



Staff Report

Affordable Low-Income Housing Incentive Code

To: Leavenworth Planning Commission
From: Development Services Department
Date of Report: October 26, 2021 for the November 3, 2021 Hearing
Subject: New Code for Affordable Low-Income Housing Incentive Program

OVERVIEW

The Planning Commission has been diligently considering how to provide affordable low-income housing for several years, including a complex incentive program in 2019. This new incentive program closely follows the provisions from RCW 36.70A.540. It is intended to permit affordable low-income housing in all zoning districts and encouraged within planned developments and commercial district mixed use incentives developments.

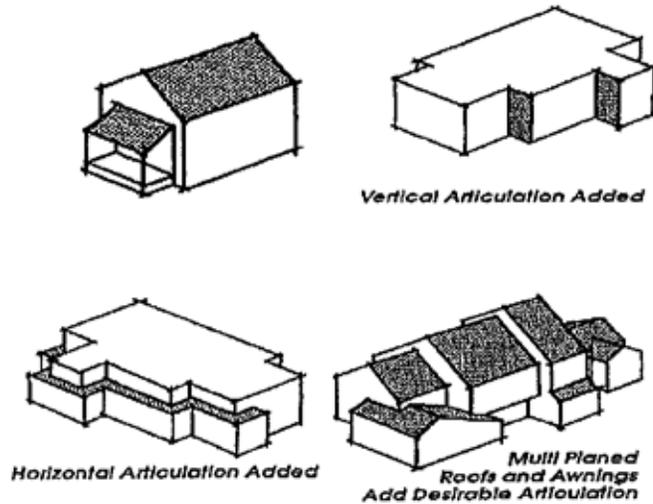
When a developer proposes affordable low-income housing (owner occupied or rentals), restricted for at least 50 years, they may request any of the following incentives:

- A) Density, each low-income affordable dwelling shall be counted as 0.5 of a dwelling unit. For example, within the RL-6 zoning district where a duplex is permitted and equals two dwelling units, a single-family dwelling and two low-income affordable housing dwellings would equal two dwelling units.
 - 1) No rounding up of density is permitted.
 - 2) Where the number of dwelling units is not defined, in commercial and industrial zones, there shall be no minimum or maximum number of affordable low-income housing units.
- B) Lot coverage, when a development includes a minimum of three affordable housing units, the lot coverage may increase to 75% or the underlying zoning, whichever is greater.
- C) Setbacks, when a development includes at least one affordable housing unit, the front and rear yard setbacks may be reduced by 30%; however, the allowance for a front porch within the front yard setback is not permitted.
- D) Alley access, any development that includes affordable low-income dwellings may have primary vehicular access from the alley; however, where an alley is underdeveloped, improvements may be required.
- E) Parking, any development that includes affordable housing which is located ½ mile from a public transit park-n-ride may reduce the parking standards by 50%.
- F) Height, within the Tourist Commercial District, may increase to up to 50’.

Affordable low-income housing developments will be required to meet the following design standards:

- A) Half of the affordable housing units must be of a similar size and makeup (number of bedrooms and bathrooms) as market rate units within the same development. The remaining half may be smaller or larger than the market rate units within the same development.

- B) Entries and front doors shall be consolidated, whenever feasible, so that only one entrance or front door is facing a city street.
- C) Corner lots, the development may include driveway access from each city street and/or the alley.
- D) The design of the structures shall include, at least one, articulation of the facade (vertical articulation) or multi-planed roofs to soften the appearance of the structure.



- E) Storage, for every dwelling unit under 500 square feet, a separate area for personal storage shall be provided of at least 90 cubic feet, for example: length 5', width 3', height 6'. Area under 4' in height will not be calculated as storage.

The Affordable Housing Incentive Program is intended to provide incentives to developing and building housing for purchasers or renters who work in service industry jobs, such as, cashiers, hotel staff and retail and restaurant workers, which make up the majority of employees within Leavenworth. By providing housing incentives, the city intends to improve the quality of life for all residents of varying income levels by supporting health, increasing financial stability, reducing travel demands, and expanding population diversity.

SUMMARY OF DATES

60-day Agency review:	October 15, 2021, ID# 2021-S-3279
SEPA Determination	Exempt per WAC 197-11-800(19)
Notice of Planning Commission Hearing:	Published in the Echo: October 20, 2021
Planning Commission Public Hearing:	November 3, 2021
City Council Public Hearing:	Tentatively Scheduled for December 14, 2021

PUBLIC/AGENCY COMMENTS

Public comments were taken and incorporated into the Planning Commission hearing draft, issued October 26, 2021. The public is encouraged to attend the Planning Commission Hearing and provide comment before a recommendation is forwarded to the City Council. The Planning Commission may incorporate comments into the recommendation. Additionally, the City Council will have an opportunity

for public comment prior to a decision at the Council Public Hearing.

