



King County

**Vashon-Maury Island
Affordable Housing Incentives Report
and
2018 Preliminary Affordable Housing Special District Overlay
Evaluation**

In compliance with King County Ordinance 18623, Attachment A
(Workplan Action 3 and Implementing Action for Policy H-5)
and
King County Ordinance 18623, Section 10

Department of Permitting and Environmental Review
December 11, 2018

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A. EXECUTIVE SUMMARY

This Vashon-Maury Island Affordable Housing Incentives Report responds to Workplan Action 3 in the 2017 Vashon-Maury Island Community Service Area (CSA) Subarea Plan (adopted as Attachment A to Ordinance 18623)¹ requiring the Executive to evaluate how affordable housing could be either required or incentivized on the Island. It also responds to a requirement in Section 10 of Ordinance 18623 to assess the efficacy of the Vashon Rural Town Affordable Housing Special District Overlay (SDO) established that Ordinance. Lastly, it responds to the Subarea Plan's Implementing Action for Policy H-5, which requires the County to implement, evaluate, and report on the SDO, and encourages the County to revise the SDO as indicated by the County's evaluation of the SDO's use, benefits, and impacts. (See Appendix A for the full text of the Workplan Action, Section 10 of Ordinance 18623, and the action in Policy H-5.) The content of this report is consistent with the evaluation plan required in Proviso P2 in Section 47 of Ordinance 18602, approved by Council via adoption of Motion 15124 on April 16, 2018. (The full text of the approved evaluation plan is shown in Appendix B.)

There is broad consensus among Puget Sound housing experts that the region is experiencing a serious housing crisis.² Vashon-Maury Island is no exception.³ In 2015, approximately 13 percent of all Island household had incomes at or below 30 percent of the Area Median Income. An estimated 28 percent of Islanders experienced a housing cost-burden in 2015 (paying more than 30 percent of income for housing costs). In October 2018, more than 175 individuals were on Island waiting lists for a dwelling unit in an affordable housing development. This report seeks to inform and outline some of the regulatory, zoning, and development opportunities and barriers to address this challenge on Vashon-Maury Island, with a special focus on Vashon Rural Town. An underlying assumption of the report is that diversifying and expanding King County's affordable housing incentives and regulatory tools can potentially make its housing policies more durable and effective.

Section B provides a synopsis of King County Code sections that contain either a mandate or incentive for affordable housing. These regulations can be generally grouped into five categories – green building mandate, plat approval timeframe, Urban Growth Area boundary expansion trigger, increased density, and financial incentives.

Section C is a high-level summary of policies in three chapters of the King County Comprehensive Plan that directly or indirectly support incentives to develop new affordable housing in unincorporated areas. Overall, the Comprehensive Plan promotes multi-sector collaboration to encourage a wide range of housing at multiple levels of affordability and promotes equitable access to housing, opportunity and healthy communities.

In Section D, five jurisdictions outside King County (three in Washington State, one in Oregon, and one in California) were selected to compare affordable housing incentives in

¹ <https://mkclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=3109363&GUID=674A0397-E9FD-4C0A-8DA0-B633B2391920&Options=Advanced&Search=>

² <https://www.kingcounty.gov/initiatives/affordablehousing.aspx>

³ Ordinance 18623, Attachment A

communities with similar characteristics as Vashon-Maury Island. Jurisdictions were chosen based on their size (25,000 population or less), having affordable housing incentives in place for at least five years, and having some demographic, market, and/or socio-economic characteristic(s) similar to Vashon-Maury Island. (A more detailed explanation of the jurisdiction selection criterion and research methodology is included in this section.)

Section E assesses three housing tenure models that offer an alternative to traditional rent or own options (community land trusts, cohousing and shared housing) and three alternatives to traditional types of affordable housing products (tiny houses, accessory dwelling units and congregate housing). There is an overview of features common to each alternative, an evaluation of advantages and disadvantages of the various models, and a brief analysis of how the different housing tenures and products may or may not be applicable to Vashon-Maury Island.

Section F examines the relationship between alternative housing products and their impacts on water resources, especially as they relate to the Island's sole source aquifer and to King County Water District 19 which serves Vashon Rural Town. It defines four key terms used throughout the section – housing product, housing tenure, housing construction, and housing fixtures/amenities – and finds that projects can have the least impact on the Island's fragile water resources when the strong interplay between these four overlapping topics is carefully considered. The section concludes with an analysis of water supply, water consumption and technology, water quality, and low impact building practices as they relate to affordable housing on the Island.

Section G highlights demographic statistics that characterize the Island's low and very low income households. This is followed by a discussion of how social service providers and the Department of Community and Human Services evaluate the needs of this population, including the use of affordable housing waiting lists and monthly coordination meetings of on-Island service providers.

Section H contains the 2018 preliminary report and evaluation of the Vashon Rural Town Affordable Housing Incentive SDO required in Ordinance 18623. This first of four annual SDO evaluations does not recommend any amendments to King County Code at this time. The evaluation recommends that King County retain the SDO ordinance without amendment through the year 2019 to allow a minimum 24-month window of opportunity for potential applicants to use the incentive and to allow time for real-time comparison of other Vashon and unincorporated Rural Town development trends.

Section I concludes the report with seven observations about the most relevant and potentially impactful shifts in affordable housing regulation and incentives on Vashon-Maury Island. While additional analysis is needed before any type of formal code amendments may be concluded as necessary, the observations are included as potential areas of future change related to affordable housing incentives.

- Review and potentially rebalance the bonus density ratio currently required in the SDO. Today, both the Vashon Rural Town SDO and the Residential Density Incentive in King County's zoning ordinance require a developer to construct a

development with 100 percent affordable units before receiving bonus units. Recent research shows there may be a benefit to removing mandates that developers provide more affordable units than market rate units in their projects.

- Consider adopting stronger up-front commitments in King County Code to expedite permit applications for affordable housing developments.
- Guided by community interest and commitment, research the potential replicability of San Juan County’s sweat equity program and USD Rural Development funding stream for Vashon-Maury Island.
- Work with the King County Assessor’s Office to recognize and factor in the affordability resale restrictions that are common on many Community Land Trust properties.
- Incentivize new Rural Town cottage housing projects by increasing the allowable number and size of units and offering greater flexibility with landscape design standards. Research the feasibility and potential application of creating an exception or overlay to allow the cottage housing provision to be used for tiny house developments.
- Consider a code amendment to add more detailed development and design standards specific to congregate housing, including reduced off-street parking and minimum common food preparation and communal area design standards. Potentially partner with education and/or religious groups on the Island to identify viable surplus land, funding sources, and necessary code amendments to facilitate a congregate housing project accessory to a school, church, or religious institution.
- Utilize third-party water use management standards like *Salmon Safe* as alternative models to design more innovative stormwater and water quality approaches as the public benefit for affordable housing bonus density incentives.

B. KING COUNTY CODE AFFORDABLE HOUSING REQUIREMENTS & INCENTIVES

Summarized below are the titles in King County Code (K.C.C.) that contain either a mandate or incentive related to affordable housing. These regulations can be generally grouped into five categories – green building mandate, plat approval timeframe, Urban Growth Area boundary expansion trigger, increased density, and financial incentives. Note that K.C.C. Title 24, Housing and Community Development, was not assessed since it focuses on the administration of local and federal housing funding and not the building, zoning, or development regulations of affordable housing.

1. **Title 18, Environmental Sustainability Programs (K.C.C. 18.17.020.H)**, affirms the mandate in RCW 39.35D.080 that statewide green building standards be used in the construction of affordable housing projects financed by King County and owned and managed by either a housing authority or non-government entity and requires a

green building checklist be filed with King County's Green Building Team. **K.C.C. 18.17.020.I** also requires that transit-oriented development initiated by King County Metro must follow the same green building standards as other King County capital projects.

2. **Title 20, Planning (K.C.C. 20.12.150)** adopts an Affordable Housing Policy Plan as one of King County's functional plans. **K.C.C. 20.18.180.B** requires any four-to-one development proposal adding 200 acres or more to the Urban Growth Area to include a mix of housing types, including 30% below-market-rate units affordable to low, moderate- and median-income households. If more than 30% of below-market-rate units are provided, the amount of open space required will be reduced to three and one-half acres of open space for every one acre added to the urban growth area.⁴

3. **Title 21A, Zoning**, contains several voluntary affordable housing incentives and also mandates affordable housing in some kinds of developments. **K.C.C. 21A.14.160.B.3** makes new mobile home parks eligible to achieve the maximum allowed density of the base zone if they reserve spaces for the relocation of mobile homes displaced due to closure of another King County mobile home park consistent with the Residential Density Incentive Program in K.C.C. 21A.34. **K.C.C. 21A.34.040.F**, Residential Density Incentives, adopted in 1993, offers a comprehensive menu of incentives and is structured around eight different categories of public benefits with varying levels of bonus density incentives. The affordable housing public benefit (one of the eight categories) is divided into eight sub-sections, as summarized in Table 1.

⁴ Compared to four acres of open space for every one acre of land added to the urban growth area under the program requirements.

Table 1 – Affordable Housing Density Incentives

Affordable Housing Public Benefit	Density Incentive
a. Non-senior citizen low-income ⁵ rental housing	1.5 bonus units per benefit unit (maximum of 30 low-income units per 5 acres)
b. Senior citizen low-income ⁶ rental housing	1.5 bonus units per benefit unit (maximum of 60 low-income units per 5 acres)
c. Senior citizen assisted housing units 600 square feet or less	1 bonus unit per benefit unit
d. Moderate income, ⁷ owner-occupied housing. No resale restrictions.	0.75 bonus unit per benefit unit
e. Moderate income, owner-occupied housing. 15 year restriction binding prices and eligibility on resale to qualified moderate income purchasers.	1 bonus unit per benefit unit
f. Moderate income, owner-occupied housing. 30 year restriction binding prices and eligibility on resale to same income group.	1.5 bonus units per benefit unit
g. Projects in which 100% of the units are reserved for moderate income, owner-occupied housing. 15 year restriction binding prices and eligibility on resale to same income group.	200% of base density of the underlying zone. Limited to parcels 5 acres or less and located in the R-4 through R-8 zones. In R-4 or R-6 zones, limited to structures containing 4 units or less, except for townhouses. Cannot be combined with other in Residential Density Incentive bonuses.
h. Mobile home park space or pad reserved for the relocation of mobile homes displaced due to closure of another unincorporated King County mobile home park.	1 bonus unit per benefit unit

⁵ No greater than 30 percent of gross income for households at or below 50 percent of AMI

⁶ 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 AMI

⁷ At or below 80 percent AMI

K.C.C. 21A.34.080.D. establishes landscaping, parking, and on-site recreation standards for projects using the Residential Incentive Program in **K.C.C. 21A.34.080.D.** **K.C.C. 21A.38.260.B.2.a,** the Fall City Business District Special District Overlay, requires any building in the Fall City business district with more than ten dwelling units to make at least 10% of the units affordable as defined by **K.C.C. 21A.34.040.F.1.** The new Vashon Rural Town Affordable Housing Special District Overlay authorized by the ordinance that this report responds to, which offers a bonus density to certain parcels, is codified in **K.C.C. 21A.38.270.** Urban Planned Developments (**K.C.C. 21A.39.060**) and Fully Contained Communities (**K.C.C. 21A.39.200**),⁸ two types of specialized development applications available in areas pre-designated by the Comprehensive Plan, also have mandated affordable housing. Urban Planned Developments are required to provide at least 30% of all residential units in each phase as affordable housing, based on a tiered system of income levels outlined in the code. There are three different affordability levels that must be provided, ranging between 50% of median household income for rental units at the low end and 120% of median household income for ownership units at the high end. The owner-occupied units must be resale restricted to the same income group for 15 years. Fully Contained Communities are a type of Urban Planned Development that have the same affordable housing requirements as other Urban Planned Developments, with additional development standards. These development standards include a requirement to provide affordable housing for a “broad range of income levels”, including income levels below and near AMI. **K.C.C. 21A.43.080** exempts affordable housing projects developed by public housing agencies or non-profits from school impact fees and provides an option for private developers to request a fee reduction.⁹ **K.C.C. 21A.55.060** outlines the affordable housing incentives for low-impact development and Built Green demonstration projects in three urban areas and one rural area (Vashon Island). If a demonstration project provides 51% or more of the units to households at 80% AMI or less at the time of initial occupancy or if 51% or more of the rental housing is permanently priced to serve low-income senior citizens, the Department of Permitting and Environmental Review (DPER) Director is authorized to approve changes to the allowable residential densities. Expedited processing for subdivisions, building permits, inspections, and similar processes were made available to the sustainable community and housing demonstration project in **K.C.C. 21A.55.101**¹⁰ if minimum affordable housing thresholds were met (e.g. 50% or more of all units are made affordable to

⁸ King County Comprehensive Plan Policy U-181 prohibits the creation of new Fully Contained Communities. Additionally, **K.C.C. 21A.39** requires that Urban Planned Developments (UPD) only locate in urban areas and within UPD Special District Overlays. Given the limited number of locations in unincorporated King County available to develop these complex projects, the feasibility of new affordable housing being created through this mechanism is low.

⁹ State law requires the school district to agree to the waiver, and the waived fee be recovered through other means (likely either the school district or the county).

¹⁰ Park Lake Homes II project constructed in White Center.

households at 80% AMI or if 70% or more of all units are made affordable to households at 80% to 115% of AMI).¹¹

C. KING COUNTY COMPREHENSIVE PLAN AFFORDABLE HOUSING POLICIES

This section summarizes the intent of policies from Chapter 2 (Urban Communities), Chapter 3 (Rural Areas and Natural Resource Lands), and Chapter 4 (Housing and Human Services) in the King County Comprehensive Plan (KCCP) that directly or indirectly support incentives to develop new affordable housing in unincorporated areas. With few exceptions, policies that pertain only to cities or urban unincorporated areas, Urban Planned Developments, Fully Contained Communities, financial subsidies, or topics not relevant to the development of new affordable housing in Rural Areas were excluded.

The KCCP policies support affordable housing through a variety of tools and mechanisms. The focus of many activities is on very low-, low- and moderate-income households pursuant to the countywide goals established in the Countywide Planning Policies.

Recognizing that affordability is broader than just land and unit prices and factors such as transportation costs, the KCCP focuses growth inside the Urban Growth Area boundary and near commercial areas where facilities and services such as transit are more readily available. In rural areas, higher density housing occurs in rural towns, again, where more services are available to support lower-income populations than the surrounding rural areas.

The KCCP promotes multi-sector collaboration to encourage a wide range of housing at multiple levels of affordability and promotes equitable access to housing, opportunity and healthy communities, as well as freedom from housing discrimination. Collaboration includes the County acting as a regional convener, participating in efforts to have common development codes to simplify construction practices, and participation with other jurisdictions and stakeholders in consolidated housing and community development planning. Other tools used to support affordable housing include incentive programs, mixed-use zoning, allowing innovative housing types such as accessory dwelling units and cottage housing, and basing development on gross densities.

In support of these policies, the County operates programs in the areas of homeless housing, housing repair, housing finance, affordable housing planning and more.

¹¹ K.C.C. 19A.12.020.F includes affordable housing provisions that are no longer applicable and, thus, is not summarized in this report.

D. AFFORDABLE HOUSING INCENTIVES IN OTHER JURISDICTIONS & REGIONAL AFFORDABLE HOUSING TASK FORCE REVIEW

As required by Workplan Action 3, this section contains findings from approaches to incentivizing affordable housing that are outside King County. It reviews affordable housing codes, development regulations, and incentives from three Washington State jurisdictions (San Juan County, Oak Harbor, and Poulsbo) and two out-of-state jurisdictions (Mammoth Lakes, California and Forest Grove, Oregon) and their potential applicability to Vashon-Maury Island. Jurisdictions were chosen based on the following criteria:

- Jurisdiction state – Although land use and housing is regulated primarily at the local and not state government level, certain state laws such as inclusionary zoning enabling statutes and mandatory housing elements in Comprehensive Plans can influence affordable housing development incentives. In the event state statutes were found to influence the design or performance of local housing incentives, either positively or negatively, at least two of the five jurisdictions were sought outside of Washington State. The three Washington State jurisdictions were selected to compare and contrast different in-state approaches to zoning incentives using the same enabling legislative structure. San Juan County was selected so that at least one county government other than King County was in the comparison pool (compared to having five incorporated cities).
- Size – As of 2017, Vashon-Maury Island had a year-round population of approximately 11,000 people. Communities with 2017 populations of no more than 25,000 were identified as being comparable due to the Island’s traditionally large summer population influx and to reflect the Island’s unique position as a small, rural area within a major metropolitan county.
- Effective date of incentives - Jurisdictions were only considered if their affordable housing incentives were adopted within the past five years to ensure a sufficient period of time for application, implementation, enforcement, and assessment of the tool(s).
- Demographic, market, and/or socio-economic characteristic(s) similar to Vashon-Maury Island – Higher than average household incomes and home values, close proximity to employment centers experiencing moderate to high population growth, jurisdictions who self-identify as having rural or small town character and influences, and an expanding regional economy were other factors used in the selection process.

