Housing Element
8/29/2017
Housing

While it takes a range of land uses to create and sustain a village, it is the provision of adequate housing that is arguably the single most important use for the vast majority of Langley’s citizens. For those who call Langley “home,” the word means both the community and the above-store flat, cottage home, single-family house, condominium, duplex unit, or accessory dwelling in which they live. Housing options are exercised at a very personal level and can include considerations such as family size, household income, mobility, second homeownership, individual preferences (older vs. newer, lots of neighbors or somewhat isolated, large lot or common wall, room for a garden or no maintenance, etc.), or simply proximity to important people or places. For the vast majority, the choice to live in Langley is likely a voluntary one and their connection to the wider community is part defined by that choice.

In a similar vein, it can be a measure of the community that it crafts housing policies and associated regulations to promote diversity in both housing types and styles and the people who make Langley their home. That there is a strong link between the demands for certain types of housing and the demography of the current Langley population is undeniable. However, it is equally true that the City’s desire to increase the diversity of its population must necessarily be linked to offering a wider range of housing options than might be available at the moment. In other words, housing policy should focus on what the community wants for the future, not necessarily a continuation of what it has today. Consequently, this element concentrates on describing the baseline for housing in 2016, discusses current trends in demographics, and introduces strategies to address key initiatives of increased diversity and affordability.

LANGLEY HOUSING

According to the 2015 Land Use Inventory, there are 707 total housing units within the city limits of Langley, which is very close to the April 2014 estimate of 703 housing units supplied by the State of Washington's Office of Financial Management. As of the end of 2016 the total number of housing units is 744. To provide some perspective, the number of housing units in Langley increased from 526 to 678 between 2000 and 2010 representing a net increase of 152 units. An additional 66 units were constructed between 2010 and 2016. Four years into the second decade of the 21st century, the City has added 25 new homes. The following sections examine several aspects of the Langley housing stock over the past 15 years.

Housing Composition

As of the end of 2016 the breakdown of housing unit types is 533 single-family detached units, or 71.6% of the total. The remaining 28.3% are multi-family, duplex or residential units above commercial businesses, mixed-use housing.
The construction of single-family detached units continues to significantly outpace common wall construction during the last fifteen years decade and it appears that this trend will continue, continuing to this Applications under review currently suggest that this trend will continue (see Population Projection and Housing Capacity Analysis below for an explanation).

Table H-1
Housing Composition 2000, 2010 and 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family Detached</td>
<td>325 (61.8%)</td>
<td>473 (69.8%)</td>
<td>494 (70.3%)</td>
<td>533 (71.6%)</td>
</tr>
<tr>
<td>Multi-Family, Duplex, Mixed Use</td>
<td>201 (38.2%)</td>
<td>203 (30.2%)</td>
<td>209 (30.2%)</td>
<td>211 (28.3%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>526</td>
<td>676</td>
<td>703</td>
<td>744</td>
</tr>
</tbody>
</table>


Housing Size
Home sizes, as measured by the number of bedrooms, appear to be getting larger in Langley. While there was a modest percentage increase in the number of dwellings with one bedroom, the biggest single shift was the percentage and actual increase in the number of two-bedroom homes. This increase was largely at the expense of larger dwellings, which dropped by over 4%. This trend to larger houses is shared with most other cities across North America. According to real-estate publication, Property Shark\(^1\) homes built within the last six years are 7.4% larger than most built in the 1910s. In contrast, family sizes have decreased.