STAFF REVIEW

The following findings of fact and conclusions of law review the proposed amendments in relationship to the Comprehensive Plan and development regulations.

1. The amendments are necessary to resolve inconsistencies in the provisions of the comprehensive plan and/or development regulations or to address state or federal mandates.

Staff Finding: The City of Leavenworth has a lack of Affordable Low-Income housing, as identified in the 2020 Housing Needs Assessment.

Conclusion: The new code provisions for affordable low-income housing incentives are necessary to provide options to address Leavenworth’s housing needs.

2. The amendments are consistent with the overall intent of the existing comprehensive plan and the other documents incorporated therein.

Staff Finding: The Comprehensive Plan encourages diversified housing:

Goal 1: Encourage the availability of affordable housing for all economic segments of the population.

Goal 2: Promote diversity of residential densities and housing types, being mindful for racial disparities and accommodating a range of housing needs, including elderly, physically challenged, mentally impaired, special needs segments of the population, low-income, workforce and emergency housing needs by:

- Supporting affordable housing needs for low-income residents.*
- Encouraging cluster subdivision, planned developments and other zoning techniques that allow for density bonuses or other mechanisms for higher density and greater utilization of land.*
- Supporting moderate density housing types, including accessory dwelling units, duplexes, triplexes and townhomes within all residential zones.*

Conclusion: The new code provisions for affordable low-income housing incentives are consistent with the intent of the comprehensive plan.

3. The amendments are consistent with the assumptions and/or other factors such as population, employment, land use, housing, transportation, capital facilities, economic conditions, etc., contained in the comprehensive plan.

Staff Finding: The 2020 Housing Needs Assessment projected the number of housing units needed to meet the projected population growth, at all economic levels:

Income Group	Distribution of Household Income	Share of Housing Need	Distribution of Households Experiencing Housing Cost Burden*	Share of Housing Need
<30% AMI	14%	15	36%	40
30-50% AMI	13%	14	30%	33
50-80% AMI	19%	21	23%	25
80% > 100% AMI	9%	10	3%	3
>100% AMI	46%	51	9%	10
Housing needed to meet growth target:		110		110

In order to provide for lower-income housing, additional units are needed.

Increasing density and the option for low-income housing is consistent with all elements of the comprehensive plan. Concerns related to transportation have been reviewed by Fehr & Peers with a final memo to be presented at the November 3, 2021 Planning Commission Hearing.

Conclusion: The new code provisions for affordable low-income housing incentives are

consistent with the assumptions and factors used to develop the comprehensive plan.

4. The amendments are consistent with the requirements of the Growth Management Act and the county-wide planning policies.

Staff Finding: The Growth Management Act, RCW 36.70A.540 provides the outline for providing incentives for low-income housing development. The County-Wide Planning Policies encourage development of housing within the urban cities.

Conclusion: The new code provisions are consistent with the requirements of the Growth Management Act and the county-wide planning policies.

5. The amendments are consistent with and do not adversely affect the supply of land for various purposes which are available to accommodate projected growth over a twenty-year period.

Staff Finding: The options for affordable housing development fit within the land capacity analysis for residential development. The option to increase density is anticipated to be consistent with infill development or other new residential development activities.

Conclusion: The new code provisions for affordable low-income housing incentives will not change or impact the supply of land required to accommodate projected growth.

6. Where applicable, conditions have changed such that assumptions and/or other factors such as population, employment, land use, housing, transportation, capital facilities, economic conditions, etc., contained in the comprehensive plan have been revised and/or enhanced to reflect said conditions;

Staff Finding: The proposed new code provisions do not change the Comprehensive Plan assumptions.

Conclusion: Not applicable.

7. Amendments to the comprehensive plan land use designation map(s) are either consistent and/or compatible with, or do not adversely affect, adjacent land uses and surrounding environment;

Staff Finding: The proposed new code provisions will not change the Comprehensive Plan maps.

Conclusion: Not applicable.

8. The proposed amendments are consistent with and do not negatively impact public facilities, utilities and infrastructure, including transportation systems, and any adopted levels of service.

Staff Finding: The proposed new code provisions do not change land uses, public facilities, utilities and infrastructure or directly impact the adopted levels of service.

Conclusion: Not applicable.

9. The proposed amendments do not adversely affect lands designated resource lands of long-term commercial significance or critical areas.