Using the above criteria as a filter, staff identified five jurisdictions that would offer strong contrasts to Vashon-Maury Island and a high degree of diversity for a research pool. Methods of researching the jurisdiction’s ordinances and housing policies included analysis of codes and housing chapters of comprehensive plans, phone interviews with planners and/or housing staff, and e-mail correspondence. Written and staff resources from the

Municipal Research and Services Center (MRSC) in Seattle and A Regional Coalition for Housing (ARCH) in Bellevue were also utilized. A summary of the findings in this section are shown in Table 2.

Designing an effective affordable housing regulatory program requires careful attention to local market conditions and demands a high level of commitment and diligence by local governments to induce a meaningful number of new affordable housing units. There are examples of affordable housing regulatory approaches that facilitate a significant number of new units¹² and others that have generated zero new units.¹³ King County's Residential Density Incentive for affordable housing in K.C.C. Chapter 21A.34 has been in effect since 1993 but has seen very limited use by developers countywide. Explanations and analyses for why some incentives work and others fail are ubiquitous and heavily debated in the community development, academic, and planning literature.

With one exception (Mammoth Lakes, CA), affordable housing incentives in the jurisdictions analyzed for this report had a nominal impact on the number of affordable units actually constructed. Incentive-based and mandatory codes for affordable housing are generally most successful in high growth markets where there is a strong demand for new housing and where residential development is profitable. But there are many other factors that influence the efficacy of affordable housing incentives, including location (e.g. urban, suburban, or rural), existing inventory, permitting timeframes, and other residential development regulations.

¹² See outcomes of the City of Redmond's (WA) inclusionary zoning code at: <http://www.ci.redmond.wa.us/cms/One.aspx?portalId=169&pageId=124294>

¹³ Per 5/3/2018 e-mail from Cac Kamak, City of Oak Harbor, and 4/13/2018 e-mail from Matt Parsons, City of Wenatchee, WA.

Table 2 - Other Jurisdiction's Affordable Housing Zoning & Development Incentives

<i>Other Jurisdiction Selection Criteria:</i>						
<ul style="list-style-type: none"> • <i>Jurisdiction state</i> • <i><25k population</i> • <i>Incentive adopted for at least 5 years</i> • <i>Rural and/or small town character & influences</i> • <i>Experiencing moderate to high population growth rates</i> 						
Incentive/Strategy	King Co. (unincorp.)	San Juan Co. (16,715)	Oak Harbor (23,204)	Poulsbo (10,400)	Mammoth Lakes, CA (7,994)	Forest Grove, OR (24,058)
Fee Waiver/Deferral/Reduction	√ ¹		√ ²		√ ³	
Density Bonus	√	√	√ (add'l mobile home park density bonus)	√	√ ⁴	√
Expedited Permitting	√ ⁵				√	
Relaxed Design/Parking Standards	√				√	
Land Banking – Surplus Land		√				
Accessory Dwelling Units	√	√	√	√	√	√
Allow by right in “R” zones	√			√ ⁶	√	√ ⁷
Waive off-street parking for ADU					√ ⁸	
Affordable Housing Overlay Zone(s)	√				√	
Inclusionary Zoning					±	

K.C.C. 21A.43.080.A provides an exemption from school impact fees for public housing agencies or non-profit housing developers for low or moderate income housing. K.C.C. 21A.43.080.B allows private developers who dedicate residential units for occupancy by low or moderate income households to apply for reductions in school impact fees. State law requires the school district to agree to the waiver, and the waived fee be recovered through other means (likely either the school district or the county).

²Section 3.64.501 of Oak Harbor's code allows fee waivers for low-income housing as a percentage proportionate to the amount of the project that is low-income (i.e. if the project is 20% low-income housing, 20% of the total fee would be waived).

³The State of California (as of Jan. 2017) mandates that ADUs shall not be considered new residential uses for the purpose of calculating utility connection fees or capacity charges.

⁴The State of California offers density bonuses above and beyond what local jurisdictions provide. Mammoth Lakes has a tiered system of density bonuses, based on the population served. For example, for each 1% increase above the target units for very low income households, the bonus is increased 2.5%, up to 35%.

K.C.C. 21A.55.101.G provides expedited review processes for a sustainable community demonstration project. Expedited permitting is encouraged for affordable housing projects in KCCP Policy H-131, which the County implements on a case-by-case basis.

⁶Poulsbo permits internal and/or attached ADUs that do not increase the square footage of a residence as an administrative approval but requires other types of ADU permits to obtain administrative conditional use permits before filing for a building permit.

⁷Forest Grove does not count ADUs when calculating density for a residential project.

⁸State of California law (as of Jan. 2017) prohibits local jurisdictions from requiring off-street parking for ADUs under several conditions, including if the ADU is within a ½ mile of public transit, is within a historic district, or is part of an existing primary residence.

± Mammoth Lakes had Inclusionary Zoning (IZ) for approximately 12 years but repealed the mandate in 2014. Many of the town's affordable units were built under this prior IZ provision.

1. San Juan County, Washington

- a. Jurisdiction population: 16,715 (2017)
- b. Affordable housing tool(s):¹⁴ Housing Bank, Bonus Density Residential District, Rural Residential Cluster
- c. Effective year of the affordable housing tool(s): 2006 (Housing Bank), 2008 (Bonus Density and Rural Residential Cluster)¹⁵
- d. Features of affordable housing code/incentive:
 - i. An Affordable Housing Trust Fund administered by the San Juan County Housing Bank, which is a program in the Community Development Department. (Ordinance No. 3-2006)
 - ii. The County customizes their incentives by offering different levels of density bonus based on the geographic area and existing development character. (18.30.200 through 18.30.300)
 - iii. Official zoning map identifies several activity centers/hamlets where base density can be exceeded for projects providing at least 25% of the total units as affordable units. (18.30.200.D)
 - iv. In Olga Hamlet, a maximum of 15 affordable housing bonus units may be developed throughout the entire designated area (versus calculating the density bonus on a per parcel basis). (18.30.247)
 - v. Rural residential clusters allow for affordable housing combined with small scale agriculture in rural areas where all units in a development are affordable. (18.690.230)
- e. Observations:
 - i. Currently, the housing bank's sole revenue source is document recording fees and it has a relatively limited budget and scope. However, in November 2018, San Juan County voters approved Proposition No. 1 to allow a real estate excise tax (one-half of one percent) to be used for the development of affordable housing (pursuant to RCW 82.46.075).¹⁶
 - ii. To date, the County's density bonuses have stimulated a limited number of new affordable units.¹⁷
 - iii. The majority of new affordable units in San Juan County are currently constructed by community land trusts and through the non-profit

¹⁴Accessory Dwelling Units (ADUs) were not considered an affordable housing tool for the purpose of this section. All five jurisdictions examined, as well as King County, allow ADUs in residential zones under varying development standards, sizes, and conditions. The tools referenced here focus on ordinances and incentives aimed exclusively on increasing the supply of affordable housing.

¹⁵ See Table 3 for links to all of the codes and ordinances from other jurisdictions referenced in this section.

¹⁶ <https://www.sanjuanco.com/DocumentCenter/View/15303/Resolution-24-2018-Setting-an-Election-for-Imposition-of-Tax-for-Affordable-Housing> and <https://results.vote.wa.gov/results/current/sanjuan/>

¹⁷ Per 4/5/2018 phone conversation with Ryan Page, San Juan County Affordable Housing Coordinator.

- Homes for Islanders*' sweat equity program.¹⁸ The latter program, funded through United States Department of Agriculture (USDA) Rural Development, has resulted in more than 120 affordable houses being constructed but does not place resale restrictions on units, so these do not provide a permanent affordable housing supply.¹⁹
- iv. Related to water conservation, San Juan County Code includes a provision that Planned Unit Developments (PUD)²⁰ are granted a two unit per acre density bonus if an applicant can demonstrate that water conservation features will reduce demand by 15% from the water purveyor's average annual usage (18.30.210.D.2.b).
 - f. Applicability to Vashon-Maury Island:
 - i. The San Juan County Housing Trust Fund is a countywide program and may not be feasible for a single, rural, unincorporated subarea of King County like Vashon Rural Town.
 - ii. Bonus densities in current King County Code meet or exceed those of San Juan County and do not require a PUD application.
 - iii. The sweat equity model of the *Homes for Islanders* group may offer a resource for Vashon-Maury Island but it is not directly relevant to King County's role as a local government or to its code, given this activity can take place under existing regulations.

2. Oak Harbor, Washington

- a. Jurisdiction population: 23,204 (2016)
- b. Affordable housing tool(s): Bonus density and Fee waiver
- c. Effective year of the affordable housing tool(s): 2009
- d. Features of affordable housing code/incentive:
 - i. In Planned Residential Developments (PRD), for every one affordable unit provided, allow five additional market-rate units, up to 30% of base density. (19.31.090)
 - ii. Planned Residential Development (PRD) applicants have the option to include 10%+ of the total units in a project as affordable units to meet one of the mandatory PRD elements. (PRD's offer applicants regulatory flexibility in return for providing higher quality site and design features to encourage more complete and sustainable neighborhoods.) (19.31.170)
 - iii. Manufactured Home Parks and Subdivisions are permitted an increase of two dwelling units per acre above the base R-1 zone if 100% of

¹⁸ A "sweat equity" program (sometimes called "self-help" or "mutual self-help") provides low interest rates and/or other subsidies to qualifying low-income households. In return, the homeowners invest a set number of hours of manual labor to help build the home (sweat equity), often in combination with labor of other program participants.

¹⁹ Ibid

²⁰ Per San Juan County Code 18.20.160, a Planned Unit Development is "a development characterized by a unified site design, clustered residential units or commercial units, and areas of common open space".

units are available to 80% AMI or below. This land use also has no minimum lot size or setbacks if they use public funds for capital construction costs or to artificially suppress rents. (19.25.040 & 19.25.065)

- iv. Oak Harbor's Development Service Department is required to grant certain fee waivers for low-income housing, upon notification to the Mayor. Amount of waiver is a percentage proportionate to the amount of the project that is low-income (e.g. if project is 20% low-income housing, 20% of the total fee would be waived). (3.64.501(3))
- e. Observations:
 - i. To date, Oak Harbor has had no affordable units constructed using their bonus density incentive.²¹
 - ii. Habitat for Humanity has used the fee waiver provision in at least ten of their projects.²²
- f. Applicability to Vashon-Maury Island:
 - i. Bonus densities in current King County Code meet or exceed those of Oak Harbor. In addition to the Vashon Rural Town Affordable Housing SDO, K.C.C. Chapter 21A.34 allows between a 75% and 150% increase in density without requiring a minimum portion of each project to be affordable. The density increase is tied to the affordability level of the benefit unit, with higher density increases being granted to projects serving residents at 50% AMI or below. A 200% increase in density is granted for projects in which 100% of the units are reserved for buyers at 80% AMI or below.
 - ii. K.C.C. 21A.43.080 exempts affordable housing projects developed by public housing agencies or non-profits from school impact fees and provides an option for private developers to request a fee reduction. State law requires the school district to agree to the waiver, and the waived fee be recovered through other means (likely either the school district or the county); as a result, this provision in County code is rarely used.
 - iii. King County does not currently have a fee waiver program that compares to Oak Harbor's automatic fee reduction, which could be a service that the County may wish to provide. However, DPER's permitting product line revenues are derived almost exclusively from permit fees and generally does not utilize General Fund money. The staff time, inspections, and other permitting expenses necessary to process affordable housing applications are equivalent to residential permit applications for market rate projects (if not more due to additional development requirements for affordable housing incentives, such as for the affordable housing special district overlay for Vashon Rural Town). If automatic fee waivers were instituted for

²¹ Per 5/3/2018 e-mail from Cac Kamak, City Planner, City of Oak Harbor.

²² Ibid.

affordable housing applications and a substitute revenue source is not identified to fund application processing, plan reviews, and related costs, there is potential to compromise the Department's service delivery and/or quality for the affordable housing developments.

3. Poulsbo, Washington

- a. Jurisdiction population: 10,400 (2016)
- b. Affordable housing tool(s): Bonus density
- c. Effective year of the affordable housing tool(s): 2003
- d. Features of affordable housing code/incentive:
 - i. Minimum of 10% of project must be affordable before any bonus density can be used. Minimum project size is five dwelling units. (18.70.070.3)
 - ii. 20% density increase allowed when 10% of project contains affordable units.
 - iii. 25% density increase allowed when 15% of project contains affordable units.
 - iv. Maximum density increase is 25%.
- e. Observations:
 - i. Poulsbo has had no affordable units constructed using their bonus density incentives.²³
- f. Applicability to Vashon-Maury Island:
 - i. Bonus densities in current King County Code meet or exceed those of Poulsbo. In addition to the Vashon Rural Town Affordable Housing SDO, K.C.C. 21A.34 allows between a 75% and 150% increase in density without requiring a minimum portion of each project to be affordable. The density increase is tied to the affordability level of the benefit unit, with higher density increases being granted to projects serving residents at 50% AMI or below. A 200% increase in density is granted for projects in which 100% of the units are reserved for buyers at 80% AMI or below.

4. Mammoth Lakes, California²⁴

- a. Jurisdiction population: 7,994 (2016)
- b. Affordable housing tool(s): Bonus density, Affordable housing overlay zone, Off-street parking reductions, Mixed-use zoning benefits, and Fee waiver
- c. Effective year of the affordable housing tool(s): 2000
- d. Features of affordable housing code/incentive:

²³ Per 4/11/2018 e-mail from Nikole Coleman, City Planner, City of Poulsbo.

²⁴ In addition to the incentives offered in local government ordinances, the State of California provides bonus density incentives to affordable housing developers. This is a meaningful distinction to note when making comparisons to Washington State jurisdictions where such additional state incentives do not apply.

- i. Affordable Housing Overlay Zone exempts development from covered parking requirements and can modify street standards and request modification of minimum infrastructure improvements. (17.32.020)
 - ii. No minimum lot area requirement for individual lots or units in affordable housing projects. (17.32.020.D)
 - iii. Allow off-street parking to be provided via tandem or uncovered parking areas.
 - iv. Additional density bonuses (up to twice the base density) available for disabled, elderly and workforce housing. (17.136)
 - v. In lieu of constructing units, allow conveyance of land to the town, an affordable housing developer, or a non-profit agency.
 - vi. Town uses a tiered system of density bonuses based on household income level (e.g. very low income households are offered a higher bonus density increase than low or moderate income households). (17.140.030)
 - vii. Affordable projects can apply for mixed-use zoning not otherwise allowed, if certain benefits result. (It should be noted that this incentive has a higher degree of unpredictability because it involves a discretionary rezone and public hearing process.) (17.140.040)
 - viii. Fees for affordable housing projects can be reduced or waived by City Council. (17.32.020.D)
 - ix. California state law (SB 35, Chapter 366²⁵) fast tracks affordable housing projects and removes certain discretionary reviews of permits from local jurisdictions.
- e. Observations:
- i. More than 200 affordable units have been created using the City's suite of mandates and incentives, a majority of which result from the Town's inclusionary zoning ordinance.²⁶
 - ii. A recent code change to eliminate the maximum density in commercial zones and use a Floor Area Ratio calculation instead is receiving positive reviews from housing developers.²⁷
- f. Applicability to Vashon-Maury Island:
- i. Bonus densities in King County Code²⁸ meet or exceed those of Mammoth Lakes.
 - ii. K.C.C. 21A.18.110.H already allows tandem off-street parking in residential developments.
 - iii. "Workforce" housing, defined by Mammoth Lakes as housing restricted for rent or purchase by people working in the town, is not defined or specifically regulated in King County's zoning code but may have some applicability for Vashon-Maury Island. Per 2016 U.S.

²⁵ https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB35

²⁶ Per 5/4/2018 phone call with Sandra Moberly, Community & Economic Development Director, Town of Mammoth Lakes.

²⁷ Ibid

²⁸ K.C.C. 21A.34.040 and K.C.C. 21A.38.270

Census data (ACS), an estimated 49% of the Island's workforce of 4,958 workers, or 2,429 people, work on the Island²⁹ (compared to an estimated 9.6% of the City of Newcastle's workforce who work in Newcastle, which has a population and commuting distance to regional employers that is comparable to Vashon Island.) Vashon Household has a policy to prioritize Island residents on its affordable housing waiting list over non-Island residents.