Table H-2
Number of Bedrooms per Dwelling Unit, 1990 to 2000

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2014</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Bedroom</td>
<td>5 (1.0%)</td>
<td>7 (1.0%)</td>
<td>2</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>98 (18.6%)</td>
<td>107 (15.3%)</td>
<td>9</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>191 (36.3%)</td>
<td>297 (42.3%)</td>
<td>106</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>173 (32.6%)</td>
<td>251 (35.7%)</td>
<td>78</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>48 (9.1%)</td>
<td>32 (4.5%)</td>
<td>-16</td>
</tr>
<tr>
<td>5+ Bedrooms</td>
<td>11 (2.1%)</td>
<td>8 (1.2%)</td>
<td>-3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>526</td>
<td>703</td>
<td>+177</td>
</tr>
</tbody>
</table>

Source: 2000 US Census and 2010-2013 American Community Survey 5-year Estimates

Housing Character and Condition
By county standards, Langley’s housing stock is relatively old. The City contains many homes greater than 50 years old with about 15% of the city’s housing dating from before 1939. These homes are dispersed throughout the city. A survey of the condition of housing in Langley was conducted in 1992 by local resident and volunteer Bob Barnes, under the supervision of Jack Lynch, former planner for Langley. A four-scale rating system was used: 1 stands for housing in good condition; 2 for housing needing deferred

\(^1\) https://www.propertyshark.com/Real-Estate-Reports/2016/09/08/the-growth-of-urban-american-homes-in-the-last-100-years/

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maintenance or moderate repair; 3 for housing needing substantial repair or substantial numbers of moderate repairs; and 4 for deteriorated/dilapidated housing.

The survey found that Langley's neighborhoods contain a diverse housing stock that is generally in good condition. In most neighborhoods, one can find a variety of housing types, including rental units above retail uses in older buildings, duplexes and townhouses, and a wide range of detached single family homes. Only one neighborhood, Saratoga, had less than 75% housing in good condition, and overall 84% were in good shape. Downtown, which includes many historic houses, has been well-maintained or restored. An insignificant number of houses are in substandard condition, although the survey did not look closely at the condition of foundations.

**Subsidized Housing**

As of 2016, Langley has approximately 12% of its housing in subsidized rental units. This has remained relatively unchanged since 2007, a drop of 4% from the 1990 figure. While the actual number of subsidized units has increased to 73 dwelling units, the percentage has dropped because nearly all new housing units constructed during that period were market rate. The following describes the three subsidized housing complexes in Langley.

These subsidized rental units are located primarily in three complexes. The most recent addition to Langley's affordable housing stock is the House of Hope.

**Brookhaven.** Located at 150 Fourth Street is a 40-unit row-house development consisting of 1- and 2-bedroom, as well as efficiency units. Rents are based on 30% of the family's adjusted income and eligible households must have an income of 80% or less of Average Median Income (AMI), be 62 years or older, or be a person with a disability.

**Brookhaven.** Located at 150 Fourth Street in Langley. Brookhaven is a 40-unit public housing complex with operating subsidy provided through the federal housing budget. Qualifying tenants are generally elderly or are persons with disabilities. Units range from efficiency studios to 1- and 2-bedroom apartments, with rents based on 30% of adjusted monthly income. Average rents are approximately $150–$200 per month. According to the Island County Housing Authority, there is currently a 2- to 3-year waiting list for Brookhaven.

**Saratoga Terrace.** Located near downtown Langley at 350 Manchester Way, the Saratoga Terrace apartment facility receives a subsidy from the U.S. Department of Agriculture Rural Development Program. All 22 units rent for below the market rate ($422–$507 per month) and 16 units have tenants who qualify for rental assistance and only pay up to 30% of their income for rent. All units are intended for couples or families; single residents are not permitted. Similar to Brookhaven, there is minimal turn-over at Saratoga Terrace.

**Glen Haven Condominiums.** In 1999 the Island County Housing Authority (HA) purchased these 12 units (4 triplexes), located across from Brookhaven on Fourth Street. Six units are for families at 50% or below of AMI, 3 units for families at 80%

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of AMI and 3 units at Market Rent. The rents vary from $625 - $800/mo. You must be 55 yrs. of age or older to be eligible to live at Glenhaven.

