



## MEMO

To: Mayor Kwarsick, City Council  
From: Jeff Arango, AICP, CFM – Director of Community Planning  
Date: February 1, 2012  
Subject: **1<sup>st</sup> Reading – Ordinances on Affordable Housing and Innovative Mixed-Use Development**

### A. BACKGROUND

The PAB held a public hearing on November 14, 2011 to consider six proposed additions or amendments to the city's development regulations, several of which have been recently adopted by the city council. The two remaining ordinances to be considered by the council address demonstration programs for affordable housing and mixed-use development. The PAB voted unanimously to recommend the proposals for adoption by the city council following the November 14, 2011 public hearing.

A State Environmental Policy Act (SEPA) determination of Non Significance was issued on the proposals on September 28, 2011 and the State Department of Commerce has completed their required review of the proposals and responded with no significant comments on September 28, 2011. The city attorney's office has completed their review of the proposals.

### B. SUMMARY OF THE PROPOSALS

**Item 1. Affordable Housing.** Adoption of an Ordinance to allow a limited number of demonstration projects for innovative permanently affordable residential units within the residential and mixed residential zones. Both the Growth Management Act (Chapter 36.70.A) and the Housing Policy Act (Chapter 43.185B. RCW) require the City to provide housing opportunities for all economic segments of the community. Similarly the city's comprehensive plan encourages revisions to the city's development regulations to increase the supply of affordable housing.

**Item 2. Mixed-Use Development.** Adoption of an ordinance to allow a limited number Mixed Use Housing Demonstration Projects within the Central Business (CB) Zone. The purpose of this ordinance is to help achieve the goals and objectives of the land use, economic development, and housing elements of the Langley Comprehensive Plan by providing for a program for individual projects that promote infill mixed use development; incorporate more efficient use of land and energy; offer more diverse housing options, and incorporate smart growth designs into new development.

## C. DETAILS

### **Item #1: Affordable Housing**

**Purpose:** To promote the development of innovative affordable housing projects the ordinance provides flexibility in development standards and incentives for the development of affordable housing. Projects may be approved within any residential zoning district within the city. The details and purpose of the program are:

- To promote a community based process involving broad constituencies of stakeholders
- To allow modifications to the development standards (including density increases) as a means to further the goals and purpose of the program.
- To promote diverse housing options
- To inform future amendments to the City's development and design standards
- To promote perpetually affordable housing
- To require a neighborhood meeting for all projects
- Ordinance sunsets after two years unless extended by the city council

Following expiration of the ordinance, City staff and the PAB will produce a report evaluating how well the projects achieved the goals of the ordinance and the goals of the enabling Comprehensive Plan policy language.

### **Items #2 Mixed-Use Development**

**Purpose:** To promote innovative mixed-use development in the downtown core by promoting broad based public involvement, high quality design, diverse housing types and sustainable development. Below is a summary of the key aspects of the program:

- A project review panel consisting of representatives from a broad range of stakeholders in the areas of city government, affordable housing, business, youth and interested citizens.
- The review board may approve modifications to the city's development standards that meet the goals of the innovative mixed-use development program
- Must demonstrate public benefits within the project including high quality design, public space and affordable housing.
- Applies only to the Central Business (CB) Zone and must be mixed-use
- Allows up to three projects; ordinance sunsets after three projects or five years, whichever is sooner. The ordinance may be extended by the city council.
- Projects may inform future design standards
- A neighborhood meeting is required for all projects

## D. SUPPORT FOR PROPOSALS IN COMPREHENSIVE PLAN AND STATE LAW GENERAL DISCUSSION APPLICABLE TO BOTH ORDINANCES

Both items support the following Growth Management Act Goals:

- **Housing.** Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing.
- **Economic development.** Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.
- **Reduce sprawl.** Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.
- **Urban growth.** Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

Comprehensive Plan Goals and Policies in support of the proposals:

### **Innovative and Diverse Housing**

Work to provide a mix of housing in Langley and facilitate residential development in the form of single-family homes, duplexes, condominiums, apartments, townhouses, and other innovative forms of housing.

Policies

- 1.1 Review the City's development regulations to determine where more flexible development standards could be considered and, thereby, reduce development costs.
- 1.2 Encourage developers to design and build innovative housing options including creative housing alternatives for individuals at each stage of life.

### **Character and Density**

Seek opportunities to ensure that various types and densities of housing are permitted in sufficient numbers to meet projected housing needs, while maintaining the character of existing neighborhoods.

Policies

- 2.1 Assure that adequate areas are available for higher-density residential development, are appropriately located, and are served by the full range of city services.
- 2.3 Encourage the distribution of various housing types throughout the city to provide a wide variety of neighborhood settings and avoid undue concentration in particular neighborhoods.

### **Pedestrian Orientation, Community and Safety**

Encourage housing with a pedestrian orientation and housing that maintains a development pattern consistent with promoting a sense of community and safety.

## **Distribution of Land Uses**

### Policies

3.6 Encourage innovation and diversity in the development of housing affordable to a range of household incomes through such strategies as clustered residential developments, density bonuses for developments that include "affordable" unit/lots, accessory dwelling units, cottage housing developments, and inclusionary zoning.