5. Forest Grove, Oregon

- a. Jurisdiction population: 24,058 (2016)
- b. Affordable housing tool(s): Density incentive and Bonus set aside
- c. Effective year of the affordable housing tool(s): 2009 (density incentive) and 2016 (bonus set aside)
- d. Features of affordable housing code/incentive:
 - i. The incentive density is only allowed as part of a Planned Development. (10.3.130.B)
 - ii. City can limit the number and/or type of density incentive based on availability of public facilities, traffic impacts and/or compatibility .(10.7.410)
 - iii. An additional 20 units/acre are available when 20% of units are set aside for 80% AMI and pay no more than 30% of total household income in rent or mortgage. (10.7.410)
 - iv. Density bonus is not available for institutional housing. (10.7.410)
 - v. Projects utilizing incentive are expected to exceed the City's design standards.
- e. Observations:
 - i. Forest Grove has had no affordable units constructed using their density incentive or 20/20 bonus set aside.³⁰
 - ii. A recent Forest Grove affordable housing study³¹ concluded that incentivizing ADUs through reduced costs and fees, waiving system development charges, and adopting an affordable housing tax exemption program are top priorities for its residents.
- f. Applicability to Vashon-Maury Island:
 - i. Similar to Forest Grove, the Affordable Housing Special District Overlay adopted as part of the Vashon-Maury Island CSA Subarea Plan requires the bonus density incentive be used in the town center.
 - ii. The City of Forest Grove's affordable housing codes and incentives do not otherwise differ from or have applicability to the affordable

²⁹ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

³⁰ Per 4/27/2018 e-mail from Daniel Riordan, Senior Planner, City of Forest Grove.

³¹ See *Forest Grove Affordable Housing Needs Assessment and Recommendations* report, June 2017, https://www.forestgrove-or.gov/sites/default/files/fileattachments/planning/page/7801/attachment_a_work_session_draft_needs_assessment_and_recommendations.pdf

housing codes or incentives currently adopted for Vashon-Maury Island.

Although not addressed in this report's scope, it is important to underscore the role that non-land use and zoning incentives such as utility hook-up fees and affordable housing tax exemptions play in the creation of new affordable housing. Many jurisdictions, including King County, emphasize the complex and overlapping nature of affordable housing development planning, financing, and construction. This also holds true when designing and creating affordable housing development incentives. One example is from Washington County, Oregon where their Housing Department has become an active development partner over the past several years, working with housing developers to support a number of new affordable units throughout their county. Washington County sponsors requests for bond funding from the State of Oregon, as well as providing tax exemption and assistance through project-based rental assistance vouchers.

6. Regional Affordable Housing Task Force Review

Workplan Action 3 required a review of the Regional Affordable Housing Task Force's recommendations to identify programs or proposals that may inform affordable housing incentives on Vashon-Maury Island. At the time of transmittal of this report to Council, the Task Force had completed a draft version of the Five Year Action Plan (dated October 2, 2018) which contained seven goals. The majority of the Action Plan's content pertains to regional, funding-oriented activities, urban and transit-oriented development, or is focused on governance structures. However, several recommendations under Goal 6 pertain to local zoning incentives for unincorporated areas, such as Vashon Rural Town, which read as follows:

- Cities and the County should pursue strategies to reduce the cost of developing affordable units, which might include the reduction or elimination of impact or connection fees, or a sales tax fee exemption on affordable developments;
- County or governance organization to provide technical assistance in designing inclusionary/incentive housing programs;
- Update zoning and land use regulations (including in single-family low-rise zones) to increase and diversify housing choices;
- Update building codes to promote more housing growth and innovative, low-cost development; and
- Jurisdictions to streamline permitting process for affordable housing development.

Currently, there is direction in the Comprehensive Plan to pursue development of a demonstration ordinance to test the code flexibility for alternative housing models,³² which could result in additional options for affordable housing developments. Additional amendments to the County's development codes may also be appropriate in order to

³² 2016 KCCP Workplan Action 6

promote more innovative and low-cost housing options. Upon issuance of the final Action Plan, further evaluation will take place to determine if there are potential applications of the plan's recommendations for Vashon Rural Town.

Table 3 - References for Other Jurisdiction Codes & Ordinances

Jurisdiction	Subject	Code/Ordinance	URL
San Juan County, WA	Affordable Housing Trust Fund	Ord. 3-2006	https://www.sanjuanco.com/DocumentCenter/Index/143
	Bonus Density & Rural Residential Clusters	Title 18.30	http://www.codepublishing.com/WA/SanJuanCounty/#!/SanJuanCounty18/SanJuanCounty1830.html#18.30
	Real Estate Excise Tax	Reso. 24-2018	https://www.sanjuanco.com/DocumentCenter/View/15303/Resolution-24-2018-Setting-an-Election-for-Imposition-of-Tax-for-Affordable-Housing
Oak Harbor, WA	Planned Residential Developments	Title 19.31	http://www.codepublishing.com/WA/OakHarbor/
	Manufactured Home Parks & Subdivisions	Title 19.25	http://www.codepublishing.com/WA/OakHarbor/
	Fee Waivers	Title 3.64	http://www.codepublishing.com/WA/OakHarbor/
Poulsbo, WA	Density Bonus	Title 18.70	http://www.codepublishing.com/WA/Poulsbo/html/Poulsbo18/Poulsbo18.html
Mammoth Lakes, CA	Affordable Housing Overlay Zone	Title 17.32, Article II	https://library.municode.com/ca/mammoth_lakes/_codes/code_of_ordinances?nodeId=TIT17ZO
	Affordable & Workforce Housing	Title 17.136, Article VI	https://library.municode.com/ca/mammoth_lakes/_codes/code_of_ordinances?nodeId=TIT17ZO_ARTVIAFWOHO
	Density Bonus	Title 17.140	https://library.municode.com/ca/mammoth_lakes/_codes/code_of_ordinances?nodeId=TIT17ZO_ARTVIAFWOHO_CH17.140AFHODEBOIN
Forest Grove, OR	Density Incentive	Title 10.3	https://www.forestgrove-or.gov/planning/page/development-code
	Bonus Set Aside	Title 10.7	https://www.forestgrove-or.gov/planning/page/development-code

E. EVALUATION OF ALTERNATIVE HOUSING TENURE MODELS & ALTERNATIVE HOUSING PRODUCTS

This section assesses three housing tenure models that offer an alternative to traditional rent or own options and three alternatives to traditional types of affordable housing products and construction materials. For the housing tenure section, each model contains an overview of common features, an evaluation of advantages and disadvantages of the model, and a brief analysis of how it may be applicable to Vashon-Maury Island. For the alternative housing products section, it: 1) examines alternatives to traditional types of affordable housing products and the product's relationship to low impact design and water use; and 2) highlights three different types of residential products and living arrangements (tiny houses, accessory dwelling units, and congregate housing), how these are currently regulated, challenges and opportunities of each, and their potential application for Vashon-Maury Island.³³

Alternative Housing Tenure Models

1. Community Land Trusts (CLT)

- a. Common features of model:³⁴
 - i. Typically a private, nonprofit organization
 - ii. Organized around a defined geographic area
 - iii. The CLT holds perpetual title to land with goal of preventing land speculation and absentee ownership
 - iv. Often use a tri-partite board structure (lease holders, community members, technical experts)
 - v. Dual ownership where individuals own the structural improvements and CLT owns land
 - vi. CLT holds a preemptive right to repurchase homes
 - vii. Permanent common good protections are often used (e.g. 99-yr lease offerings, open space)
 - viii. Units accrue limited equity and residents bear a lower risk of default compared with traditional mortgages
 - ix. Use the same funding sources for home purchasing as private market (e.g. 30-yr mortgages)
- b. Evaluation of model:
 - i. Advantages³⁵
 1. In areas where high land costs are an obstacle to secure housing, CLTs can help potential buyers purchase a house by owning the land (separate from the structure) and leasing it back to the buyer.

³³ When exploring the advantages and disadvantages of alternative housing products, it is important to underscore King County's commitment to support safe and healthy housing options for all. The County does not support the construction of substandard housing of any kind, such as housing that does not contain plumbing or heating.

³⁴ Sourced from "Tools and Resources," *Community Land Trust Network*, <http://cltnetwork.org/tools/>

³⁵ Sourced from Washington Low Income Housing Alliance, www.wliha.org/blog

2. CLTs help to provide a permanent supply of affordable housing by enforcing resale formulas that require a house to be affordable to the next eligible buyer if and when it sells.
 3. CLTs increase access among lower income and minority families to successful homeownership.
 4. CLTs buffer the adverse impacts of gentrification by providing a stock of housing that remains affordable.
 5. CLTs stabilize neighborhoods by increasing owner-occupancy, promoting residential stability, preventing foreclosures, and maintaining homes in good condition.
- ii. Disadvantages
1. Time and expense to establish a CLT, either through an existing organization or to create a new nonprofit:
 - a. Finding a lending institution that is accustomed to working with houses and CLTs that set fixed values on a home's appreciation. (Note: In recent years, the number of financial institutions with CLT properties in their lending portfolio has increased, offering greater access to banks with expertise in working with CLT properties.)³⁶
 - b. Negotiating with tax assessors on charging taxes based on capped equity versus traditional comp values.
- c. Potential application for Vashon-Maury Island:
- i. CLTs can be formed and legally operate in King County today. The already built affordable housing projects of Roseballen³⁷ and Sunflower³⁸ in Vashon Rural Town operate under a CLT structure that is administered by the local nonprofit housing agency, Vashon Household. This organization's experience managing CLTs and their presence on the Island may benefit others who want to participate in and receive the affordability benefits a CLT can offer but do not want to create a new CLT "umbrella" nonprofit organization. (Note: This option is contingent on Vashon Household's capacity to accept and manage new properties.)
 - ii. King County's land use and development regulations are applied to CLT and non-CLT developments in the same manner, posing no barrier to or requiring any code amendments for the creation of new CLTs on the Island. As the lienholder in its CLT projects, Vashon Household may have to manage and resolve liens placed on a CLT

³⁶ https://www.housingfinance.com/news/project-serves-new-home-buyers_o

³⁷ 19 single-family, detached units on lots averaging 3,800 square feet in size; focused on first-time home buyers; development includes approximately 15 acres of permanent open space and farmland.

³⁸ 14 single-family, detached units on lots between 3,300 and 3,700 square feet in size; house floor areas average 680 square feet.

dwelling unit, increasing demands and responsibility on the organization.³⁹

- iii. One incentive King County can offer to encourage affordable housing CLTs is for the Assessor's Office to recognize the affordability resale restrictions placed on CLT properties and not use traditional comparison values when setting property taxes for dwellings that are subject to these long-term CLT leases. Property assessments based on the resale formula used by each CLT (which can vary but include setting maximum value increases of two or three percent per year and/or using the U.S. Bureau of Labor Statistic's Consumer Price Index as a measure) would help to assure CLT administrators and CLT home owners that the annual property assessment will align with their self-imposed resale limits and help to reduce the property tax.
 - iv. Habitat for Humanity (HFH) affiliates throughout Washington State have partnered with multiple CLTs to acquire, rehabilitate and sell affordable homes.⁴⁰ To date, HFH has not worked on Vashon-Maury Island⁴¹. Collaboration between existing and/or future CLTs and HFH may offer one new avenue to increase affordable housing on the Island.
- d. Other CLT findings:
- i. CLTs do not inherently limit environmental impacts or reduce demands on water resources. Some CLTs may integrate environmental protection and water conservation into their developments and design and construction standards, but additional research would be needed to evaluate this option.
 - ii. According to the national *CLT Network*,⁴² Washington State currently has 22 registered CLTs, the third highest number of CLTs in the U.S., after California (34) and New York (24).
 - iii. As of 2017, the *CLT Network*²⁵ identifies five CLTs in King County.⁴³

2. Cohousing

- a. Common features of model:⁴⁴
 - i. Frequently organized as intentional communities that are built around a common theme or foundational principle (e.g. sustainable farming, renewable energy)
 - ii. Typical size of cohousing developments is 15 to 40 dwellings

³⁹ Based on September 14, 2018 e-mail and phone correspondence with Chris Szala, Executive Director, Vashon Household.

⁴⁰ See <http://cltnetwork.org/wp-content/uploads/2014/08/HFH-CLT-Relationships-06-14.pdf>

⁴¹ Per phone conversation on 8/27/2018 with staff at the Seattle-King County HFH office.

⁴² See <http://cltnetwork.org/directory/>

⁴³ Homestead, Vashon Household, ARCH, the City of Seattle Office of Housing, and Habitat for Humanity Seattle-King County

⁴⁴ Sourced from "What is Cohousing?", Cohousing Association of the United States, https://www.cohousing.org/what_is_cohousing

- iii. Private, individual ownership of houses with titles to land often being held by a member-based association. Rental units do occur in cohousing projects but tend to be a small percentage.
 - iv. Owner developed and owner managed developments
 - v. Common legal structures for cohousing developments are private, self-governing homeowner's associations, condominium associations or housing cooperatives
 - vi. Units cluster around a shared open space and/or common building with dining, recreation, children's play area, or similar shared amenities
 - vii. Some impose affordable housing income limits and associated restrictive covenants
- b. Evaluation of model:
- i. Advantages
 1. The sharing of common resources in a cohousing community can reduce overall monthly costs for food, child care, senior care, landscaping, and similar household expenses. A 2013 survey of 200 cohousing residents found that living in cohousing saved them at least \$200 per month and often more.⁴⁵
 2. Cohousing developments often result in enhanced environmental benefits, including clustering of housing to preserve open space, community gardens, reduced car dependence, and a higher likelihood to recycle and compost due to more opportunity to learn from cohousing neighbors.⁴⁶
 3. Various studies and surveys of cohousing communities have identified many social benefits that can accrue to cohousing residents, such as reduced social isolation and higher levels of mutual support and solidarity.⁴⁷
 - ii. Disadvantages
 1. In general, cohousing developments are not designed or intended to provide affordable housing. The legal structure is typically a private, self-governing residential association and not a nonprofit organization that can receive tax benefits and administer housing subsidies.
 2. The cost to acquire the adequate amount of land for multiple dwellings, common open space, and shared amenities to create a cohousing development can be prohibitive.

⁴⁵ "Achieving Affordability with Cohousing," *Fellowship of Intentional Communities*, <https://www.ic.org/achieving-affordability-with-cohousing/>

⁴⁶ Livingston, Amy, "Communal Living & Cohousing - Types & Benefits of Intentional Communities", *Money Crashers*, <https://www.moneycrashers.com/communal-living-cohousing-types-benefits-intentional-communities/>

⁴⁷ "Research," *The Cohousing Association of the U.S.*, <https://www.cohousing.org/taxonomy/term/162>

3. Owners in cohousing developments traditionally have less control over their property at the time of a sale since many cohousing communities have right to first buying refusal.⁴⁸
 4. Cohousing members may need to partner with a housing developer who understands residential construction financing, building codes, zoning entitlements, infrastructure, and related development issues.
- c. Potential application for Vashon-Maury Island:
- i. Vashon Cohousing⁴⁹ has operated on the island for more than 20 years as a cohousing development and is legally registered as a Condominium Association.
 - ii. Vashon Household purchased five of Vashon Cohousing's 18 units when the project was initially formed and made these the only equity-capped⁵⁰ units in the development. This large initial investment provided an infusion of capital for front-end infrastructure improvements. As owner-based entities (compared to a nonprofit or developer), it will likely be helpful for any new cohousing start-ups to secure a similar up-front investment early in the planning process.
 - iii. The social cohesion and community intentionality aspects of the cohousing model may have strong appeal on the Island.⁵¹
 - iv. Cohousing developments can be formed and legally operate in King County today. The various types of private associations used to administer and structure cohousing communities are used and permitted under existing state and local regulations.
 - v. Potential barriers to the creation of new cohousing communities in unincorporated King County are the cottage housing regulations in K.C.C. 21A.08.030.B.14 and the landscape design requirements in K.C.C. Chapter 21A.16. Currently, cottage housing developments are restricted to a maximum of one acre in size, 16 total units, and maximum unit sizes of 1,200 square feet (including garages). Cohousing projects, which have similar design features to cottage housing projects, are typically larger than 16 units and often contain homes larger than 1,200 square feet in order to accommodate families with children. Cohousing developments in rural settings and with agricultural themes may seek exceptions to traditional landscape screening, surface parking landscaping, and similar requirements of more urban and dense environments. Incentivizing new, rural cohousing projects could include increasing the allowable number and size of units allowed in cottage housing

⁴⁸ Schacher, Casey, "The Good and the Bad of Cohousing," *Library Worklife-ALA/APA*, October 2006, <http://ala-apa.org/newsletter/2006/10/17/the-good-and-the-bad-of-cohousing/>

⁴⁹ See www.vashoncohousing.com for additional information about this alternative living community.