A loan from the State Housing Trust Fund helps to provide for subsidized rents and all but three of the units have rent subsidies. Rent structures vary for each unit, ranging from 80% below median income to 30% below median income. The three market-rate units rent for approximately $700 per month.

Availability of Rental Housing
Historically, the supply of housing has not equaled the demand in Langley. In 1990, for instance, the vacancy rate for rental housing was 2.8%, or below what is called the "frictional level." Vacancy rates below 4 or 5% indicate that there is not much on the market, merely units being prepared for new tenants. While the vacancy rate rose somewhat to 4.8% in 2000, the small amount of new construction of units that might traditionally be rented suggests continuing constraints on the availability of rental housing. The Island County Human Services Department indicate that in 2017 Q3 rental vacancy rates across Island County ranged between 2 and 3% and are likely lower in Langley given the smaller inventory. 2

DEMOGRAPHIC TRENDS AND HOUSING

As noted at the beginning of this element, Langley’s demographics play a seminal role in shaping the demand for housing. Logically, therefore, it is important to recognize trends within the city’s population as one tool in helping to craft housing policies for the next twenty years. However, while identifying trends may help us understand the current demographics direction, they do not necessarily mean that Langley needs to reinforce these trends through specific actions. More appropriately, housing policy should be tailored to serve the desired demographic composition of the city in 2025. The following sections look at several demographic measures available from the US Census information.

Age Profile
Langley’s population is the oldest in terms of age of any jurisdiction in Island County and indeed within the county and state. As shown in Table H-3, the median age in Langley in 2010 was 57 years of age. This was a 10.5 year increase from 2000. 2000 was nearly 49 years. This is also a mark significantly higher than Island County’s median age of 37 and the Washington median age of 35. The proportion of elderly in the City of Langley (aged over 65) similarly was greater than for the county and the State. Figure H-1, prepared using data from the U.S. Census, shows the shift in median age and general age characteristics between 1990 and 2000 and 2010. While some of the aging reflected in this figure is attributable to general societal trends (e.g., the baby boom and echo boom), it still highlights the gradual increase in Langley’s median age.

Table H-3

\[\text{Age Profile}\]

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1 Catherine Reid, Jun 14, 2017, email

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Age Characteristics Langley vs. County and State in 2010

<table>
<thead>
<tr>
<th></th>
<th>Langley</th>
<th>Island County</th>
<th>Washington State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Age</td>
<td>57</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>% Adults &gt; age 18</td>
<td>86%</td>
<td>79%</td>
<td>77%</td>
</tr>
<tr>
<td>% Population &gt; age 65</td>
<td>23%</td>
<td>18%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: 2010 United States Census

Figure H-1

2000 - 2010 Age Profiles for Langley

Housing Tenure

The proportion of units measured by the two main categories of housing tenure, owner-occupied and renter-occupied, changed little between 2000 and 2010 (see Table H-4). Owner-occupied housing increased by 49 units while renter-occupied housing increased by 20 units over the decade. While the number of units may have increased the total number of renter-occupied units have declined in that period. Seasonal, temporary, and unoccupied units grew to a total of 123 units, of which 62 were counted for "seasonal, recreational, or occasional use." As a percentage of total housing units in Langley, these second homes account for approximately 9% of the available housing stock. This figure is perhaps most concerning as these units may be occupied as vacation rentals or they may be vacant for extended periods. In either case, they can negatively impact a neighborhood as long term residents are replaced by people with less commitment to the community. Together with a declining number of renter-occupied units is resulting in fewer units available for renter households.
<table>
<thead>
<tr>
<th>Owner-Occupied</th>
<th>2000</th>
<th>2010</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>269</td>
<td>318</td>
<td>+49</td>
</tr>
<tr>
<td>Renter-Occupied</td>
<td>217</td>
<td>237</td>
<td>+20</td>
</tr>
<tr>
<td>Seasonal, Temporary, or Unoccupied</td>
<td>56 (10.3%)</td>
<td>123 (18.1%)</td>
<td>+67</td>
</tr>
<tr>
<td>TOTAL</td>
<td>542</td>
<td>678</td>
<td>+136</td>
</tr>
</tbody>
</table>

Source: 2000 and 2010 United States Census

Housing Affordability

Continuum of Housing Need
Housing affordability needs can be understood as a continuum of need ranging from absolute homelessness to market ownership housing. Households don’t always remain within one type of housing throughout their lives; changing circumstances (both positive and negative) can move people along the continuum.

