

**Growth Management Services
Increasing Urban Residential Building Capacity
E2SHB 1923 Grant Application Form
Due Feb 28, 2020**

Summary Page

Name of Jurisdiction City of Langley

Total Funding Request \$40,000

Which of the following activities do you intend to pursue with this grant?

- Increase residential density near commuter or light rail stations to 50 dwelling units per acre.
- Increase residential density along high frequency transit corridors to 25 dwelling units per acre.
- Authorize at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences.
- Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences.
- Authorize accessory dwelling units (ADUs) on all parcels containing single-family homes.
- Adopt a subarea plan pursuant to RCW 43.21C.420.
- Adopt a planned action pursuant to RCW 43.21C.440 (1)(b)(ii).
- Adopt an infill exemption under RCW 43.21C.229 for residential or mixed-use development.
- Adopt a form-based code in one or more zoning districts that permit residential uses.
- Authorize a duplex on each corner lot within all zoning districts that permit single-family residences.
- Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW.
- Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city.
- Housing action plan.

1. Jurisdiction Information

Applying Jurisdiction	City of Langley
Joint Applicants	<i>If two or more cities are jointly applying and collaborating on this grant, please duplicate this page, and submit a separate page for each city. Please indicate which city is the "lead" city for purposes of the grant.</i>

Project Manager	<i>If submitting a joint application, this designated lead person will be responsible for keeping the other participant city contacts informed about the grant.</i>		
Name (Lead Contact)	Brigid Reynolds		
Title	Director of Community Planning		
Department	Community Planning		
Mailing Address	PO Box 366		
City	Langley		
State	WA	Zip Code	98239
Telephone Number	360.221.4219		
Email	planning@langleywa.org		

Financial Contact	<i>Please provide name and contact information for the person who will be responsible for receiving and accounting for the grant funds.</i>		
Name	Brigid Reynolds		
Title	Director of Community Planning		
Department	Community Planning		
Telephone Number	360.221.4219		
E-mail	planning@langleywa.org		
Unified Business Identifier (UBI) Number	152000019		
Statewide Vendor (SWV) Number	SWV0008128-00		

Authorized Official	<i>The name and title of the office authorized to sign the grant agreement on behalf of the city.</i>		
Name	Tim Callison		
Title	Mayor		

2. The Scope of Work and Project Schedule

Provide a complete a proposed Scope of Work, detailing the Steps for each Action. Instructions are in the Grant Application Instructions.

- All local legislative actions must be adopted prior to April 1, 2021. Housing Action Plans may be adopted by June 15, 2021.
- Any grant Deliverables must be submitted by June 15, 2021.
- If you propose multiple Actions/Steps/Deliverables, please duplicate the table below as needed.

Scope of Work

Action: <i>As listed in RCW 36.70A.600</i>			
Adopt a form-based code that would apply to two single-family zone districts (RS5000 and RS7200) in order to enable infill multi-family housing units. This action includes authorizing at least one triplex on each parcel in these two zone districts.			
Steps/ Deliverables	Description	Start Date	End Date
Action 1	Refine the scope of work and complete the RFQ process	4/15/2020	5/15/2020
Deliverable 1	Consultant contract		5/20/2020
Action 2	Prepare draft FBC and Regulating Plan and related plans	5/20/2020	10/1/2020
Step 2.1	Prepare Public Participation Plan	5/20/2020	6/2/2020
Step 2.2	Gather relevant data and review existing code	5/20/2020	7/10/2020
Step 2.3	Assess existing conditions of the built environment	5/20/2020	7/10/2020
Step 2.4	Define the community's vision	7/1/2020	7/15/2020
Step 2.5	Community meeting		7/1/2020
Step 2.6	Prepare a draft regulating plan and zone district regulations	7/15/2020	9/15/2020
Step 2.7	Prepare draft architectural standards	7/15/2020	9/15/2020
Step 2.8	Prepare draft development review process	7/15/2020	9/15/2020
Step 2.9	Community meeting		9/15/2020
Deliverable 2	Draft FBC and Regulating Plan and related plans		10/1/2020
Action 3	Prepare the final draft plan	11/2/2020	1/31/2021
Step 3.1	PAB Public Hearing	1/15/2021	1/31/2021
Deliverable 3	Final draft Plan		1/31/2021
Action 4	Adoption process for the final plan	2/2/2021	3/19/2021
Step 4.1	Prepare staff report and draft ordinance		2/15/2021
Deliverable 4	Adopted final Plan and ordinance adopted		3/19/2021

3. Budget

Please proposed a project Budget to reflect your expected expenses for each deliverable. Include only the expenses that will be directly related to completing the items included in the Scope of Work. Please ensure that the adopted version of each action is valued at 30% of the grant amount for the action.