⁵⁰ Equity-capped refers to a ceiling that is placed on the amount of equity a dwelling unit can accrue to an owner to help maintain the long-term affordability of a unit for existing owners and future buyers.

⁵¹ Based on interviews conducted in April 2018 with Mark Musick and Mike Yates of Vashon Cohousing and per the Housing chapter of the 2017 Vashon-Maury Island CSA Subarea Plan (page 40).

developments and offering greater flexibility with landscape design standards to developments that agree to provide certain minimum public and environmental benefits.

- d. Other Cohousing findings:
 - i. According to *The Cohousing Association*⁵², Washington State currently has 18 established cohousing communities and seven in formation.
 - ii. As of 2017, King County has seven established cohousing communities.⁵³
 - iii. To ensure their long-term affordability, it can be beneficial to assess land and structures within a cohousing project based on income requirements so that property taxes are keyed to and capped in a similar manner as home equity and value. The King County Assessor currently implements this policy for the five equity-capped units in Vashon Cohousing.

3. Shared Housing

- a. Common features of model:
 - i. Common features of model:⁵⁴A formal living arrangement among two or more unrelated people for a specified period of time
 - ii. Home owners or renters (“Home Provider”) with a residence of one or more bedrooms are matched with persons seeking housing (“Home Seeker”)
 - iii. Typically managed by a nonprofit organization
- b. Evaluation of model:
 - i. Advantages
 - 1. Since shared housing utilizes existing dwellings, there are typically no land acquisition or capital construction costs associated with this housing alternative.
 - 2. For Home Providers, shared housing can provide rental income, mutually shared living expenses, a downsizing option, additional safety of having another person in the house, and companionship.⁵⁵
 - 3. For Home Seekers, renting an extra room provides a less expensive housing alternative and can be arranged more quickly than traditional single family or multi-family dwellings.
 - ii. Disadvantages⁵⁶
 - 1. Successful shared housing programs require careful screening and monitoring of participants to ensure a complimentary

⁵² See www.cohousing.org/directory

⁵³ Vashon Cohousing, Capitol Hill Urban CoHousing, Duwamish Cohousing, Jackson Place Cohousing, New Earth Song Cohousing LLC, Puget Ridge Cohousing, and Songia Cohousing Community

⁵⁴ Retrieved from the National Shared Housing Resource Center web page, <http://nationalsharedhousing.org/>, and the San Mateo HIP Shared Housing Program “Home Sharing” web page, <http://hiphousing.org/programs/home-sharing-program/>

⁵⁵ “Frequently Asked Questions,” *Shared Housing Services*, <http://www.sharedhousingservices.org/#Home>

⁵⁶ Sourced from “A Consumer’s Guide to Homesharing,” *National Shared Housing Resource Center*, 2009, <https://homeshare.org/wp-content/uploads/2012/04/A-Consumers-Guide-to-Homesharing.pdf>

match between Home Provider and Home Seeker. Short-term trial periods may be used before a long-term lease or agreement is agreed upon, which can cause stress or heightened uncertainty for both parties.

2. For smaller communities, a professional agency may not be available to set-up and manage the shared housing services. In these situations, arranging the housing becomes the responsibility of individuals who must conduct interviews, do criminal background checks, enter negotiate rental agreements, and undertake similar research. Such tasks may pose a barrier and become a disincentive for some potential Home Providers.
- c. Potential application for Vashon-Maury Island:
 - i. At present, King County staff is not aware of any formal shared housing programs currently operating on the Island. Informal shared housing arrangements have existed for many years through family, friends, religious institutions, and other social networks. Additionally, technology platforms like Craigslist can also serve as a shared housing resource. Both formal and informal shared housing is legal and present in King County today. K.C.C. 21A.06.450 allows a group of eight or fewer residents, who are not related by blood, marriage or state registered domestic partnership to live together as a single housekeeping unit. Vashon-Maury Island's relatively small geographic area (37 square miles) and population (approximately 11,000 residents), an active philanthropic and charitable community, and a high percentage of seniors are elements that may support development of a local shared housing program.
 - ii. As noted below, there are at least three formal shared housing programs operating within Washington State that may serve as a model or resource for a Vashon-Maury Island organization in designing a local program.
 - d. Other Shared Housing findings:
 - i. According to the *National Shared Housing Resource Center*,⁵⁷ Washington State has formal shared housing programs currently active in Olympia⁵⁸ and Tacoma.⁵⁹
 - ii. According to San Mateo County,⁶⁰ California's *HIP Housing Shared Housing Program*, who have offered home sharing services since 1979, their living arrangements have an average tenure of two-and-a-half years, making this a relatively short-term housing option.

⁵⁷ National Shared Housing Resource Center, <http://nationalsharedhousing.org/about-us/>

⁵⁸ Senior Services Shared Housing Program, www.southsoundseniors.org/homeshare

⁵⁹ Match-up Homesharing Program, www.sharedhousingservices.org

⁶⁰ Per 5/29/2018 e-mail from Laura Fanucchi, Associate Executive Director, San Mateo HIP Housing

Alternative Housing Products⁶¹

4. Tiny Houses

a. Definition and Code Requirements:

- i. Neither the State of Washington or King County Code define a “tiny house,” per se, although some regulations are pertinent, depending on whether the structure is built on-site, off-site, or is a recreational vehicle or park model recreational vehicle (PMRV). Within the emerging tiny house industry, the minimum size typically ranges from 90 to 150 square feet and the maximum size typically ranges from 350 to 500 square feet.⁶²
- ii. On-Site: Dwellings built on-site must comply with the Washington State building code, as amended by K.C.C. Title 16, and all siting and location reviews must comply with the King County Code in the same manner as any other dwelling (e.g. critical area review, fire and life safety reviews). DPER is responsible for enforcement of the Washington State building code in unincorporated King County. That code does not establish a minimum dwelling size, but all habitable rooms must have a floor area of at least 70 square feet, a 7-foot clear horizontal dimension in any direction, and a ceiling height of not less than 7 feet (the height can be reduced in rooms and in areas with sloped ceilings).
- iii. Off-Site: All structures built off-site must receive approval from the Washington State Labor and Industries (L&I). If a tiny home is fabricated in a factory or at some other off-site location, L&I inspects the unit as a modular structure, a type of structure that also must meet minimum U.S. Housing and Urban Development standards. While the unit is pre-approved by the State, a building permit from King County is still required to site the unit on a property.
- iv. Recreational Vehicle (RV) or Park Model RV: RVs are trailers or motorized vehicles used for recreational camping or travel that are licensed legal vehicles, cannot be over 8’-6” wide or 14’ in height, and must be manufactured to meet the requirements found in the National Fire Protection Association (NFPA) 1192 Standard on Recreational Vehicles.⁶³ PMRVs are chassis-mounted trailers that also provide temporary living quarters, are not intended as permanent dwellings, but may exceed the dimensions of an RV if they receive special transportation permits and do not exceed 400 square feet. The manufacture of PMRVs follows the American National Standards

⁶¹ For Water Resources Impacts, see Table 4

⁶² Based on tiny house size data shown on the following organization web sites: Tiny Home Builders, Tinyhouse.net, The Tiny Life.com, American Tiny House Association, and United Tiny House Association.

⁶³ “What you need to know about “Tiny Homes,” Washington State Department of Labor & Industries, August 22, 2017, received via e-mail on 9/14/2018 from Michael Luke, FAS Plan Examiner, Washington State L&I.

Institute (ANSI) A119.5 standards (Also see State definitions of “manufactured home”⁶⁴ and “recreational park trailer.”⁶⁵) The intent of NFPA 1192 and ANSI A119.5 standards focus primarily on fire and life safety concerns while the purpose of the International Residential Code that regulates permanent dwellings also addresses structural strength, means of egress, sanitation, ventilation, and several other habitable structure topics.⁶⁶ As noted in K.C.C. 21A.06.732, RVs are specifically not recognized as a manufactured home or mobile home. Since it is not a permanent dwelling unit recognized by either the State or County code, use is limited to a temporary, “camping” basis only for a maximum of 60 days in a rolling 365-day period.⁶⁷

b. Evaluation of product

i. Advantages

1. The National Organization of Alternative Housing (NOAH)⁶⁸ and Pacific West Tiny Homes, Inc.⁶⁹ are two independent entities that have created certification programs to inspect tiny houses for safety, construction and energy efficiency standards. Their third party inspection and seal is available for both manufactured and site-built tiny houses. (Note that unless King County Code is amended, these inspections and independent seals would not exempt tiny homes from King County development code requirements, permits, and inspections.) As voluntary industry certification programs like these and agencies like the International Code Council continue to collect data about tiny house building and safety standards, and as technology and materials evolve, the regulatory toolbox for permitting agencies like King County is expected to expand.
2. Since tiny houses can be purchased separate from land, are cheaper and more efficient to heat and cool, use less water, and create ownership opportunities for those unable to afford traditional housing, they are an attractive option for many unable to enter the traditional real estate or home ownership market.
3. The cottage housing allowance in K.C.C. 21A.08.030.B.15 may offer one avenue to construct multiple tiny houses on some larger parcels. However, cottage housing is currently only

⁶⁴ WAC 296-150M-0020, <http://app.leg.wa.gov/WAC/default.aspx?cite=296-150M-0020>

⁶⁵ WAC 296-150P-0020, <http://app.leg.wa.gov/WAC/default.aspx?cite=296-150P-0020>

⁶⁶ IRC Section R101.3, Intent, <https://codes.iccsafe.org/public/document/IRC2012/chapter-1-scope-and-administration>

⁶⁷ See K.C.C. 21A.32.120.B, Temporary Use Permits – duration and frequency

⁶⁸ See www.noahcertified.org/certification/

⁶⁹ See www.pacificwesttinyhomes.com/about-us

permitted in the R-4 and R-8 zones and for developments one acre or less in size.⁷⁰

4. Basic single-family residential permits, one of DPER's residential permit categories, allow builders who have a previously approved floorplan and intend to construct the same house multiple times to process permits more quickly and at a significantly reduced fee compared to custom homes. A similar permitting alternative could be explored for tiny houses.

ii. Disadvantages

1. Currently, RVs and PMRVs, which are typically less expensive and more accessible to residents earning below the median income, cannot be legally converted into permanent dwelling units. This is true even when the structure is removed from the wheels and mounted on a foundation. This can result in zoning and code enforcement challenges and is a rule not often communicated to individuals seeking low-cost housing options who purchase them.
2. Obtaining approval to legally construct a permanent tiny house, requires a certain level of expertise and knowledge in engineering, electrical, building safety, and other disciplines, which may increase the complexity and costs for tiny house consumers.

d. Applicability to Vashon-Maury Island

- i. Public testimony received during the 2017 Vashon-Maury Island CSA Subarea Plan process and inquiries submitted to DPER's front desk indicate an interest in constructing permanent tiny houses across many parts of the Island, both as standalone structures and as tiny house cluster developments.
- ii. On-site and off-site tiny houses are permitted in all zones where single-family residential dwellings are allowed. Islander's heightened interest in tiny houses combined with strong environmental stewardship and resource protection values⁷¹ may support permitting incentives for off-grid, clustered, or similar tiny house projects.
- iii. Since tiny houses are an allowed use and the permitting process is identical to other single-family structures, the challenge to constructing tiny houses on Vashon-Maury Island may be more linked to the availability and price of buildable parcels that are suitable for and scaled to tiny houses. Related to this is the cost of land improvements, energy, wastewater treatment, potable water supply, and other development fees. There may be a potential mismatch between the

⁷⁰ See K.C.C. 21A.08.030.B.15, Residential land uses.

⁷¹ See Chapter 7, Environment, of the Vashon-Maury Island Community Service Area Subarea Plan, Attachment A to King County Ord. 18623.

value/cost of a tiny house structure and its improvements and the land value/price which creates a disincentive to build a single tiny house on a single lot.

- iv. Small households continue to be the norm throughout King County, with one and two-person households comprising 64% of all County households.⁷² Based on 2016 ACS Census data,⁷³ Vashon-Maury Island has an estimated 5,835 total housing units, approximately 89% (5,207) of which are single-family construction (e.g. one dwelling unit per structure). Approximately 17% (979) of all housing units on the Island contain zero (225) or one (754) bedroom. An estimated 35% of all occupied housing units on the Island are one-person households and 60% of renter-occupied units are one-person households. Island-wide, these figures show a preponderance of single-family residential type products and a significant number of one-person households who rent.
- v. Depending on their proximity to neighboring houses and visibility from public rights-of-way, tiny houses may be viewed as incompatible with and not supported by some existing neighborhoods around the Island. Determining the ideal location, quantity, size, safety, and zoning of tiny houses requires additional time and resources than traditional single-family residential uses.

5. Accessory Dwelling Units (ADU)

- a. Definition and Code Requirements
 - i. RCW 43.63A.215 requires many local governments in Washington State⁷⁴ to incorporate ADU provisions into their development regulations. However, local governments can impose local regulations, conditions, procedures, and limitations on the allowance of ADUs.
 - ii. K.C.C. 21A.06.350 defines an ADU as “a separate, complete dwelling unit attached to or contained within the structure of the primary dwelling; or contained within a separate structure that is accessory to the primary dwelling unit on the premises.” ADUs are regulated differently from an Accessory Living Quarters (K.C.C. 21A.06.020), the latter of which do not contain kitchens.
 - iii. K.C.C. 21A.08.030.B.7.a contains multiple standards that apply to the development of ADUs in unincorporated King County, including the number allowed, the maximum unit size, off-street parking, and others.
- b. Evaluation of product
 - i. Advantages
 - 1. If they comply with adopted regulations, ADUs require no special permits, public notices, variances, or hearings during

⁷² See Technical Appendix B, Housing, 2016 King County Comprehensive Plan, King County Ord. 18427

⁷³ See <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁷⁴ Per RCW 36.70A.400, this provision applies to jurisdictions that plan under the Growth Management Act.

their approval process. The application and review process for ADU permits is standardized and streamlined.

2. According to recent research,⁷⁵ when used as a primary residence, ADUs can cut lifetime CO2 emissions by as much as 40% compared with medium-sized single-family homes, making ADUs an attractive green building option for environment-conscious consumers. This is primarily attributed to reduced energy demand because of the smaller living space.
3. In addition to providing an alternative affordable housing option, ADUs can provide an additional income stream for home owners (as a rental property), serve as a space for ailing friends or family members, or simply expand the living area of the principal dwelling.
4. Recent ADU research by the Sightline Institute found that some local governments have partnered with property owners who agree to rent their ADU to Section 8 voucher holders, expanding the supply of affordable housing using the existing housing stock and offering increased choice to voucher holders.⁷⁶

ii. Disadvantages

1. For ADUs outside of a sewer service area, a septic system separate from the primary dwelling unit is currently required by Public Health – Seattle King County. The ADU cannot utilize the existing septic system and must have its own primary and reserve drainfields. This requirement may create a financial disincentive to construct an ADU for some property owners and may not be physically possible on size-constrained parcels.
2. K.C.C. 21A.08.030.B.7.a.(6) requires one additional off-street parking space for an ADU in addition to the spaces required for the primary dwelling.⁷⁷ For small building lots and/or those with limited or constrained vehicular access, this requirement by eliminate the option of constructing an ADU.
3. Although ADUs offer a less expensive housing choice to other detached single-family products, they comprise a small percentage of the total housing inventory,⁷⁸ can be prohibited by private covenants, are commonly used as income-generating assets for the owner, are typically rented at prices the market

⁷⁵ State of Oregon Department of Environmental Quality, “A Life Cycle Approach to Prioritizing Methods of Preventing Waste from the Residential Construction Sector in the State of Oregon,” September 29, 2010.

⁷⁶ <https://www.sightline.org/2018/09/04/listen-in-mind-over-matters-on-backyard-cottages-and-basement-apartments/>

⁷⁷ See K.C.C. 21A.18.030, Computation of required off-street parking spaces.

⁷⁸ For example, only three ADU permits were issued by DPER on Vashon-Maury Island between June 2013 and June 2018 as compared to 78 permits for other types of single-family residences.

will allow rather than offered at affordable rates, can be more difficult to finance through traditional mortgage lenders, and persons seeking affordable housing are dependent upon a third party owner to build an ADU and host a tenant on the their property.

- c. Applicability to Vashon-Maury Island
 - i. Since at least 1993, both attached and detached ADUs, up to 1,000 square feet of heated floor area, have been allowed in both the Vashon Rural Town and in the Rural Area zones. However, the small number of ADU applications filed with DPER (see footnote #69) is one indicator of a low level of interest in building this housing product on the Island (recognizing that some ADUs are constructed but not permitted).
 - ii. Water District 19 allows ADUs to hook-up to their potable water system using the same water share and water meter as the primary dwelling unit. This acts as one form of ADU incentive since new ADUs on lots in Vashon Rural Town do not have to acquire a new or separate water right.
 - iii. For small lots in Vashon Rural Town, the requirement in K.C.C. 21A.08.030.B.7.a(6) to provide one off-street parking space may eliminate the option of constructing an ADU. Policy LU-5 in the 2017 Vashon-Maury Island CSA Subarea Plan offers increased flexibility when evaluating off-street parking reduction waivers for certain parcels in the Vashon Town Core. For ADUs that can meet minimum standards such as walking distance to transit and where neighborhood compatibility standards can be met, extending the parking waiver to ADUs in Vashon Rural Town may incentivize the construction of more ADUs.

