development Agreement

**Comment:** *A development agreement between the local government and the developer of the affordable housing project is necessary to reduce to writing the commitments of both parties, thus eliminating ambiguity over what is required regarding maintaining the affordability of the units and establishing and monitoring the eligibility of those who purchase or rent them.*

(1) Prior to the issuance of a building permit for any units in an Affordable Housing Development or any development in which an affordable unit is required, the applicant shall have entered into an Affordable Housing Development Agreement with the [local government]. The development agreement shall set forth the commitments and obligations of the [local government] and the applicant, including, as necessary, cash in-lieu payments, and shall incorporate, among other things, the Affordable Housing Plan.

(2) The applicant shall execute any and all documents deemed necessary by the [local government] in a form to be established by the [law director], including, without limitation, restrictive covenants, deed restrictions, and related instruments (including requirements for income qualification for tenants of for-rent units) to ensure the continued affordability of the affordable housing units in accordance with this ordinance.

(3) Restrictive covenants or deed restrictions required for affordable units shall specify that the title to the subject property shall only be transferred with prior written approval by the [local government].

**108. Enforcement of Affordable Housing Development Agreement; Affordability Controls**

(1) The director of [*name of responsible local government department*] shall promulgate rules as necessary to implement this ordinance. On an annual basis, the director shall publish or make available copies of the U.S. Department of Housing and Urban Development household income limits and rental limits applicable to affordable units within the local government's jurisdiction, and determine an inflation factor to establish a resale price of an affordable unit.

(2) The resale price of any affordable unit shall not exceed the purchase price paid by the owner of that unit with the following exceptions:

(a) Customary closing costs and costs of sale

(b) Costs of real estate commissions paid by the seller if a licensed real estate salesperson is employed

(c) Consideration of permanent capital improvements installed by the seller

(d) An inflation factor to be applied to the original sale price of a for-sale unit pursuant to rules established pursuant to paragraph (1) above

(3) The applicant or his or her agent shall manage and operate affordable units and shall submit an annual report to the [local government] identifying which units are affordable units in an Affordable Housing Development, the monthly rent for each unit, vacancy information for each year for the prior year, monthly income for tenants of each affordable units, and other information as required by the [local government], while ensuring the privacy of the tenants. The annual report shall contain information sufficient to determine whether tenants of for-rent units qualify as low- or moderate-income households.

(4) For all sales of for-sale affordable housing units, the parties to the transaction shall execute and record such documentation as required by the Affordable Housing Development Agreement. Such documentation shall include the provisions of this ordinance and shall provide, at a minimum, each of the following:

## American Planning Association's Smart Codes: Model Land-Development Regulations

(a) The affordable housing unit shall be sold to and occupied by eligible households for a period of 30 years from the date of the initial certificate of occupancy.

(b) The affordable housing unit shall be conveyed subject to restrictions that shall maintain the affordability of such affordable housing units for eligible households.

(5) In the case of for-rent affordable housing units, the owner of the Affordable Housing Development shall execute and record such document as required by the Affordable Housing Development Agreement. Such documentation shall include the provisions of this ordinance and shall provide, at a minimum, each of the following:

(a) The affordable housing units shall be leased to and occupied by eligible households.

(b) The affordable housing units shall be leased at rent levels affordable to eligible households for a period of 30 years from the date of the initial certificate of occupancy.

(c) Subleasing of affordable housing units shall not be permitted without the express written consent of the director of [*name of responsible local government department*].

### 109. Affordable Housing Trust Fund

*[This section establishes a housing trust fund into which monies from cash in-lieu payments and other sources of revenues will be deposited. Because of the variation as to how such funds could be established and the differences in state law, no model language is provided.]*

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## American Planning Association's Smart Codes: Model Land-Development Regulations

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