Please provide a summary of the amount of funding needed to fund each deliverable.

Action / Deliverables	Commerce Funds	Other Funds [If applicable]
#1 Consultant Contract		\$500
#2 Draft FBC and Regulating Plan	\$18,000	\$10,000
#3 Final draft FBC and Regulating Plan	\$10,000	\$10,000
#4 Final FBC and Regulating Plan and ordinance	\$12,000	
Total:	\$40,000	\$20,500

Budget Narrative: For each Action, please support the funding request with estimates of staff hours staff hourly rates, and other expenses.

Brigid Reynolds will be the staff person responsible for managing the project. Her hourly wage including benefits is \$54.00.

The majority of the funds will be used to pay for consulting fees.

Action 1: Consultant contract

This action will be funded by the City.

Approximately 20 hours to complete RFQ and scope of work

Advertising \$500

Action 2: Draft FBC and Regulating Plan

Project management approximately 4 hours/week for 19 weeks – 76 hrs

Community meeting related expenses \$500 includes advertising, room rental, photocopying

Action 3: Final draft FBC and Regulating Plan

Project management approximately 3 hours/week for 13 weeks – 39 hrs

Community meeting related expenses \$500 includes advertising, room rental, photocopying

Action 4: Final FBC and adoption

Project management approximately 25 hours

Community meeting related expenses \$500 includes advertising, room rental, photocopying

4. Grant Application Questions Commerce will award points proportionate to the level of effort proposed by a city, and the demonstrated potential for a significant increase in residential building capacity, or regulatory streamlining. Please refer to the *Grant Application Instructions* for more detail regarding scoring and ranking.

4.a Readiness to Proceed: (0-20 points)

The City of Langley adopted its Comprehensive Plan in March 2018. The plan includes over 40 goals and policies that support to differing degrees the integration of multi-family into single family neighborhoods and support the use of innovative planning strategies to achieve the same. A couple of the key goals are as follows:

Goal H-1: 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, tiny homes, ADU's, housing that allows people to age in place, and other innovative forms of housing.

Goal H-2: 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.

Goal H-3: Pedestrian Orientation, Community and Safety

Encourage new subdivisions and neighborhoods that are designed to be pedestrian oriented and maintain a development pattern consistent with promoting a sense of community and safety.

Goal T-2 Urban Design

Design, regulate, and maintain Langley's transportation network to balance the needs of all uses and users, recognizes the streets' role as public spaces, and retains Langley's smalltown character.

Attached to this application is an appendix that includes the related Comprehensive Plan goals and policies.

Since the adoption of the Comp Plan the Planning Department has been working to facilitate new infill construction and the following code amendments have been made:

- Amended code to permit two ADUs in all RS zones (on sewer) and to reduce barriers to the development of new ADUs (Ordinance 1051, 2019)
- Amended code to permit tiny homes and tiny home communities (Ordinance 1051, 2019)
- Adopted a robust short-term rental code that limit whole home short-term rentals to a maximum of 30. (Ordinance 1058, 2019)
- Rezoned over 40 parcels from RS7200 to RS5000 to facilitate the creation of smaller infill lots (Ordinance 1054, 2019)

The Planning Advisory Board has been the advisory body for these code amendments and would act as the citizen advisory body for the form-based code project.

In July 2018 a housing questionnaire was distributed to Langley community members and businesses through utility bill. The purpose of the questionnaire was to get a better understanding of community member's opinions regarding housing needs in the City.

The Planning Director will be staff coordinator for the grant and project. With her 23 years of professional planner experience she has coordinated numerous successful grant applications and award-winning projects. She has worked on affordable housing related matters and projects since 1992 in various capacities. In 2015 she was the senior planner on the planning team working with a consultant to prepare the University Village Local Area Plan. This was a joint project between two local governments. This was the first form-based code including a regulating plan that was prepared and adopted by the District of North Cowichan, BC and City of Duncan. She prepared the successful grant application for partial funding for this project.

A consultant will be hired through a competitive process as required by RCW 39.80.

The Planning Director's 2020 workplan includes a project to hire a consultant to prepare robust design guidelines for infill housing and to amend the code to permit multi-family as a conditional use. Additional code amendments that were anticipated to further reduce barriers to the construction of multi-family units include reducing setbacks, reducing parking requirements and increasing building height. This grant opportunity will enable this project to be modified such that a form-based code (FBC) for infill multi-family housing will be prepared and adopted instead.