The continuum is an important concept in housing policy and housing development because the level of financial and social supports required to construct the units and support the households change dramatically as one moves through the continuum. The private market may be able to deliver housing at the right side of the continuum, but funding subsidies are required as one moves to the left side of the continuum.

Direct government assistance is required on the left of the continuum to assist those who are homeless, those with very low incomes and those with special needs. These individuals can’t obtain housing without financial assistance for housing and social supports. In many cases, residents require social supports to obtain and retain their housing (e.g. life skills training, rehab & detox, supportive living services).

In the centre of the continuum, housing funding assistance and regulation (e.g. housing agreements, covenants) must be provided to ensure housing costs are low enough to allow those with modest incomes to obtain housing. These units are often government assisted.

On the right side, local government policy and regulation are needed to ensure an adequate range and mix of housing for a range of households. Options may include density bonusing, inclusionary zoning, and other forms of incentive zoning and development requirements.

Figure H-2 below shows Langley’s housing continuum.
There are a couple of common metrics used to quantify housing affordability. Housing and Urban Development (HUD) and the Washington Housing Policy Act RCW 43.185b define affordable housing as households (renter or home owner) who pay 30 percent or less of their household income on shelter and shelter related costs. A household paying more than 30 percent of household income on housing expenses is considered "cost-burdened". And "severe cost burden" are those households paying more than 50 percent. Figure H-3 below shows the percentage of income that both owner and renter households were paying in 2014 and clearly shows that a larger number of renter households are spending more of their income on housing and related expenses. As the housing market tightens these households are at a greater risk of losing their home and becoming homeless.

**Figure H-3 Housing Affordability, 2014**
Another measure of housing affordability is based upon households' income and housing costs relative to the average area median income. In 2013 in the City of Langley the median household income was estimated to be $38,523. This was the lowest in Island County and 37 percent lower than the US average. According to a report prepared by the Economic Development Council, almost 50 percent of households in Langley were earning less than the median income in 2013. The same report states that Langley has the highest median home value of $407,900 in Island County which is 130 percent higher than the US average. Median monthly rental rates in Langley were $936 in 2013. However, these rents don’t include additional shelter-related costs of utilities and insurance for example. Therefore, housing in Langley is becoming more unaffordable and with fewer rental units being built we are experiencing a growing challenge to house our community.

**Homelessness in Island County** – As with many North American communities there are increasing numbers of individuals and families that are finding themselves without permanent housing that is safe, adequate (in good repair and size) and affordable. As a result, people find alternative places to sleep/live such as camping outside, sleeping in vehicles, living in abandoned buildings, or in substandard buildings or couch surfing. The State has required counties to undertake point in time homeless counts since 2005. Table H-5 below shows a trend towards increasing numbers of households declaring themselves as homeless. Due to the nature of this population these figures are estimated as low.