6. Congregate Housing

- a. Definition and Code Requirements
 - i. King County Code
 - 1. King County Code does not specifically define congregate housing, per se, or refer to it as a specific housing type. However, the term “dormitory” is listed in the King County Code as one type of “group residence”⁷⁹ and is also similar to the International Building Code definition of “congregate living facility” (see section 3.a.ii. below).
 - 2. K.C.C. 21A.06.330 defines a *dormitory* as “a residential building that provides sleeping quarters, but not separate dwelling units, and may include common dining, cooking and

⁷⁹ See K.C.C. 21A.06.330, Dormitory definition and K.C.C. 21A.08.030.A, Residential land uses.

recreation or bathing facilities.”⁸⁰ This definition is separate and distinct from the term *apartment*, which is a type of “dwelling unit.” Dormitories, under current King County Code, are not defined as nor do they contain dwelling units, which must have kitchens. It is also distinct from shared housing (discussed in Section F.3) in that dormitories (and congregate housing) provide multiple separate sleeping quarters for occupants within a single structure and are regulated by the International Building Code, while shared housing is a single-family dwelling unit providing complete independent living facilities in either a detached single-family house or townhouse as regulated by the International Residential Code. The International Building Code and International Residential Code have different life and safety design standards which may affect the cost and/or design of a dormitory structure compared with shared housing in a detached single-family dwelling (e.g. fire suppression systems, ingress/egress design).

3. The Standard Industrial Classification (SIC) Manual, referenced by K.C.C. Title 21A and used as the code’s primary form of land use categorization, lists *rooming and boarding houses* under Industry Group No. 702. This Group includes commercial lodging houses, rooming houses, and dormitories open to the general public. However, the allowed residential land uses in K.C.C. 21A.08.030.A does not use or reference SIC Group No. 702 uses.
4. K.C.C. 21A.08.030.A allows dormitories as a permitted use in the higher density R-12 through R-48 zones. If they are accessory to a school, college, university or church, dormitories are only allowed as conditional uses in RA, UR and R1-8 zones.

ii. International Building Code

1. Section 202 of the International Building Code defines a *congregate living facility* as “a building or part thereof that contains sleeping units where residents share bathroom or kitchen facilities, or both.”
2. From a building code standpoint, a congregate living facility for 16 or more people (for non-transient use) has the same requirements as a dormitory.
3. The International Building Code also defines *efficiency dwelling unit* as “a dwelling containing only one habitable

⁸⁰ Under King County Code, “dormitory” is different from an “apartment” in that apartments are comprised only of complete dwelling units, containing full kitchen facilities and rooms with internal accessibility used solely by the dwelling’s occupants.

room.” Neither this term nor its associated regulations appear in King County Code.

b. Evaluation of product

i. Advantages

1. Dormitories are allowed with a Conditional Use Permit in Rural Area, Urban Reserve residential, and low to medium density Residential (R-1 through R-8) zones when they are accessory to a school, college, university or church. Schools or religious organizations with a surplus of land may have the opportunity to utilize this provision of the code to build congregate housing.
2. The overall cost per unit to develop congregate housing is a benefit to this type of affordable housing compared to tiny houses and ADUs. Assuming similar construction material quality, the average price per square foot for a single unit in an 8-unit dormitory structure is less than the average price to build one on-site ADU. A single congregate housing structure can house multiple people in one building, which requires only one foundation, one water meter, one primary sewer service, and similar price advantages since the cost of utilities, parking, infrastructure, and/or common space is shared and distributed across multiple units.
3. The higher residential density, shared landscaping areas, and communal laundry and kitchen areas in congregate housing contribute to lower water consumption levels per resident and per unit as compared to single-family construction. A 2017 study by The Water Research Foundation in five major U.S. cities concluded that water use per unit in higher density buildings is lower than water use per unit in the single-family sector.⁸¹

ii. Disadvantages

1. The lack of a definition for congregate housing or similar group residential categories and the lack of any reference to SIC Group No. 702 in King County Code creates a degree of uncertainty in the permitting process for these structures, both for developers and King County staff. This uncertainty is reflected in areas such as determining the amount of required off-street parking and open space and defining a kitchen space.
2. Depending upon the field or industry (e.g. plumbing, building, affordable housing, zoning), the definition and interpretation of

⁸¹http://www.waterrf.org/resources/webcasts/Lists/PublicWebcasts/Attachments/103/020118Webcast_FINAL.pdf

what comprises a *kitchen* can vary. For example, the amount of cooking space or the type of cooking appliance (e.g. stove, microwave) is not consistent between fields.

3. One challenge to the use of congregate housing in unincorporated King County relates to density and neighborhood design. The multi-story height, larger building size, and increased site and off-street parking footprints needed to accommodate this housing type make it more suitable for construction in urbanized areas, which excludes the majority of residential land supply in unincorporated King County.

c. Applicability to Vashon-Maury Island

- i. Vashon Rural Town is the only part of Vashon-Maury Island with higher density zoning (R-12 through R-48) and the amount of land currently zoned for high density is limited, thus limiting the potential applicability for a congregate housing development under current zoning and regulations.⁸²
- ii. To help reduce uncertainty for both developers and Islanders, K.C.C. Title 21A could be amended to add more detailed development and design standards specific to congregate housing, including reduced off-street parking and minimum common food preparation and communal area design standards.⁸³
- iii. King County could partner with education and/or religious groups on the Island to identify viable surplus land, funding sources, and necessary code amendments to facilitate a congregate housing project accessory to a school, church, or religious institution.
- iv. Water Resource Impacts: See Table 4. Additionally, the reduced water consumption levels noted above for congregate housing provide an additional benefit to this housing alternative on Vashon-Maury Island where drinking water is derived from a sole source aquifer.

⁸² There are currently less than 8 acres of land zoned exclusively for high density residential uses in Vashon Rural Town, 2.25 acres of which is vacant.

⁸³ See Seattle Municipal Code 23.42.049 for an example of specific congregate housing standards.

Table 4 – DPER Analysis of Potential Water Resource Impacts of Alternative Housing Products

Housing Product	Water Resource Impact		
	Internal Water Consumption ¹	External Water Consumption ²	Impervious Surface/ Stormwater Runoff ³
Tiny House ⁴	Medium	Medium	Low
Accessory Dwelling Unit (ADU) ⁵	Medium	Low ⁶	Low
Congregate Housing ⁷	Low	Medium	High
Single-family Detached House ⁸	High	High	High
<p>Notes:</p> <p>¹Includes water used for toilets, shower/baths, dishwashers, washing machines, faucets and related domestic uses.</p> <p>²Includes water used to irrigate lawns and landscaped areas and to wash vehicles.</p> <p>³Assumes typical site improvements such as driveways, sidewalks and rooftop area.</p> <p>⁴Assumes one, 300 square foot tiny house sited on ¼ acre with one off-street parking space.</p> <p>⁵Assumes one, 800 square foot ADU sited on ¼ acre with a principal dwelling and one off-street parking space.</p> <p>⁶Excludes external water consumption of the primary dwelling; assumes ADU is either internal or occupies a small area of the primary dwelling lot.</p> <p>⁷Assumes common kitchen, common laundry, and off-street parking lot for eight units.</p> <p>⁸Assumes one, 2,000 square foot house sited on ¼ acre with garage and two off-street parking spaces.</p>			

F. EVALUATION OF WATER CONSERVATION & LOW IMPACT DEVELOPMENT⁸⁴

This section examines the relationship between alternative housing products and impacts on the environment, most notably on water resources. Given the significance of the Island’s sole source aquifer as a drinking water supply, Water District 19’s ongoing moratorium for new domestic water connections, and anticipated climate change impacts on the amount of drinking water supply due to increased risk of drought⁸⁵, the intersection of housing and water use is a prominent focus of this section.

Workplan Action 3 directs the Executive to evaluate the relationship of alternative housing products and their potential impacts to water resources. Because this relationship can be assessed differently and conclusions vary depending on the terms and definitions used, examples and impacts of four key terms are listed below in Table 5.

⁸⁴ See definition of “Low Impact Development (LID)” in the Definitions section of King County’s 2016 Surface Water Design Manual, https://your.kingcounty.gov/dnrp/library/water-and-land/stormwater/surface-water-design-manual/Definitions_FINAL_4_18_2016.pdf

⁸⁵ “Preparing for a Changing Climate: Washington State’s Integrated Climate Response Strategy - Chapter 7. Water Resources,” <https://fortress.wa.gov/ecy/publications/summarypages/1201004.html>

Table 5 – Housing Terminology and Water Resource Impacts

Term	Examples	Water Resource Impacts & Relationship
Housing product	Townhome, apartment, modular housing, tiny house	<ul style="list-style-type: none"> • Primary: site design, lot size, stormwater run-off • Secondary: internal water consumption
Housing tenure	Ownership, rental, cooperative, public	Limited/weak relationship
Housing construction	Wood frame, earth house, straw bale, shipping container	<ul style="list-style-type: none"> • Primary: water quality and quantity during manufacture/production process • Secondary: internal water consumption
Housing fixtures/amenities	Composting toilet, showerheads, landscaping	<ul style="list-style-type: none"> • Primary: internal and external water consumption • Secondary: water quality

As noted, the potential impacts of alternative housing products on and their relationship to water resources differ in type and degree depending upon the topic and water resource being considered. Except for housing tenure, each housing topic is found to have a direct impact on water resources. To incur the smallest water footprint⁸⁶ possible, a residential development would need to leverage the most water efficient aspects of each category. For example, a tiny house constructed of earthen materials with a composting toilet will consume less water than a tiny house constructed of steel (a water-intensive material to manufacture) with traditional flush toilets. When assessing the types of alternative housing best suited for Vashon-Maury Island, the overlapping affects occurring between the alternatives should be noted. Projects can be designed and incentivized to have the least impact on the Island’s fragile water resources when recognizing this interplay.

⁸⁶See <http://waterfootprint.org/en/about-us/>

1. Water Conservation

This report considered three different factors when looking at the relationship of alternative housing products to Vashon-Maury Island’s water resources: water supply, water consumption and technology, and water quality.

- i. *Water Supply*: Water supply is determined largely by the amount of rainfall, availability of legal water shares, groundwater quantity, the pumping capacity of a water utility, surface water allocations, and related factors.⁸⁷ The type of housing product (independent of size),⁸⁸ tenure, and construction are not assumed to significantly influence water supply. There is, however, a strong correlation between the size of a house, the number of housing fixtures/amenities, and the overall demand put on a drinking water source (thereby impacting supply). This demand is influenced by factors such as land use type, residential density, water consumption behaviors, temperature, and other issues that affect groundwater withdrawal levels.

The Revised Code of Washington (RCW),⁸⁹ the 2017 King County Comprehensive Plan,⁹⁰ and the 2017 Vashon-Maury Island CSA Subarea Plan⁹¹ all require some level of evaluation of new land uses and their potential impacts on groundwater and instream flows before permit approval. RCW 19.27.097(1)(a) states:

“Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate water supply for the intended use of the building.”

In Vashon Rural Town (the location of the Affordable Housing Special District Overlay associated with this report), Water District 19 is responsible for the issuance of certificates of water availability and determining if a new residential permit can be adequately served with a potable water supply. According to Water District 19’s *System Reliability and Capacity Analysis*,⁹² four major components comprise their water system: sources, treatment, storage, and distribution. All four components are used to assess the capacity of their system.

The District’s most recent capacity analysis (adopted in April 2016) makes the following conclusions:

⁸⁷ “Water availability in your watershed,” Department of Ecology, State of Washington, <https://ecology.wa.gov/Water-Shorelines/Water-supply/Water-availability>. Also see the 1983 Carr Groundwater Study for Vashon-Maury Island for Island-specific factors.

⁸⁸ While housing size has a direct relationship to water supply and water consumption, this does not necessarily equate to the type of housing product. For example, a three-bedroom, two-bath apartment or townhome is expected to have similar water use demand as a detached single-family house of the same size.

⁸⁹ RCW 19.27.097, RCW 36.70A.590 and RCW 90.44.050

⁹⁰ Environment Chapter, Policy E-496, and Services, Facilities and Utilities Chapter, Policies F-233, F-236, F-237 and F-238

⁹¹ Services, Facilities and Utilities Chapter, Policies F-2 and F-3

⁹² <http://www.water19.com/wp-content/uploads/2017/03/2016-Capacity-Analysis-FINAL-040616.pdf>, pg. 6

- “1. Peak day usage continues to decline overall. Taking into account the projected usage of 155 zero use units⁹³ and required fire storage replenishment, Water District 19 must now be prepared to produce 898,560 gallons on a peak day.
2. Water District 19 is now capable of producing 1,058,400 gallons on a peak day (1,031,040 with Well #4 reduction). Therefore, there is a surplus (132,480 gallons) of peak capacity.
3. The system continues to operate safely and reliably.
4. The District can consider a temporary lifting of the 1996 moratorium on new water service connections to add connections.”⁹⁴

One question this report seeks to inform is whether the Vashon Rural Town Affordable Housing Special District Overlay, which incentivizes the construction of new affordable housing units, is a regulatory approach that is consistent with and supported by the water conservation and water resource protection policies of King County and the Vashon-Maury Island CSA Subarea Plan. Given what is known about the Island’s sole source aquifer and water supply, should King County encourage increased housing in Vashon Rural Town? From a statutory and policy basis, the RCW and King County Comprehensive Plan policies only address development regulations and the issuance of permits, not voluntary incentives. It is clear that King County is restricted from issuing building permits if a Certificate of Water Availability cannot be obtained for a project. This is addressed in current King County Code. The answer is less clear whether King County should offer a voluntary incentive to build affordable housing where the potable water is in limited supply and where other development is being permitted. As a formal body, the Water District 19 Board of Directors did not oppose the SDO inclusion in the 2017 Vashon-Maury Island CSA Subarea Plan or state that the bonus density incentive would compromise their system. However, the District did provide an estimate that they have the capacity to only provide an average of 14 new water connections per year through 2036⁹⁵. This limitation applies to all development, with or without the affordable housing incentive.

It was challenging to conclusively determine whether there is adequate long-term water supply to accommodate increased residential development within Water District 19’s service area boundaries beyond what is allowed under existing zoning. It is complicated by the fact that Water District 19 has had a moratorium on new water connections in place since 1996 and expects the moratorium to remain in effect until at least 2023 or 2024.⁹⁶ The District’s Board controls when and how many water units

⁹³ Zero use units are defined as “an account that has had no measured use for the period of time germane to this analysis – 2011 through 2015.” (See pg. 3 of the Water Supply Capacity Study.)

⁹⁴ Ibid, pg. 2

⁹⁵ 2017 Vashon-Maury Island CSA Subarea Plan, Chapter 10, Services, Facilities & Utilities, pg. 85.

⁹⁶ Ibid.

to release with the understanding that there is an estimated amount of water associated with each new connection, based on historical averages.⁹⁷As part of future evaluations, staff could work with Water District 19 to compare the number of water units available on the SDO-eligible parcels to the projected new affordable units in order to provide more specific data about the relationship of the SDO to water supply.

Concluding observations on water supply

Based on data available at the time of this report, it is not anticipated that the Vashon Rural Town Affordable Housing Special District Overlay will have impacts on water supply that differ or need to be addressed separate from development that does not use the incentive. This conclusion is based on the following:

- the SDO mandates water conservation and water use mitigation measures to be incorporated into affordable housing projects in order to reduce total water consumption;
- Water District 19’s water system capacity estimates and their policy to gradually release water to new customers in order to allow careful monitoring of system-wide peak-day demand;⁹⁸
- strong groundwater protection policies in the Comprehensive Plan and Vashon-Maury Island CSA Subarea Plan that guide all new development applications;
- the fact that a residential bonus density incentive has been available in K.C.C. Chapter 21A.34 since 1993 but has not resulted in any new affordable housing applications on the Island (this is referenced as a benchmark for the level of demand from housing developers for this type of tool);
- a historic average of 12 to 15 new residential dwelling units built on Vashon-Maury Island per year, demonstrating a modest and gradual demand being placed on the sole source aquifer; and
- the SDO only applies to developments that provide 100% affordable housing. Such projects comprise a small percentage of the Island’s aggregate housing and development market. Currently, land uses that comply with King County Code and provide a Certificate of Water Availability are permitted without any additional mandatory water conservation or mitigation requirement. King County staff is not aware of science-based data or consensus among hydrogeologists and engineers finding that new development on the Island should be suspended on the basis of inadequate water supply. Absent evidence to limit other new water uses on the basis of insufficient water supply, removal of the affordable housing SDO also appears unwarranted on the basis of water supply alone.