In January 2020, the City recently entered into a MOU with a developer who owns 40 ac of land in the City. The developer would like to develop at a higher density than the 24 lots permitted by the original development agreement. The underlying zoning permits a gross density of 112 units. The MOU requires the developer to hire consultants to prepare a Planned Unit Development (PUD) code to enable them to make an application. The first community meeting was held 2/26/2020. The consultants have begun work to prepare a form-based code for the new PUD code. Placemakers, the consultant hired by the developer met with City Council and members of the Planning Advisory Board to discuss form-based codes after the community meeting. These two meetings were invaluable to increase understanding of FBC by Council and the PAB and acceptance of this as a form of land use regulation that can fit in the City of Langley.

4.b Local Commitment to the Project: (0-10 points)

For the 2020 budget Council allocated \$20,000 to hire a consultant to prepare design guidelines for infill multi-family housing and to amend the zoning code to permit multi-family as a conditional use in single family residential zone districts. Adopting a form-based code would accomplish the goal of reducing regulatory barriers to would allow infill multi-family housing development.

In 2009 the City adopted the "Wharf Street Form-Based Design Approach" for a specific geographic area to honor the historic development footprint, protect vital critical areas and to recognize spatial and access constraints. The city is therefore familiar with this type of code.

The current budget allocation of \$20,000 together with the grant would enable the City to hire a consultant to undertake a robust planning process and complete a comprehensive form-based code with design guidance and a regulating plan.

Staff time is in-kind. The estimated staff time for managing this project varies across the different phases. This work will be completed by the Director of Community Planning. Support staff will be used on a limited and as needed basis.

If the City does not receive grant funding planning staff would revert to the original project to hire a consultant to prepare design guidelines for infill multi-family dwelling units. The City would also proposed to amend the code to permit multi-family as a conditional use in the RS5000 and RS7200 zone districts.

As mentioned above a private developer is preparing draft form-based code for a planned unit development. Reaction by Council and the PAB to this approach was very positive.

4.c Potential to increase housing supply or provide regulatory streamlining

(0–40 points)

There is approximately 1 ac of undeveloped lands in the City zoned Residential Mixed (RM) for multi-family housing. The RM zoning code is a suburban standard and not conducive to good design particularly on smaller lots. For example, the setbacks are the same between single family and multi-family zone districts. Also, the existing design guidelines are generic and don't provide clear guidance for developers and doesn't provide community members with a clear understanding of what they might expect to see developed in the City. Recent discussions with the owner of two of these parcels has revealed that greater density can be achieved if the lands were downzoned to the RS5000 zone district and the developer built one single family residence and two accessory dwellings that are permitted in that zone.

There is approximately 4 ac of un or underdeveloped land in the RS5000 zone district. The zone district is located within ½ mile of the downtown core and therefore very walkable. On lots where there are older smaller homes there are opportunities for infill development. The City recently upzoned 40 lots to the RS5000 zone district. This has resulted in one boundary line adjustment to create a developable lot and another application has been received to short plat one large lot into three.

There is approximately 110 ac of un or underdevelopment land in the RS7200 zone district. Approximately 35 ac is not serviced by sewer. The Municipal Code is clear one dwelling unit and one accessory dwelling unit are permitted on lots where there is no sewer. No subdivision is permitted unless the lots are served by sewer. Currently approximately 65 % of the City is currently not serviced by sewer. The City has embarked on multi-faceted infrastructure project that includes extending sewer to portions of the City that are not currently serviced. Most of this area is in the RS7200 zone district. The electorate voted in favor of a bond measure for \$3 M and the County has confirmed grant funding for \$4 M. The City has hired the engineering firm who will be responsible for constructing this project. The engineering and planning work is underway and will be completed by the end of 2020. Construction work will begin in 2021. The new form-based code would apply to both the RS5000 and RS7200 zone districts thereby enabling

A recent non-project action to rezone lands to the RM zone district was met with opposition from neighbors. The opposition was primarily NIMBY in nature in that it was just the adjacent neighbors who expressed concerns about the rezone. There was no appeal of this process.

Form-based codes tend to provide greater predictability about the visual aspects of development, in particular how well it fits in with the existing context of the community. Infill multi-family housing units would be permitted by right in the new form-based code that would apply to two zone districts in the City. The large lot zone RS15000 would not be included.

Eliminating the requirement for owners and developers to rezone their property to the RM zone would reduce a significant hurdle as well as costs for a developer to develop infill multi-family dwelling units. As the City has not adopted a EIS an applicant would still need to undergo a SEPA determination.