## **Housing Affordability**

Encourage the opportunity for all residents to purchase or rent affordable housing.

### Policies

4.1 Use innovative techniques for enabling affordable housing, such as accessory dwelling units, a housing trust fund, inclusionary zoning, density bonuses, and similar options.

4.2 Consider increasing densities, permitting density bonuses, allowing manufactured housing, and eliminating minimum lot-size requirements, as well as other provisions that could increase the affordability of housing.

4.4 Work with non-profit and governmental housing providers to build permanently affordable housing units.

4.7 Endorse and support the efforts of nonprofit housing organizations, whether governmental such as the Housing Authority of Island County, or community-based such as the Saratoga Community Housing, Whidbey Island Share a Home, or Habitat for Humanity; and endorse and support local organizations in their efforts to obtain technical and financial resources through private organizations and governmental agencies.

## **Environmentally Friendly Housing**

Support efforts to make residential properties efficient in their use of energy, water, and other resources and in other ways environmentally friendly.

### Policies

6.1 Create development regulations that encourage, and as appropriate require, homeowners and developers to make existing and new-construction housing resource efficient and environmentally friendly.

## **General Planning Direction**

Ensure that development within the Langley planning area preserves and enhances the qualities that make Langley such a desirable place to live and visit, including the rural, small-town, marine atmosphere; scenic natural setting; waterfront; center of cultural activity; and the rural, early northwest character of the downtown area with a mix of services and activities for both residents and visitors to the community.

## **Distribution of Land Uses**

Encourage the distribution and general location of land-use densities and intensities to coincide with growth projections, subarea plans, and availability of public services.

## Policies

3.6 Encourage innovation and diversity in the development of housing affordable to a range of household incomes through such strategies as clustered residential developments, density bonuses for developments that include “affordable” units/lots, accessory dwelling units, cottage housing developments, and inclusionary zoning.

3.7 Encourage a more active waterfront, including expanded marina facilities and increased access to the shorelines via pathways and stairways.

3.10 Encourage the primary commercial development to locate in the downtown core area.

3.11 Encourage development that promotes livability, pedestrian orientation, and quality design and limits stress factors such as noise pollution and traffic congestion.

## **Diverse and Stable Economy**

Support the local economy by providing a predictable development atmosphere, emphasize diversity in the range of goods and services, and make every effort to see that employment opportunities are balanced with a range of housing opportunities.

### Policies

4.1 Encourage development of a wide range of commercial uses to support local residents as well as the needs of the visiting public.

4.2 Encourage further development of the marina and waterfront area.

## **Economic Development**

Develop the eastern waterfront with multiple uses that provide broad public benefit and enhance overall community quality of life. Do so in balance with other aspects of the community and in ways that are consistent with the scale and character of Langley. Incorporate residential use in the downtown and along the waterfront in ways that complement, enhance, and do not detract from the primary commercial, civic, and public uses of these areas, that preserve the scale and character of Langley, and that preserve public views and access in these areas.

### Both proposals respond to the need for flexible and less restrictive standards.

In some cases, adopting more flexible or less restrictive standards can allow infill development (residential and mixed use) to go forward, where existing regulations might discourage such development. Many infill parcels were created under regulations which have been replaced by newer, stricter standards. The size or configuration of these older parcels may make it difficult or impossible to develop them while meeting current standards. For instance, new requirements for on-site parking or large setbacks may not leave adequate area to reasonably develop the pre-existing lot. In many cities, older but desirable neighborhoods could not be built under current standards, which favor more suburban, auto-oriented type development. Where larger parcels exist, it may be physically possible to carve out new lots under current standards. However, rising land values and improvements requirements may make it unprofitable to develop under current density allowances. Code changes are generally possible while still maintaining desired neighborhood qualities, if a city is clear about what it is really trying to achieve.

## Overall Planning Department Work Program

The city is currently implementing a work plan to update its comprehensive plan, conduct a build out analysis and refine the urban growth area boundaries. Subsequently the city will develop zoning code amendments that specifically address innovative housing projects. Until permanent ordinances regarding innovative housing projects can be implemented, there is a need to allow regulated innovative housing projects on an interim basis. The demonstration projects allowed under the interim regulation can demonstrate how innovation can be a win-win: developers, builders, buyers and renters have more choices, communities get new housing that fits well into existing neighborhoods, economic revitalization, and fulfilling the goals under the Growth Management Act (GMA). The demonstration projects will help shape the future strategies that will work best under various circumstances. The emphasis is on housing and mixed use developments that can work well in infill sites.

With regard to housing, innovation does not necessarily suggest development that is radical or unusual. The goal is not to provide “adventurous” housing: the vast majority of people are very conservative when they invest in homes or income properties. Rather, the innovation comes from efficient and creative use of spaces, features and amenities, both within the overall development and the individual homes. Innovative housing seeks the right size for each market segment, offering just the things it needs. The result is housing that costs less, uses less land, has lower impacts on the environment, and often provides opportunities for social interaction.

### **C. RECOMMENDATION**

**The planning agency recommends the city council authorize a second reading on the proposed ordinances addressing affordable housing and mixed-use development.**