Staff Finding: There are no designated resource lands within the city limits. Review of known critical areas occurs at the time of future land use permit applications.

Conclusion: Not applicable.

STAFF RECOMMENDATION

Staff recommends adoption of the new code provisions for affordable low-income housing incentives.

ATTACHMENTS

Attachment A: LMC 18.42 Affordable Low-Income Housing Incentive Program

LMC 18.42 Affordable Low-Income Housing Incentive Program – Draft Code Option

18.42.010 Purpose

The Affordable Housing Incentive Program is intended to provide incentives to developing and building housing for purchasers or renters who work in service industry jobs, such as, cashiers, hotel staff and retail and restaurant workers, which make up the majority of employees within Leavenworth. By providing housing incentives, as authorized by RCW 36.70A.540, the city intends to improve the quality of life for all residents of varying income levels by supporting health, increasing financial stability, reducing travel demands, and expanding population diversity.

18.42.020 Applicability

- A) Notwithstanding any other provision in this Title 18, affordable housing developments are permitted in all zoning districts and encouraged within planned developments and commercial district mixed use incentives developments.
- B) Affordable housing developments serve:
 - 1) Low-income renters with incomes of 50 percent or less of the county median family income, adjusted for family size.
 - 2) Low-income households with incomes of 80 percent or less of the county median family income, adjusted for family size.
 - 3) Notwithstanding item (1) and (2), the City Council may increase, through a public hearing, low-income rental housing up to eighty percent of the county Area Median Income (“AMI”) or low-income owner occupancy housing up to one hundred percent of the county AMI.
- C) Rental units, for occupiers meeting the criteria of B) 1)-3), are for the purposes of this chapter affordable housing.

18.42.030 Other Affordable Housing Options

The following list of options is provided for overall education of what the City of Leavenworth has developed in support of affordable housing units. Use of these options, or others, is not a required part of this affordable housing chapter.

- A) LMC 3.42 Affordable Housing Grant/Loan
- B) LMC 3.44 Affordable Housing Funds
- C) Pre-approved Accessory Dwelling Unit construction plans
- D) Manufactured/Tiny home parks
- E) Manufactured home placement
- F) Partnerships with nonprofit housing authorities/groups

18.42.040 Requirements for Affordable Housing Options

Any development of affordable housing for low-income housing units whether rental or owner occupied, shall ensure that each affordable housing unit be retained as affordable housing for a minimum of 50 years from the date of final occupancy. Developers or owners of the housing, as the case may be, shall supply a covenant as required by the City to retain the housing as affordable for 50 years from the date of final occupancy.

18.42.050 Incentives for Affordable Housing

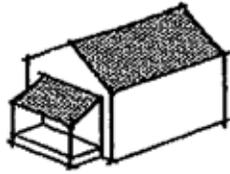
When a development includes affordable housing for low-income housing units, the project may request any of the following deviations from the standard regulations:

- A) Density, each low-income affordable dwelling shall be counted as 0.5 of a dwelling unit. For example, within the RL-6 zoning district where a duplex is permitted and equals two dwelling units, a single-family dwelling and two low-income affordable housing dwellings would equal two dwelling units.
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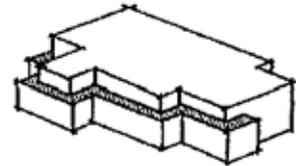
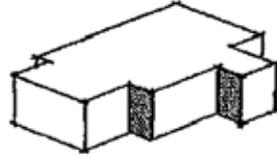
18.42.060 Design Standards for Affordable Housing

All development using this chapter shall meet the following supplemental development standards for affordable housing for low-income housing units:

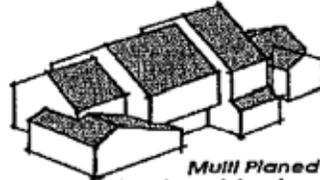
- A) Half of the affordable housing units must be of a similar size and makeup (number of bedrooms and bathrooms) as market rate units within the same development. The remaining half may be smaller or larger than the market rate units within the same development.
- B) Entries and front doors shall be consolidated whenever feasible so that only one entrance or front door is facing a city street.
- C) Corner lots, the development may include driveway access from each city street and/or the alley.
- D) The design of the structures shall include, at least one, articulation of the facade (vertical articulation) or multi-planed roofs to soften the appearance of the structure.



Vertical Articulation Added



Horizontal Articulation Added



*Multi Planed
Roofs and Awnings
Add Desirable Articulation*

- E) Storage, for every dwelling unit under 500 square feet, a separate area for personal storage shall be provided of at least 90 cubic feet, for example: length 5', width 3', height 6'. Area under 4' in height will not be calculated as storage.