Proposed Ordinance Relating to Affordable Housing Special District Overlay for Vashon Rural Town

(a component of the Vashon-Maury Island Community Service Area Plan)

This summary fulfills the state Growth Management Act and King County Ordinance 13147 requirement for a "plain language summary."

Background

King County Land Use and Zoning Regulations govern the development and use of land and the construction of buildings in unincorporated King County. These regulations fall into the permitting and zoning category.

<u>Permitting and Zoning.</u> King County's zoning code establishes standards for different types of land uses that are allowed in different zoning categories and under what conditions. The zoning code also sets standards for how development and redevelopment should occur, including minimum parking requirements, landscaping, setbacks from streets and adjacent properties, and other aspects of development that have an impact on the surrounding community. The current zoning code was originally adopted in 1993. The zoning code is found in Title 21A of the King County Code (which can be accessed at this web site: http://www.kingcounty.gov/council/legislation/kc code.aspx. Permitting is generally governed by K.C.C. Chapter 20.20 (accessed from the same site).

Proposed Ordinance

One section of the zoning code (Chapter 38) deals with property-specific and neighborhood-specific zoning. This chapter contains a tool called "special district overlays (SDO)" which are used to create alternative development standards that are unique to a neighborhood or group of properties. Examples of SDOs include wetland management areas, commercial economic development, highway-oriented development, the Fall City business district, and many other topics. Standards that appear in these SDO sub-sections apply only to unique areas or under particular situations. The proposed ordinance would add a new sub-section to Chapter 38 that encourages affordable housing in the Rural Town of Vashon.

Bonus Density Defined - The proposed SDO is intended to increase the supply of affordable housing in the Rural Town by offering voluntary incentives to anyone developing a housing project. The primary incentive is in the form of a bonus density. What is a bonus density? Zoning districts that allow for residential development have a maximum number of dwelling units that can be built per acre on a given parcel. For example, the R-4 zone allows a maximum of four units per acre (which averages to one unit per 10,890 square feet). A bonus density allows for this maximum number of units to be increased if certain amenities and/or public benefits are included in the project. In this case, since Vashon-Maury Island has a need for additional housing that is affordable to people who earn below the median income for King County, additional density can be added to a project if all of the new units in a project are made to be affordable.

Affordability Defined - What is considered "affordable"? King County uses figures from the U.S. Department of Housing and Urban Development to define levels of affordability. Housing that is affordable at 30% or less of a household's monthly income is the basic threshold. In 2016, the Area Median Income (AMI) for one person in King County was \$63,300. This is considered 100% of AMI and translates to no more than \$1,580 per month should be spent on housing. In general, individuals and families who qualify for subsidized housing can earn 80% of AMI or below (which, in this example, would be \$50,640 for one person in 2016).

Affordability Level Set - Section C of the proposed ordinance contains a list of 13 standards that apply if a housing project wants to use the bonus density incentive. The first standard establishes the affordability level and number of units that a project must meet. In this case, all of the units must be affordable to households with incomes at 80% of the Area Median Income (AMI) and, additionally, at

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least half of all units must be affordable to households at or below 60% of AMI (or, in 2016, \$37,980 per year for one person).

<u>Maximum Number of Units</u> – The next four standards establish the maximum number of dwelling units that may be constructed in each zoning district. If someone builds in an existing R-1 zone, for example, the maximum number of affordable units that could be constructed is four units per acre, assuming they meet all of the other minimum standards. This same staggered or tiered approach continues as the zones increase in density, with the maximum number of permitted units being 18 units per acre in the R-8, R-12 and Community Business zones.

Other Development Standards – The rest of the standards in the ordinance pertain to a variety of topics that are intended to ensure affordable housing developments comply with community values and goals and provide housing that continues to meet community needs over time. Some of these other standards include:

- entering into a written agreement with King County so that all standards are clear and can be enforced over time;
- having future resident incomes verified to ensure units are actually being occupied by people who meet the minimum income limits;
- incorporating water and energy conservation measures to help make a project more sustainable:
- hooking-up to central sewer and water services (vs. using wells or septic systems); and
- keeping the units at an affordable rate for a minimum number of years so that someone does
 not exploit the bonus density and then convert the units to market rate prices.

<u>Mandatory Evaluation of the SDO</u> – Section E of the proposed ordinance requires that the SDO be evaluated by King County to determine if it is effective and achieving its stated purpose. This section was inserted to help prevent the bonus density from allowing an excessive number of units being built, especially as it pertains to Water District 19 and their water supply capacity. It requires that the SDO be assessed either at the time that 120 affordable units are approved or four years after the date of adoption of the ordinance, whichever comes first.

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