⁹⁷ Based on written and verbal statements made by Jeff Lakin, Water District 19 General Manager, to the Vashon-Maury Island Community Advisory Group on March 18, 2016.

⁹⁸ 2017 Vashon-Maury Island CSA Subarea Plan, Chapter 10, Services, Facilities & Utilities, pg. 85.

- ii. *Water Consumption & Technology*: The quantity of water consumed by residential uses, both internal and external, is influenced by a number of factors. *Internal* water consumption is influenced by the number of occupants, water use habits, the number and type of fixtures and appliances, and water-saving devices. *External* consumption is influenced by lot size, the type of landscaping and groundcover plants, water use habits, and irrigation/sprinkler technology and design. The type of housing tenure is not assumed to significantly influence water consumption. However, the type of land use, residential density, water consumption habits and behaviors, and climate are contributing factors. The correlation with land use type and residential density is discussed below.

Housing that would be developed under the Vashon Rural Town Affordable Housing SDO could have a moderate impact on land use densities, as it allows and creates an incentive for higher densities than are otherwise intended and expected in the underlying zoning. For example, under the SDO an 8-unit apartment building could be built on a R-4 zoned lot without requiring a rezone or conditional use permit (assuming all other conditions are met), automatically changing the density and increasing the amount of water consumed due to the presence of more units.

The SDO could have a significant impact on residential density (and thus increased water consumption) in that it allows at least a doubling of density on designated parcels in the Rural Town. It is assumed that increased residential density leads to increased water consumption. In 2016, Water District 19 assumed a typical residential dwelling (or an “Equivalent Residential Unit (ERU)”) used 162 gallons of water per day (down from 176 gallons per day in 2011).⁹⁹ If, for example, an additional 120 dwelling units are constructed under the SDO¹⁰⁰ beyond the 278 units that are projected under existing zoning,¹⁰¹ the SDO would increase water consumption in the Rural Town by an estimated 19,440 gallons of water per day at full build-out.

As stated in the water supply section, the policy question raised here is whether the Vashon Rural Town Affordable Housing SDO, which seeks to incentivize the construction of new affordable housing units, is appropriate given the accompanying increase in water consumption and the Island’s known limited water supply. The amount of water consumed for a project, regardless of a project’s density, level of affordability, or location inside or outside the SDO boundaries, must conform to Water District 19’s water plan and system capacity and water shares must be secured

⁹⁹ <http://www.water19.com/wp-content/uploads/2017/03/2016-Capacity-Analysis-FINAL-040616.pdf>, pg. 8

¹⁰⁰ The draft of the final report required in Section 10 of Ordinance 18623 must be completed within 90 days of either issuance of the first permit necessary for construction that would result in a cumulative total of 120 affordable housing units within the special district overlay or four years after the effective date of this ordinance, whichever is sooner. While more than 120 units could potentially be constructed under the SDO, 120 was chosen as the number in this example to connect to this potential trigger of the final evaluation report.

¹⁰¹ The estimated capacity of 278 dwelling units is based on existing zoning in Vashon Rural Town as of June 2017 and includes vacant and underdeveloped land. It does not include units allowed in the Community Business zone as part of mixed use projects.

for each parcel prior to development. The District notes that “water consumption is system specific and changes through time as usage patterns change and active connections are added”. Their report also observes that water consumption levels are declining in Water District 19 and the District routinely monitors and adjusts the system based on average consumption. Additionally, water conservation measures are mandatory for a project authorized by this SDO but not for other residential developments, helping to offset the total amount of water consumed as a result of the increased density. Repealing the SDO would remove one of the two residential density bonus options currently available to affordable housing developers, but the Residential Density Incentive in K.C.C. Chapter 21A.34 would still be in place. If it was determined that the Vashon Rural Town SDO incentivizes an excessive amount of density and adds undue burden to the water supply, it follows that the other incentive should also be removed as an option for Vashon-Maury Island.

Several studies have determined that installing various types of water-saving fixtures and technologies in any dwelling can generate positive net results for the environment. The EPA’s *WaterSense* label program, which certifies for both indoor and outdoor water efficiencies, finds that the average U.S. family can save 13,000 gallons of water and \$130 in water costs per year simply by replacing old, inefficient toilets with *WaterSense* models.¹⁰² These and similar water-saving fixtures for showerheads and water faucets have become increasingly accessible in the marketplace through EPA’s *WaterSense Partners* program, including more than 90 partner organizations in Washington State.¹⁰³ The current SDO contains a list of sixteen available water conservation measures and mandates at least three of those measures be incorporated into each project. Nine of the sixteen measures are technology-related and aim to more efficiently control and reduce water consumption at the fixture. Such devices are not, however, required or incentivized in other types of development which may, cumulatively, have a greater impact on the aquifer than the new units targeted by the SDO. Despite their availability in the retail and wholesale market, a 2015 U.S. market penetration report found consumers and businesses in drought-stricken states have been slow to purchase and install water-saving fixtures and only seven percent of toilets installed nationwide are *WaterSense* toilets.¹⁰⁴ Adopting incentives or mandates for all new development and redevelopment to incorporate water-saving fixtures into buildings and landscaping could reduce water consumption at higher rates than focusing solely on the SDO or affordable housing. A potential obstacle to the success of any water-saving technology mandate is the method and cost of enforcement. If a developer or builder

¹⁰² See www.epa.gov/watersense/residential-toilets

¹⁰³ See <https://www.epa.gov/watersense/partners-directory>

¹⁰⁴ “US Market Penetration of WaterSense Shower Heads, Lavatory Faucets and Toilets,” A GMP Research Industry Report commissioned by Plumbing Manufacturers International, July 2015, https://www.safep plumbing.org/files/safep plumbing.org/documents/press_release_downloads/9-15-15-WaterSense-market-penetration-study.pdf

receive a bonus density or some other credit, it is important to monitor actual use over time to ensure water-saving goals are actually being met.

- iii. *Water Quality*: Water quality is impacted by stormwater runoff, groundwater infiltration, land uses, chemical land applications, storm events and other activities that directly or indirectly impact ground and surface water sources. Since 1997, Vashon-Maury Island has had a Special District Overlay¹⁰⁵ in place that regulates land uses in sensitive groundwater recharge areas. Critical areas, stormwater, grading and drainage plans must all be reviewed and approved, whether a housing development is affordable or market rate. The groundwater protection SDO and all development regulations remain in effect with the Vashon Rural Town Affordable Housing SDO. Since the SDO incentivizes increased density and new multi-family residential projects may be constructed as a result, the amount of impervious surface area per parcel could also increase (e.g. off-street parking, increased roof area). However, the SDO does not exempt affordable housing projects from compliance with any portion of the King County Surface Water Design Manual, K.C.C. Title 9 (Surface Water Management), K.C.C. Chapter 16.82 (Clearing and Grading), other groundwater protection codes, or construction plan reviews. Apartments, congregate housing, and all other projects built under the SDO are required to meet all minimum stormwater management standards and best management practices.

Concluding observations on water conservation and affordable housing

- From a cost perspective, incentivizing and/or mandating water conservation measures in affordable housing projects has both benefits and drawbacks. Given the goal to construct the highest number of affordable units with a limited number of resources, the added expense of integrating water-saving technologies and/or monitoring water consumption may act as a deterrent and result in less affordable housing. Conversely, from a project life cycle and sustainability perspective, integrating water-saving measures into affordable units is consistent with King County policy (especially in areas with known groundwater limitations).¹⁰⁶ Designing an affordable housing project to achieve the highest water quality protection and maximum cost efficiencies requires close private and public sector coordination on a project-by-project basis.
- Recognizing the elevated significance that water conservation has on Vashon-Maury Island and the community's priority to protect and preserve groundwater, the King County Code requires water conservation and low impact design tools in 100% affordable housing projects to help achieve both long-term cost saving and water-saving objectives.
- According to the Seattle Public Utilities' *Saving Water Partnership* program, 70 percent of water is used indoors, with toilets, showers, and faucets consuming the

¹⁰⁵ K.C.C. 21A.38.150

¹⁰⁶ See King County Comprehensive Plan policies E-462, E-494, E-496 and E-497.

most water.¹⁰⁷ Over time, the amount of water consumed per dwelling unit can be reduced by installing water-saving technologies such as low-flow toilets, faucets and showerheads. A 2016 study by the Water Research Foundation estimates that “with 100 percent occurrence of higher efficiency devices, indoor household water use could drop 35 percent or more.”¹⁰⁸

- Since technology innovations typically evolve faster than the plumbing code, it can be a challenge to rely on building and/or plumbing codes as the primary mechanism to achieve reductions in water consumption. Greater reductions in water consumption may be possible if water-saving technology incentives were expanded to development beyond the affordable housing SDO so the incentive is not limited to new development alone.

2. Low Impact Building Practices

The term Low Impact Development (LID) is defined in both the King County Comprehensive Plan¹⁰⁹ and the King County Surface Water Design Manual (SWDM)¹¹⁰. LID practices include bioretention, permeable pavements, roof downspout controls, and vegetated swales and are determined largely by a site’s topography, soil type, groundwater level and other natural features. The SWDM requires LID best management practices for most developments in unincorporated King County, including most affordable housing developments.

The King County Department of Natural Resources and Parks’ *GreenTools* program, administered by the Solid Waste Division, is host to King County’s Green Building Ordinance 17709. They encourage the use of third party green building rating systems like Built Green, Evergreen Sustainable Development Standard, Living Building Challenge, and Salmon Safe for County-owned properties. These organizations offer professional certification programs with standards for greywater reuse, drip irrigation, water conservation plans and related topics. These programs are available to private development, as well, and the values and environmental stewardship they endorse align well with many of the guiding principles in the Vashon-Maury Island CSA Subarea Plan. For example, Salmon Safe has developed water use management standards for their certification program that set more stringent standards for agricultural lands, construction sites, and other stormwater-generating activities that may serve as a model for future affordable housing developments on the Island.

An important aspect of housing affordability is construction materials. Alternatives to traditional wood frame, stucco, brick, and cement block materials include straw bale, rammed

¹⁰⁷ <https://www.savingwater.org/indoors/>

¹⁰⁸ <http://www.waterrf.org/PublicReportLibrary/4309A.pdf>

¹⁰⁹ “LID is an approach to land development that works to match a site's natural hydrologic function by protecting native vegetation and soils, reducing impervious surface and managing stormwater at the source.”

¹¹⁰ “A stormwater and land use management strategy that strives to mimic pre-disturbance hydrologic processes of infiltration, filtration, storage, evaporation and transpiration by emphasizing conservation, use of on-site natural features, site planning, and distributed stormwater management practices that are integrated into a project design.”

earth, cob, and adobe. For the purpose of this report, the question is whether the use of these or similar materials correlate to the development of, or create barriers to, more affordable housing on the Island. Under current building and permitting rules, there is nothing that would prohibit the use of these or other alternative building materials under the International Residential, Building, or Energy Codes, assuming the building meets minimum standards for fire protection, seismic design, heating, and other life safety measures.

G. STRATEGIES TO ADDRESS LOW INCOME HOUSEHOLD NEEDS

This section evaluates the need, and potential strategies to address the need, of affordable housing for households on the Island with incomes at or below thirty percent of area median income. This emerged as a community and County priority during the Vashon-Maury Island CSA Subarea Plan development and approval process.

Demographics

- In 2015, 30% of AMI on Vashon-Maury Island was \$21,546 per year. In King County it was \$22,591 per year.
- In 2015, approximately 600 households, or 13% of all households on Vashon-Maury Island, had incomes at 30% of AMI or below. This compares to 116,730 households, or an estimated 14% of all King County households for the same period.¹¹¹
- In 2015, approximately 744 owners and 600 renters, or 1,344 total households (28%) across the Island, experienced a housing cost-burden¹¹² of 30% or greater. An estimated 280,740 total households, or 34% of King County households experienced the same level of cost-burden.
- In 2015, approximately 10.8% of all Islanders under 18 years of age and 4.9% of Islanders 18 years or older lived below the poverty level.¹¹³ This compares with 13.7% of all King County residents under 18 years of age and 10.6% of King County residents 18 years or older.
- In 2018, an estimated 34 individuals on Vashon-Maury Island were experiencing homelessness.¹¹⁴

¹¹¹ Figures based on HUD CHAS data for the 2011-2015 period. www.huduser.gov/portal/datasets/cp.html

¹¹² Cost-burden is calculated based on the ratio of housing costs to household income. If a household is paying more than 30% of their income for housing, they are considered “cost burdened,” as defined by the US Department of Housing & Urban Development.

¹¹³ The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. For more explanation, see <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>

¹¹⁴ Either living in a shelter or had a primary nighttime residence not designed for or ordinarily used as a regular sleeping accommodation for human beings. 2018 Seattle/King County Point-In-Time Count of Persons Experiencing Homelessness

Evaluating the Need

King County's Department of Community and Human Services (DCHS) provides funding and technical assistance on an individual and/or project basis as needs arise, but this is primarily applicant-driven. Numerous local entities provide assistance to individuals and families with incomes at or below 30% AMI. Vashon Youth and Family Services is the largest nonprofit social service agency, offering behavioral health, counseling, and educational services. Other organizations include the Interfaith Council to Prevent Homelessness, Solid Ground, Vashon Maury Community Food Bank, Granny's Attic, Vashon Household, the King County Housing Authority, the Vashon School District's McKinney-Vento Program, religious organizations, and others. Affordable housing is the sole mission of only two of these groups – Vashon Household and King County Housing Authority. DCHS evaluates the need for homeless services through All Home's point-in-time count, Coordinated Entry for All, and the Homeless Management Information System. Staff for the Regional Affordable Housing Task Force performed analysis to identify affordable housing needs for King County as a whole, but not for Vashon-Maury Island specifically. The King County 2019-2020 Biennial Budget includes DCHS staffing for affordable housing data analysis and one-time funding to develop an affordable housing database to track key housing data points and policy implementation for all areas of the county. Accurately assessing the housing needs of this population requires communication and collaboration across all providers. Vashon Social Services Network is an on-Island, monthly forum of social service groups that has facilitated and coordinated this collaboration for many years.

Specific to housing needs, both Vashon Household¹¹⁵ and King County Housing Authority¹¹⁶ maintains application waiting lists for some affordable housing developments. (Vashon Household maintained a waiting list for all of its developments until around 2013 when they made the decision to close all but one list due to excessive wait times, among other factors.)¹¹⁷ These lists offer a snapshot in time of the affordable housing needs on Vashon-Maury Island. As of October 2018, there were approximately 176 individuals on the two active lists,¹¹⁸ which fill vacancies starting with the 30% of area median income applicant pool receiving priority and then move to the 50% of area median income applicants. As with any indicator, these lists are partial and do not capture the full extent of the housing need. But the lists are a simple, routine, and professionally administered tool.

Finally, in addition to collaboration with local service providers and monitoring waiting list trends, DCHS will use the most recent cost-burdened and severely cost-burdened figures from the U.S. Department of Housing and Urban Development as a metric for monitoring the

¹¹⁵ Vashon Household's *Charter House* is the only development currently using an active waiting list.

¹¹⁶ Vashon Terrace is a 16-unit apartment complex in Vashon Rural Town owned by King County Housing Authority and currently managed by Westwood Management and Development.

¹¹⁷ At the time they closed their waiting lists, Vashon Household had more than 220 individuals on their various lists.

¹¹⁸ As of November 5, 2018, the King County Housing Authority had six individuals and Vashon Household's Charter House had 170 individuals on affordable unit waiting lists.

30% AMI population on Vashon-Maury Island, using that figure as a baseline when making funding and service delivery decisions.

Potential Strategies to Address the Need

As part of this evaluation, staff solicited feedback from three Vashon social service providers – Vashon Household, Vashon Social Services Network and Interfaith Council to Prevent Homelessness - regarding opportunities for King County to partner with and/or assist local organizations to address the unique housing needs of individuals and families with incomes at or below thirty percent of area median income. Below in Table 6 is a summary of service provider recommendations with the associated staff analysis.