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3 Island County Economic Development Council 2015 Demographics Report

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Table H-5
Island County Point in Time Count of Homeless Persons

<table>
<thead>
<tr>
<th>Year</th>
<th>Households without minors</th>
<th>Households with adults and minors</th>
<th>Households with only minors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>108</td>
<td>68</td>
<td>5</td>
<td>181</td>
</tr>
<tr>
<td>2016</td>
<td>120</td>
<td>80</td>
<td>0</td>
<td>200</td>
</tr>
<tr>
<td>2015</td>
<td>84</td>
<td>42</td>
<td>0</td>
<td>126</td>
</tr>
<tr>
<td>2014</td>
<td>62</td>
<td>57</td>
<td>0</td>
<td>119</td>
</tr>
<tr>
<td>2013</td>
<td>43</td>
<td>82</td>
<td>1</td>
<td>126</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, WA Annual Point in Time Count

Household Size
A key finding of population and housing change between 2000 and 2010 is that even though 152 dwelling units were added to the inventory of housing within the City of Langley over the decade, only 76 people were added to the population. This counter-intuitive finding is suggestive of several trends, including the increase in the number of seasonal or vacant units built over the decade (residency of less than six months does not count in the census), and the reduction in the average number of people per household (see Table H-5) which has fallen further to 1.86 persons per household according to 2015 OFM estimates.

The decline in people per household could be attributed to a variety of factors, such as more couples choosing not to have children, empty-nesters moving to the island, young families moving away due to increasing rents or the inability to accessibly purchasing a home. Whatever the combination of causes, this trend in declining household size, if it continues, is particularly important to recognize when identifying new housing policies, as smaller household sizes tend to prefer different types of housing and smaller units (such as cottage housing).

Table H-6
Average Household Size, 1990 and 2000

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>2.53</td>
<td>2.51</td>
<td>-0.79%</td>
</tr>
<tr>
<td>Island County</td>
<td>2.52</td>
<td>2.35</td>
<td>-6.75%</td>
</tr>
<tr>
<td>Langley</td>
<td>1.97</td>
<td>1.86</td>
<td>-5.58%</td>
</tr>
</tbody>
</table>

Source: 2000 and 2010 United States Census

POPULATION PROJECTION AND HOUSING CAPACITY ANALYSIS

With demographic trends that clearly show an increase in median age and
decreases in average household size, not to mention the uptick in the number of homes used for seasonal or vacation rentals less than half-time occupancy, it is clear that the City's goal to increase population diversity of its population faces and affordable housing options requires work on many fronts, some uphill challenges. An important aspect for achieving these goals is to more fundamentally, however, the City must demonstrate that there is sufficient land available to accommodate residential land uses to house its 20-year growth projection. To confirm adequate capacity, City staff in 2015 conducted a housing capacity analysis based on current zoning.

The Growth Management Act requires that the City must plan to accommodate the population in its Buildable Lands Analysis completed by Interlocal Agreement with the County. The Buildable Lands Analysis completed in 2015 current Interlocal agreement estimates that requires Langley must to plan for a net increase of 89 residents by the year 2036.

To gauge whether the size of the City's Urban Growth Area and the permitted densities are sufficient to accommodate projected growth, City staff created a methodology and conducted an inventory of vacant and undeveloped and agricultural parcels to determine how much additional housing capacity remains within the incorporated portion of the UGA. The results of the inventory and analysis are summarized in Table II-6.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Developed</th>
<th>Underdeveloped</th>
<th>Vacant</th>
<th>Agriculture</th>
<th>Total Area (acres)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB</td>
<td>14.27</td>
<td>0</td>
<td>1.18</td>
<td>0</td>
<td>15.45</td>
<td>2.64%</td>
</tr>
<tr>
<td>NB</td>
<td>9.96</td>
<td>0</td>
<td>6.53</td>
<td>0</td>
<td>16.49</td>
<td>2.68%</td>
</tr>
<tr>
<td>P-1</td>
<td>102.56</td>
<td>NA</td>
<td>NA</td>
<td>0</td>
<td>102.56</td>
<td>17.4%</td>
</tr>
<tr>
<td>RM</td>
<td>24.87</td>
<td>0</td>
<td>0.32</td>
<td>0</td>
<td>25.24</td>
<td>4.2%</td>
</tr>
<tr>
<td>RS5000</td>
<td>46.92</td>
<td>0</td>
<td>0.41</td>
<td>0</td>
<td>47.34</td>
<td>7.8%</td>
</tr>
<tr>
<td>RS-7200</td>
<td>123.91</td>
<td>36.87</td>
<td>46.68</td>
<td>0</td>
<td>207.46</td>
<td>35.2%</td>
</tr>
<tr>
<td>RS-15000</td>
<td>94</td>
<td>69</td>
<td>22.36</td>
<td>22.63</td>
<td>207.98</td>
<td>35.3%</td>
</tr>
<tr>
<td>Total</td>
<td>383.5</td>
<td>105.87</td>
<td>77.63</td>
<td>22.63</td>
<td>589.62</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source 2015 Land Use Analysis, City of Langley