The estimated number of additional units that may be allowed as a result of permitting multi-family infill in the RS5000 and RS7200 zone districts over a 20 year period is 117 dwelling units. As noted above there is a total of 39 ac of land that is un or underdeveloped. Assuming 20% of this area was developed as multi-family, i.e. 7.8 ac with a density of 15 dwelling units/ac (the City's current highest density zone district) this totals 117 dwelling units. The 20% assumption closely resembles the ratio of single to multi-family units in the City.

4.d Local or regional need (0-20 points)

The City of Langley is one of three incorporated jurisdictions in Island County. It is one of the main service centers for South Whidbey Island.

January 2018 Island County completed a housing challenges and assets memo that identifies and summarizes key housing related issues. One of the findings states “the housing market in IC needs more types of housing.” (pg 2)

Island County determined that 27% of dwelling units in south Whidbey are vacant, recreational or second homes, Island County as a whole was 18% and it was 9% for the State of Washington. According to the 2017 ACS 12% of dwelling units in Langley are vacant.

In July 2018 the City prepared a survey that was sent out with utility bills to 600+ homes in the City. We received 142 responses. Sixty-two percent of respondents stated there are not enough housing options for homeowners and renters

Cost-burdened

According to Island County’s 2018 housing needs assessment, over 30% of IC households are housing cost-burdened. Based upon the 2013 – 2017 American Community Survey 5-year estimates 56% of Langley renter households paid 30% or more of their household income on housing related costs and 34% of owner households.

Housing by type

According to Island County’s 2018 housing needs assessment, 80% of IC’s housing stock is single-family dwellings, 11 % is multi-family. In the City of Langley 28% of the total units are multi-family (two or more dwelling units). This reflects a reasonable balance however based on City building permit data, for the period between 2010 and 2018 the number of dwelling units increased by 10% from 678 to 755. In that same period the number of multi-family unit increased by eleven units, however the ratio of multi-family units to single-family units decreased.

Demographics in Langley

Household size – IC dropped from 2.35 to 2.33 between 2010 and 2015; WA increased from 2.51 to 2.56 for that time period. In Langley average HH size decreased from 2.18 in 1990 to 1.86 persons per household in 2015

Age and gender

The City of Langley’s population is older than the rest of Island County. The City’s household size is smaller and women outnumber men. This is significant because women tend to have lower incomes than men and therefore fewer housing choices. Women also live longer than men, statistically.

Median age – Oak Harbor is 30 years of age, IC 43 years of age, and Langley 58 years of age.

2010 census revealed that 16% of the population were men between the ages of 60 and 90+ years, while 26% were women.

Between 1990 and 2016 IC population grew at an average annual growth rate of 1.2 %. Due primarily to in-migration. The City’s average annual growth rate for that period was 1.1%

Approximately 11 % of housing units in the City are subsidized or have some form of rent control or limit on the resell value.

Density

The average percentage of dwelling units per acre in the City is low at 1.7 DU/ac. The density permitted in the Residential Mixed zone district is 15 DU/ac and 2 DU/ac in the lowest density zone district, RS15000. (2018 Comprehensive Plan)

4.e Demonstration Potential: (0-10 points)

Is this a project that would provide an example that can easily be used by other local governments? Describe how the project or elements of the project could be transferred to other jurisdictions. Include factors that may limit the transferability of the project, such as budget and staffing, and factors that would make it broadly applicable.

The City of Langley is a small historic town that prides itself on being a vibrant, artistic, human-scaled, and walkable community that supports social and cultural connections amongst locals and visitors. One of the Comprehensive Plan goals is to encourage changes that promote livability, pedestrian orientation and thoughtful design. This community identity is not unique to Langley and is shared by many small historic towns around the State of Washington. However, encapsulating this identity in a form-based code that can be understood by both community members and the development community is unique. Langley's experience can provide guidance and act as an example for the growing number of small communities who recognize their existing land use codes are inflexible and their design guidelines are not creating the built environment that is desired. All plans and documents prepared for this project can be widely shared.

Thank you for completing this application. Applications must be submitted in electronic format, along with a letter of authorization from the mayor. Applications must be emailed, preferably as a single document to gmsggrants@commerce.wa.gov by 4:00 p.m. on February 28, 2020.

CHECKLIST

- X Include letter of authorization from City Mayor or authorized official, formalizing commitment to the project.

- X Submit application and authorization letter to gmsggrants@commerce.wa.gov by February 28, 2020, 4:00 p.m.

- X Complete Survey Monkey survey on your jurisdiction's existing use of these tools and intent under the grant.
 - City over 20,000 <https://www.surveymonkey.com/r/TVB5RGF>
 - City under 20,000 <https://www.surveymonkey.com/r/SZLCRRB>