Table 6 – Summary of Housing Needs from Social Service Providers

Service Provider Recommendation	Staff Analysis
<p>Assess all King County-owned properties on Vashon-Maury Island for their alternative housing development potential, including using the proceeds from surplus property sales to fund affordable housing development on the island.</p>	<ul style="list-style-type: none"> • <i>Affected Agencies:</i> Department of Local Services, Department of Community & Human Services, Facilities Management Division • <i>Key Activities/Factors for Success:</i> accurate GIS inventory, identify current and anticipated public use of parcels, development feasibility analysis, vicinity impact assessment, land sale administration, identify potential development partner(s), evaluate consistency with limitations on funding sources and policy/code requirements • <i>Financial Resource Demand:</i> High • <i>Staffing Resource Demand:</i> High • <i>Implementation Feasibility Level:</i> Low
<p>Evaluate the County’s affordable housing lending criteria as it applies to Rural Towns with the goal to offer greater flexibility for low-income construction grants and loans in areas outside high-capacity transit hubs.</p>	<ul style="list-style-type: none"> • <i>Affected Agencies:</i> Department of Community & Human Services, Regional Planning unit of the Office of Performance Strategy and Budget • <i>Key Activities/Factors for Success:</i> review of federal, state and County lending rules; identify current barriers to accessing capital for rural projects; GMA and Comprehensive Plan

	<p>compatibility assessment; evaluate unintended consequences; evaluate impacts to available funding</p> <ul style="list-style-type: none"> • <i>Financial Resource Demand:</i> Medium • <i>Staffing Resource Demand:</i> Medium • <i>Implementation Feasibility Level:</i> Medium
<p>Simplify and streamline the building permit process when owners are seeking to build or renovate for Section 8 housing.</p>	<ul style="list-style-type: none"> • <i>Affected Agencies:</i> Department of Local Services, Permitting Division, Department of Community & Human Services • <i>Key Activities/Factors for Success:</i> stakeholder meetings, analysis of prior and existing Section 8 supply, outline of current permit/approval process, other jurisdiction best practices research, evaluation of revenue impacts • <i>Financial Resource Demand:</i> Low • <i>Staffing Resource Demand:</i> Medium • <i>Implementation Feasibility Level:</i> Unknown until research complete
<p>The Vashon Interfaith Council to Prevent Homelessness provides rental assistance money to those who qualify. Make some of King County’s funding for preventing homelessness available for such uses (either directly through a county program or to local organizations such as Vashon Interfaith Council).</p>	<ul style="list-style-type: none"> • <i>Affected Agencies:</i> Department of Community & Human Services • <i>Key Activities/Factors for Success:</i> stakeholder meetings, evaluate/compare current rental assistance programs, determine eligible funding streams evaluate funding requirements • <i>Financial Resource Demand:</i> Low • <i>Staffing Resource Demand:</i> Medium • <i>Implementation Feasibility Level:</i> Medium. DCHS administers homelessness prevention and rental assistance funding and encourages all

	<p>human service agencies to apply to competitive funding rounds. DCHS cannot guarantee that a specific organization will receive funding.</p>
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Another option not discussed with service providers but which may have the potential to increase housing choices for individuals at or below 30% AMI is the conversion and/or rehabilitation of existing structures in Vashon Rural Town to multi-tenant or other forms of accessible and affordable units. The rehabilitation of existing structures can reduce the amount of new materials used during construction. Reuse of existing structures in the Rural Town could utilize current pedestrian and transit options within the existing urban-level development.

H. EVALUATION OF VASHON RURAL TOWN AFFORDABLE HOUSING SPECIAL DISTRICT OVERLAY – 2018 PRELIMINARY REPORT

Ordinance 18623 directs the Executive to assess the efficacy of the Vashon Rural Town Affordable Housing SDO to achieve the SDO’s purpose of incentivizing affordable housing within the Vashon Rural Town. The evaluation is to contain recommendations to retain, amend, or repeal the SDO, including an examination of the advantages and disadvantages of the SDO and a review of the relationship between the parcels that the SDO applies to and potable water supply.

The SDO was adopted in December 2017 as a component of the Vashon-Maury Island CSA Subarea Plan after extensive public engagement and debate. The SDO is a voluntary, incremental, and locally-adapted approach that encourages higher density affordable housing by 1) providing higher densities than allowed under existing zoning without needing a rezone application), and 2) utilizing existing permitting processes. This was deemed more preferable at the time to a mandatory, inclusionary zoning approach– although it has more requirements than the existing Residential Density Incentive options offered in K.C.C. Chapter 21A.34. The SDO offers a different set of incentives than the current Residential Density Incentive code, is new for Vashon-Maury Island, and is untested by property owners and housing developers on Vashon-Maury Island. For these reasons, staff anticipates it will take more time to accurately gauge and assess its efficacy. Beginning this year (2018), annual reports will be issued each December. The County has the authority to retain, amend, or repeal the SDO, relying upon evaluation findings to inform that decision.

The information below comprises the 2018 Preliminary SDO report. It establishes content and benchmarks that will be addressed and expanded upon in future reports. The time period covered by this report is December 4, 2017 (Council adoption of the SDO) through November 26, 2018.

1. **SDO Application Inquiries at DPER** (e.g. phone calls or e-mails asking for information about the ordinance): 0
2. **SDO-Related Applications Filed** (e.g. pre-application meeting, subdivision, critical area, building permit applications, fees) : 0
3. **SDO-Related Permits Issued by DPER:** 0
4. **SDO Elements - Preliminary Advantages:**
 - a. Preliminary review of parcels – Parcels with a reasonable potential for development or redevelopment for new housing were assessed and identified during the creation of the SDO. Government-owned parcels, built-out neighborhoods, parcels encumbered with utilities or utility easements, and similarly restricted development lands were eliminated. This tailored approach to selecting eligible parcels helps to inform the public and potential developers of where new affordable housing development may and may not occur.
 - b. Linkage to existing zoning – The SDO uses current base zoning on a parcel to determine the density ceiling of a future development. This helps to preserve the overall neighborhood scale variation and distribution throughout the Rural Town.
5. **SDO Elements – Preliminary Disadvantages:**
 - a. The SDO uses a similar approach to and contains more stringent standards than the current Residential Density Incentive tool in K.C.C. 21A.34 which has never resulted in additional affordable housing development on the Island.
 - b. The SDO requires that water and energy efficiency measures be integrated into new developments. These improvements may increase up-front construction costs, which may act as a type of disincentive to affordable housing.
6. **Relationship of SDO Parcel Eligibility to Water Supply:** 100% of the parcels eligible for the SDO are located within Water District 19’s local service area. The majority of the 246 eligible parcels are within 200 feet of an existing water main. This does not imply automatic approval of a domestic water supply service. A more detailed analysis of which parcels have a financially-viable access to a water main is underway and will be included in the 2019 SDO annual report. As noted above, the District only anticipates approval of approximately 14 new water connections per year to their system. A Certificate of Water Availability will only be issued after District review and a determination of serviceability is completed for an individual parcel.

7. **Relationship of SDO Parcel Eligibility to Transportation Infrastructure:** As of December 2018, two intersections within Vashon Rural Town have traffic data available through the Road Services Division's *Transportation Data Management System* – Vashon Highway SW/SW Banks Road and Vashon Highway SW/SW Cemetery Road. The most recent daily traffic counts are from 2017 and monitor all four legs of each intersection. This data shows that the maximum daily traffic volumes at both intersections (the highest of which is 8,339 trips per day on Vashon Highway SW north of SW Cemetery Road) are below the design threshold and Level of Service standards for these intersections (at current functional classifications). Traffic congestion does occur at these intersections during large community events and peak ferry hours. However, the additional traffic expected to be generated from the projected affordable units under the SDO - estimated at between 600 and 960 trips per day, cumulative – is not anticipated to cause an exceedance of the intersection capacities.
8. **Relationship of SDO Parcel Eligibility to Wastewater Infrastructure:** According to King County's Wastewater Treatment Division,¹¹⁹ the Vashon Treatment Plant is designed for a maximum capacity of 1 million gallons of wastewater per day during peak storms. Today, approximately 170,000 gallons of sewage pass through the plant each day. Vashon Sewer District, which operates the sewage collection system in Vashon Rural Town that outfalls to the Vashon Treatment Plan, has approximately 430 existing connections to their sewer system. Adding new connections could increase the current customer base and service demands on the District. Additional analysis by Vashon Sewer District about the potential impacts of the SDO is being performed and will be included in the 2019 Annual SDO Report.
9. **Benefits of Retaining SDO:** The primary benefit of retaining the SDO for at least 12 more months is to allow adequate time for a new zoning incentive to saturate the affordable housing marketplace and provide a more realistic and proven test of the tool's potential impact. Even if the County chooses to repeal the SDO in the future, allowing it to remain in place for 24 months versus 12 months provides a stronger basis for a repeal decision, assuming it fails to generate any new units.
10. **Risks of Retaining SDO:** Staff identifies no significant risks to retaining the SDO for the next 12 months. The low historic level of building permit activity in Vashon Rural Town coupled with Water District 19's ongoing moratorium

¹¹⁹ https://www.kingcounty.gov/~media/depts/dnrp/wtd/system/Process/1801_vashon-treatment-process.ashx?la=en

on new potable water connections are expected to check the risk of the incentive causing unwieldy or unhealthy growth.

11. **Potential SDO Amendment(s):** No amendments to King County Code related to the SDO are recommended as part of the 2018 Preliminary Report. See below for areas identified for further evaluation and possible consideration in the future.
12. **SDO Status Recommendation** (e.g. retain, amend, repeal): Retain the SDO ordinance without amendment through the year 2019 to allow a minimum 24-month window of opportunity for potential applicants to use the incentive and to allow time for real-time comparison of other Vashon and unincorporated Rural Town development trends.

I. CONCLUSION & OBSERVATIONS

Following are initial observations and some areas that emerged from the research and findings outlined in this for further evaluation and possible consideration in the future.

1. **Review and potentially rebalance bonus density ratio** - Some recent research shows that successful affordable housing zoning incentives (at least in metropolitan areas) may benefit from being structured so developments are not required to provide more affordable units than market rate units.¹²⁰ This is most applicable for private sector and not for non-profit developers (who have constructed most of the Island's affordable housing stock), but some lessons may still transfer. The Vashon Rural Town SDO requires a developer to construct a development with 100 percent affordable units. Many of the other programs highlighted in this report have a similar design. Within a voluntary incentive program and in an environment of increasingly competitive financing resources, this formula may be inadequate to attract quality affordable housing investment and should be re-evaluated in collaboration with the community and affordable housing developers and lenders.
2. **Permit expediting** - To date, DPER has expedited affordable housing development and building permits on a case-by-case basis only. A developer proposes a schedule and deadline and then negotiates with County staff for the earliest possible date of permit issuance. This approach offers some protection for King County but it does not act as a strong incentive since there is no up-front guarantee or mandate that the County will expedite applications. Including some type of firm commitment in the code to expedite permits for affordable housing developments that offers a substantial reduction in total permit processing time could be further explored as either an alternative or supplement to the SDO.
3. **Sweat equity program** - The success of San Juan County's non-profit Homes for Islanders' sweat equity program and their historically stable funding stream through

¹²⁰ <https://shelterforce.org/2018/05/07/inclusionary-housing-in-soft-or-mixed-markets/>

USDA Rural Development offers a potentially replicable program for Vashon-Maury Island. Research lessons learned and consider brokering an educational transfer with local partners, if there is community interest and commitment.

4. **Affordability resale restrictions** - Work with the Assessor's Office to recognize the affordability resale restrictions that are often placed on CLT properties. Avoiding the use of traditional comparison values when setting property taxes for dwellings that are subject to these long-term CLT leases would benefit CLT residents.
5. **Cottage housing regulations** –
 - a. Potential barriers to the creation of new cohousing communities in Vashon Rural Town are the cottage housing regulations in K.C.C. 21A.08.030.B.14 and the landscape design requirements in K.C.C. Chapter 21A.16. Currently, cottage housing developments are restricted to a maximum of one acre in size, 16 total units, and maximum unit sizes of 1,200 square feet (including garages). Cohousing projects, which have similar design features to cottage housing projects, are typically larger than 16 units and often contain homes larger than 1,200 square feet in order to accommodate families with children. Cohousing developments in Rural Town settings and with agricultural themes may seek exceptions to traditional landscape screening, surface parking landscaping, and similar requirements of more urban and dense environments. Incentivizing new, Rural Town cohousing projects could include increasing the allowable number and size of units allowed in cottage housing developments and offering greater flexibility with landscape design standards to developments that agree to provide certain minimum public and environmental benefits.
 - b. The cottage housing allowance in K.C.C. 21A.08.030.B.15 may offer one avenue to construct multiple tiny houses on some larger parcels in the Rural Town. However, cottage housing is currently only permitted in the R-4 and R-8 zones and for developments one acre or less in size. Research the feasibility and potential application of creating an exception or overlay in the Rural Town to allow the cottage housing provision to be used for a tiny house development.
6. **Congregate housing regulations** –
 - a. To help reduce uncertainty for both developers and Islanders, K.C.C. Title 21A could be amended to add more detailed development and design standards specific to congregate housing, including reduced off-street parking and minimum common food preparation and communal area design standards.
 - b. King County could partner with education and/or religious groups on the Island to identify viable surplus land, funding sources, and necessary code amendments to facilitate a congregate housing project accessory to a school, church, or religious institution.
7. **Stormwater & water quality** - *Salmon Safe* has developed water use management standards for their certification program that set more stringent standards for agricultural lands, construction sites, and other stormwater-generating activities. Consider utilizing this or other third-party standards as alternative models to design

more innovative stormwater and water quality tools as the public benefit for future affordable housing bonus density incentives on the Island.

As noted, these are initial observations. Additional fact-finding, discussions, and analysis is ongoing and necessary before any type of formal code amendments may be concluded as necessary or are proposed. They are included here as potential areas of future change related to affordable housing incentives on Vashon-Maury Island. The scoping of this report necessarily resulted in a focus on affordable housing and development regulations (administered in the Department of Permitting and Environmental Review) as compared with affordable housing programs and funding (administered in the Department of Community and Human Services). A companion study on programs and funding could generate more specific and comprehensive recommendations related to affordable housing partnerships, programs, funding, and King County's role in these areas. Additional coordination between Council, the Department of Community and Human Services, and other parties is necessary to provide this type of study. Also, the Regional Affordable Housing Task Force's *Five-Year Action Plan* and other assessments of Vashon-Maury Island's real estate market will provide additional data analysis and observations about affordable housing and funding to inform more targeted and comprehensive recommendations.

**APPENDIX A: FULL TEXT OF SECTION 10 OF ORDINANCE 18623, VMI CSA
WORKPLAN ACTION 3, & IMPLEMENTING ACTION FOR POLICY H-5**

King County Ordinance 18623

SECTION 10

A. A written evaluation of the special district overlay, as adopted in section 9 of this ordinance, shall be conducted by the executive to assess the efficacy of its scope and standards in achieving the overlay's purpose of incentivizing affordable housing within the Vashon Rural Town, and shall include recommendations to retain, amend or repeal the special district overlay. The evaluation shall examine the advantages and disadvantages of the special district overlay, including a review of the relationship between the parcels that the special district overlay applies to and potable water supply. Other factors the evaluation shall consider include, but are not limited to: the public benefits and risks of retaining or repealing the special district overlay; the current need for affordable housing on Vashon-Maury Island, including for households with incomes at or below thirty percent of area median income; infrastructure capacity, including public roads and sewer; and potential impacts to affordable housing funding if the special district overlay is modified or eliminated.

B. The evaluation shall include annual reports and a final report:

1. The executive shall conduct preliminary evaluations that include the information in subsection A. of this section, as well as the following information:

- a. a list and evaluation of ongoing permit applications using the special district overlay, and feedback from those permit applicants on the efficacy of the special district overlay;
- b. evaluation of whether any code changes are necessary to fulfill the purpose of the special district overlay; and
- c. for the first annual report and the final report, information of other jurisdictions approaches to incentivizing development of affordable housing, and evaluation of whether those approaches would be appropriate to Vashon-Maury Island.
- d. The executive shall file three preliminary evaluation reports, and either a motion accepting each report or an ordinance proposing necessary code changes to further the purposes of the special district overlay. These reports shall be filed annually no later than December 31, 2018, December 31, 2019, and December 31, 2020, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor. When the trigger for a final evaluation under subsection 8.2.a. occurs, any subsequent annual reports shall not be required; and

2. A draft final evaluation shall be completed within ninety days of the occurrence of one the following, whichever comes first:

- a. issuance of the first permit necessary for construction that would result in a cumulative total of one hundred twenty affordable housing units within the special district overlay; or
- b. four years after the effective date of this ordinance.

C. The department shall produce a draft final evaluation including the information required in this section.

D. The department shall include a public comment period for the department's draft evaluation described in subsection A. of this section. The public comment period shall be at least forty-five days from the date of publication in the Vashon-Maury Island newspaper of record. As part of this public comment period, the department shall:

1. Publish notice of the draft evaluation's availability in the Vashon-Maury Island newspaper of record that includes locations where the draft evaluation is available;
2. Request comments of the King County water district 19 and the Vashon sewer district;
3. Request comments from any developer that has applied for approval under the special district overlay provisions;
4. Provide a copy at the local library;
5. Provide an electronic copy on the department's website; and
6. Send electronic notice to the clerk of the council, who shall retain the original email and provide an electronic copy to all councilmembers, the council chief of staff the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

E. After the public comment period has ended, the department shall prepare a final evaluation of the special district overlay, incorporating or responding to the comments received. Within sixty days of the end of the end of the public comment period, the executive shall file a final evaluation report, a motion accepting the report, and an ordinance that implements any proposed changes to the special district overlay, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

Attachment A to Ordinance 18623**VMI CSA Workplan Action 3: Affordable Housing Incentives**

The community's desire to increase opportunities for affordable housing development on the Island was one of the key themes expressed during outreach and development of the subarea plan. In response to this, the Executive's transmitted 2016 subarea plan included creation of a new Special District Overlay (SDO) to incentivize affordable housing development on 246 parcels within the Rural Town of Vashon. Council's review of the transmittal identified that the proposed SDO has similar provisions to the existing affordable housing incentives in the County's Residential Density Incentive (RDI) code in K.C.C. chapter 21A.34. This existing RDI code has been insufficient incentive, as it has not been used on Vashon-Maury Island.

This Workplan item directs the Executive to further evaluate how affordable housing could be either required or incentivized on Vashon-Maury Island. This shall include: 1) a description of the current requirements and incentives in the King County Code, or supported by King County Comprehensive Plan policy, related to affordable housing; 2) research from other jurisdictions' approaches to incentivizing development of affordable housing, including programs or proposals that are developed or implemented as a result of the Regional Affordable Housing Task Force;¹²¹ 3) evaluation of potential alternative housing models (including community land trusts and ADUs) and low impact building practices that could support development of affordable housing while limiting environmental impacts, including potential impacts to water resources; 4) evaluation of whether the approaches, models, and practices evaluated in #2 and #3 above would be appropriate for Vashon-Maury Island; and 5) evaluation of the need, and potential strategies to address the need, of affordable housing for households on the Island with incomes at or below thirty percent of area median income. This report shall also evaluate the implementation of the SDO being adopted as part of the subarea plan adoption, as described in the evaluation section of Ordinance 18623.

- *Timeline:* An Affordable Housing Incentives Report and proposed ordinance to implement the recommendations in report shall be transmitted to the Council for consideration by December 31, 2018.
- *Outcomes:* Executive shall develop and file with the Council the Affordable Housing Incentives Report, which shall include identification of recommended amendments to the King County Code. The Executive shall also file with the Council an ordinance adopting to the Code as recommended in the Report.
- *Lead:* Department of Permitting and Environmental Review. Work with the Office of Performance, Strategy and Budget and the Department of Community and Human Services. The Department of Community and Human Services should be consulted to ensure that programs or proposals developed as part of the Regional Affordable Housing Task Force are evaluated as part of this initiative. Executive staff shall update and coordinate

¹²¹ Motions 14754, 14873, 14874

with the Councilmember office(s) representing Vashon-Maury Island throughout the community planning process.

Table 7 (excerpt)
Implementation – Priority 1 Actions (Short-Term, 2018-2019)

Policy No.	Priority 1 Implementing Action – 2018-2019	Responsible Party	
		Lead	Support
H-5	King County shall implement, evaluate, and report on the affordable housing incentive Special District Overlay (SDO) in K.C.C. 21A.38. King County should revise the SDO as indicated by the County's evaluation of the SDO's use, benefits, and impacts.	DPER	DCHS

Appendix B: Full Text of Council-Approved Evaluation Plan for Affordable Housing Incentives Report

Motion 15124

Executive Response to King County Council Proviso P2

Ordinance 18602, Section 47

King County Department of Permitting and Environmental Review

On November 6, 2017, the King County Council adopted Ordinance 18602, which included Proviso P2 in Section 47. The proviso requires the Executive to transmit by March 1, 2018 preliminary information related to the following:

- **Affordable Housing Incentives Report** required by Workplan Action 3 in the Vashon-Maury Island Subarea Plan adopted in Ordinance 18623; and
- **Vashon-Maury Island Affordable Housing Special District Overlay** evaluation required in Section 10 of Ordinance 18623

The text of the proviso, and the responses to it, are outlined in the table below. The responses related to the Affordable Housing Incentives Report are labeled A(1-6) and correspond directly to proviso requirements A(1-6); the responses related to the Special District Overlay are labeled B(1-5) and correspond to proviso requirements B(1-5).

Subsequent work related to these items will be completed through an interagency process facilitated by the Department of Permitting and Environmental Review (DPER) and including the Department of Community and Human Services (DCHS) and the Office of Performance, Strategy and Budget (PSB). Other agencies will participate as needed. DPER will also consult with affordable housing developers, organizations and professionals, the Vashon-Maury Island community, and other stakeholders.

	Proviso Requirement	Response / Methods to Accomplish
A1.	A description of what content will be included	
	a. Description of the current requirements and incentives in the King County Code, or supported by King County Comprehensive Plan policy, related to affordable housing	➤ Assessment will include a review of KCC 21A.34, 21A.39.060, 21A.55.101, and a review of comprehensive plan policies in Chapters 2, 3, and 4.
	b. Research from other jurisdictions’ approaches to	➤ Review affordable housing codes, development regulations and incentives from three Washington

	Proviso Requirement	Response / Methods to Accomplish
	<p>incentivizing development of affordable housing, including programs or proposals that are developed or implemented as a result of the Regional Affordable Housing Task Force</p> <p>c. Evaluation of potential alternative housing models (including community land trusts and ADUs) and low impact building practices that could support development of affordable housing while limiting environmental impacts, including potential impacts to water resources</p> <p>d. Evaluation of whether the approaches, models, and practices evaluated in items b) and c) above would be appropriate for Vashon-Maury Island</p> <p>e. Evaluation of the need, and potential strategies to address the need of affordable housing for households on the island with incomes at or below</p>	<p>State jurisdictions and two out-of-state jurisdictions for applicability to Vashon-Maury Island. The length of time the codes / regulations / incentives have been in place (and any performance measures) will be considered. Utilize MRSC and ARCH research and data, and contact the jurisdictions as needed.</p> <ul style="list-style-type: none"> ➤ DPER will work with DCHS and PSB staff to review the recommendations of the Regional Affordable Housing Task Force and consider their applicability for Vashon-Maury Island. ➤ Assessment of at least two housing entities that offer an alternative to traditional forms of ownership and renting (e.g., community land trusts) and an assessment of at least three alternatives to traditional single family housing products (e.g., ADUs), including potential impacts to water resources. ➤ Alternative housing products and approaches will be analyzed for their applicability to a small town surrounded by a predominantly rural landscape, and with the demographic and socio-economic characteristics of Vashon-Maury Island. Water supply will be considered. Data and information regarding the success of the alternative products and approaches will be sought and reviewed as part of the process. ➤ Assessment of the total number of people on the active waiting lists for Vashon Household and the King County Housing Authority, and of cost-burdened households on Vashon-Maury Island.

	Proviso Requirement	Response / Methods to Accomplish
	<p>thirty percent of area median income</p> <p>f. Evaluation of the implementation of the SDO</p>	<ul style="list-style-type: none"> ➤ Monitor the SDO and its density bonus incentive for 18 to 24 months, allowing sufficient time for the new zoning tool to be utilized and observed. ➤ In 2020, assess SDO elements (e.g., parcel eligibility, maximum densities, water conservation measures, unit affordability tenure) from the perspective of the affordable housing developer or entity. This will include feedback from applicants and potential applicants, number of permits issued, units constructed or in the pipeline, feedback from the public and other stakeholders.
A2.	<p>The methods proposed for completing the research on other jurisdictions’ approaches to incentivizing affordable housing, including inclusion of the work being completed by the regional affordable housing task force</p>	<p>Review affordable housing codes, development regulations and incentives from three Washington State jurisdictions and two out-of-state jurisdictions for applicability to Vashon-Maury Island. The length of time the codes / regulations / incentives have been in place (and any performance measures) will be considered. Utilize MRSC and ARCH research and data, and contact the jurisdictions as needed.</p> <p>DPER will work with DCHS and PSB staff to review the recommendations of the Regional Affordable Housing Task Force and determine their applicability for Vashon-Maury Island.</p>
A3.	<p>The methods proposed for evaluating the applicability of those other approaches to Vashon-Maury Island</p>	<p>The affordable housing approaches identified will ideally be from small towns and/or counties (less than 25,000 population), characterized by a predominantly rural landscape, and with similar demographic and/or socio-economic characteristics to Vashon-Maury Island. Information about water supply in these communities will be sought. Data and information regarding the success of the approaches, including performance measures such as units produced and levels of affordability attained, will be reviewed and analyzed as part of the process.</p>
A4.	<p>The methods proposed for evaluating the needs of households with incomes at or below thirty percent of area median income</p>	<p>This information will be sought from social service agencies on Vashon-Maury Island that have experience and expertise in serving low- to very low-income populations. The work of the Regional Affordable Housing Task Force will also be reviewed.</p>

	Proviso Requirement	Response / Methods to Accomplish
A5.	A description of how and when DPER will consult and collaborate with the regional planning unit in PSB and DCHS on the evaluation	An interagency team comprised of DPER, DCHS and PSB will meet throughout the evaluation process to review and discuss the evaluation, including key research findings, project milestones, recommendations and proposals. PSB will assist with communication and coordination with the Executive Office, Councilmembers and Council staff, and will review all work for consistency with the Comprehensive Plan. DCHS will help assess any applicability to other contexts.
A6.	The methods for how and when DPER will engage in outreach to the community on the evaluation	Public engagement will include on-island meetings with affordable housing developers to assess the feasibility of alternative housing approaches; discussions with lenders and/or realtors; and distribution of a preliminary report via the DPER website. Public outreach will be part of the final evaluation required by Ordinance 18623, Section 10. Availability of the report will be advertised through island newspapers and email lists, and the DPER email list.
B1.	<p>A description of what content will be included in each of the annual reports and the final evaluation report, and a description of how that content complies with the evaluation criteria adopted with Ordinance 18623</p> <p>a. Assessment of the efficacy of the Special District Overlay (SDO) scope and standards in achieving the SDO’s purpose of incentivizing affordable housing within the Vashon Rural Town</p>	<p><i>Each Annual Report / Preliminary Evaluation:</i></p> <ul style="list-style-type: none"> ➤ Assessment to include a characterization of interest in the SDO from general inquiries and pre-application meetings vs. actual applications, permits issued, and units constructed or in the pipeline. ➤ Assessment will consider all elements of the evaluation; will seek stakeholder and public comments as directed, and will weigh benefits,

Proviso Requirement	Response / Methods to Accomplish
<p>b. Recommendations to retain, amend, or repeal the SDO</p> <p>c. Examination of the advantages and disadvantages of the SDO, including a review of the relationship between the parcels that the SDO applies to and potable water supply.</p> <p>d. Public risks and benefits of retaining or repealing the SDO</p> <p>e. The current need for affordable housing on Vashon-Maury Island, including for households with incomes at or below thirty percent of median income</p> <p>f. Infrastructure capacity, including public roads and sewer</p>	<p>costs and risks, before making a recommendation to retain, amend or repeal the SDO.</p> <ul style="list-style-type: none"> ➤ Assess advantages and disadvantages of SDO elements (e.g., parcel eligibility, maximum densities, water conservation measures, unit affordability tenure) from the perspective of the affordable housing developer or entity. ➤ The SDO applies to 246 parcels. DPER will coordinate with Water District 19 and the Utilities Technical Review Committee (UTRC) to identify the best available data and most accurate approach to comply with this task. The potable water supply for any active applications filed under the SDO will be highlighted. ➤ In contrast to c. above, this will assess the broad, community-wide and public perspectives of retaining or repealing the SDO. Assessment will include all pertinent evaluation elements. ➤ Assessment of the total number of people on the active waiting lists for Vashon Household and the King County Housing Authority. ➤ Assessment of cost-burdened households on Vashon-Maury Island. ➤ Assessment of existing data from the Roads Services Division (Roads) and the Vashon Sewer District. Road-related data will include average daily traffic counts at key intersections and along collector roadways, trip generation, and traffic count estimates. Sewer-related data will include daily average versus maximum flow volumes into the Vashon Treatment Plant, and any identified maintenance concerns for the collection system. ➤ If an applicant or potential applicant using the SDO (or a lender) raises this as a potential barrier

	Proviso Requirement	Response / Methods to Accomplish
	<p>g. Potential impacts to affordable housing funding if the SDO is modified or eliminated</p> <p>h. A list and evaluation of ongoing permit applications using the SDO, and feedback from those permit applicants on the efficacy of the SDO</p> <p>i. Evaluation of whether any code changes are necessary to further the purpose of the SDO</p> <p>j. Information of other jurisdictions' approaches to incentivizing development of affordable housing, and evaluation of whether those approaches would be appropriate to Vashon-Maury Island¹²²</p>	<p>to loan approvals, it will be considered as part of the evaluation and noted in the report.</p> <ul style="list-style-type: none"> ➤ If any active permits in DPER's system are utilizing the SDO incentive, DPER will seek feedback to include in either an annual or final report. ➤ Assessment will focus on three sections of Title 21A (KCC 21A.34, 21A.39.060, 21A.55.101), and may also address Title 19A (land segregation). SDO applicants and/or their engineers or planners will be asked to provide feedback on this topic. ➤ See Section A2 above. <p><i>Final Report / Evaluation:</i> The final report / evaluation will include the same evaluation criteria as that listed above for the annual reports / evaluations except for items h. and i. above, and will follow the public process requirements in Section 10 of Ordinance 18623.</p>
B2.	<p>The methods proposed for completing the evaluation of the special district overlay, both for the annual and final reports</p>	<p>Methods for completing evaluation of the special district overlay include:</p> <ul style="list-style-type: none"> ➤ Evidence: Collection of data, including building permits, water supply sources, affordable housing waiting lists, etc. ➤ Research: Identify best practices, interview affordable housing professionals, discussions with service providers, etc. ➤ Outreach: Integrate public feedback collected for the incentives report in Section A, distribute draft

¹²² This item to be included in only the first annual report and the final report.

	Proviso Requirement	Response / Methods to Accomplish
		<p>versions of SDO evaluation via website and local media, and implement outreach required for final evaluation per Ordinance 18623, Section 10.</p> <ul style="list-style-type: none"> ➤ Analysis: Assess identified risks, costs and benefits, examine trade-offs
B3.	<p>The methods proposed for completing the research on other alternative housing models and low income building practices, and which annual reports, in addition to the final report, will include this information</p>	<ul style="list-style-type: none"> ➤ Profile at least two housing entities that offer an alternative to traditional single-family or multi-family forms of ownership and renting. Other potential models include mutual housing associations, community land trusts, and limited equity housing cooperatives. Each profile will highlight the type of organization, legal structure, funding mechanisms, services / functions, and applicability of the model for Vashon-Maury Island. DCHS will assist with identifying organizations in the Puget Sound region that are actively researching alternative ownership models for affordable housing. This information will be included in the second annual report, and the final report. ➤ As part of its work leading the response to Comprehensive Plan Workplan Action item 6, DCHS is soliciting proposals from developers for a potential demonstration project. Outcomes from this process will be reviewed for applicability on Vashon-Maury Island.
B4.	<p>The methods for how and when DPER will consult and collaborate with the regional planning unit in PSB and DCHS throughout the evaluation process, including the annual and final report</p>	<p>An interagency team comprised of DPER, DCHS and PSB will meet throughout the evaluation process to review and discuss the evaluation, including key research findings, project milestones, recommendations and proposals. PSB will assist with communication and coordination with the Executive Office, Councilmembers and Council staff, and will review all work for consistency with the Comprehensive Plan. DCHS will help assess any applicability to other contexts.</p>
B5.	<p>The methods for how and when DPER will engage in outreach to the community during the evaluation process, including the annual and final reports</p>	<p>Outreach for the first three annual SDO evaluations is distinct from that of the final evaluation, consistent with Section 10D of Ordinance 18623. It is anticipated that the public feedback received for the Incentives report in section A above will also inform the SDO evaluations.</p>

	Proviso Requirement	Response / Methods to Accomplish
		<p>The outreach planned for the first three annual SDO evaluations will include alerting the public (via local newspapers, the Chamber of Commerce email list and DPER’s email list) to the availability of the draft report on DPER’s website, where public comments will be accepted. There will also be more targeted outreach to Vashon affordable housing developers and providers, Water District 19, social service providers, and other stakeholders.</p> <p>The specific public process requirements in Section 10D of Ordinance 18623 will be implemented by DPER prior to the final evaluation being transmitted to Council, whenever that trigger is reached.</p>