Table II-7

Developed, Underdeveloped, and Vacant Lands (in acres)\(^4\)

<table>
<thead>
<tr>
<th>Zone</th>
<th>Total Area</th>
<th>13% Critical areas reduction(^5)</th>
<th>Fully Developed</th>
<th>Under developed</th>
<th>Vacant</th>
</tr>
</thead>
</table>

\(^4\) This assessment is based upon a parcel by parcel review using Google Earth air photos

\(^5\) This is based upon Island County's Buildable Lands Analysis Critical Area factor for Langley

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Thus, in raw numbers, there is substantially more than enough residentially zoned land (over 300 acres) to accommodate the anticipated projected population. However, the greatest availability for vacant and underdeveloped lands is within the RS15000 zone district and the ability to further develop this land is limited by the lack of sewer. There may be added constraints of critical areas for many of these lots. In addition, the density permitted in this zone district is low at 3 units per acre. As shown above less than one percent is zoned for multi-unit developments.

Increasing density is one of the most basic and potentially most effective techniques for facilitating/promoting housing affordability. As previously discussed, increasing density. Therefore the City must consider ways to increase the amount of land zoned for multi-family as well as enabling multi-family housing to be constructed across the City more broadly. Reducing barriers to encourage development is another mechanism to encourage the creation of more housing units.

This can be done through a variety of mechanisms, the creation of cottage housing, ADUs, and mixed-use development. Part of the challenge of meeting the needs of our growing region is to offer the types of housing that address the values that people hold for single-family housing, but with smaller spaces and smaller price tags.

**Housing Density in Langley**

**Table H-7**

<table>
<thead>
<tr>
<th>Zone</th>
<th>Permitted density</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS5000</td>
<td>8 units/acre</td>
</tr>
<tr>
<td>RS7200</td>
<td>6 units/acre</td>
</tr>
<tr>
<td>RS15000</td>
<td>3 units/acre</td>
</tr>
<tr>
<td>Mixed Residential</td>
<td>15 units/acre</td>
</tr>
</tbody>
</table>

Density is described as the number of housing units on a given size of land. In the City of Langley the gross housing density, that is the number of housing units across the

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6 Approximately 22.62 ac in the RS15000 zone is actively being used for agriculture.
whole city including roads, public land, and critical areas is 1.1 dwelling units per acre\textsuperscript{7}, the lowest of the three incorporated areas in Island County.

The permitted densities outlined above do not reflect that the Langley City Code permits density bonusing for different types of development or subdivision. These include for example, a one hundred percent increase for developments approved pursuant to the Innovative Permanently Affordable Housing project ordinance or 150% increase for developments approved pursuant to the clustered residential development ordinance. However, these ordinances are specifically established for single family residential development, not multi-family types of housing. In addition, the lot size is large thereby not possible for smaller lots proposing infill developments. These barriers will be examined in detail and reconsidered by the PAB and City Council to facilitate more housing options. As shown in Table H-1 the number of single family homes built in Langley far exceed multi-family units.

An acceptable density for the City of Langley:
- Supports a vibrant downtown core with retail and services for local needs
- Supports bike and transit infrastructure
- Builds on and enhances a sense of community
- Enriches Langley’s small town historic character

The ‘Missing Middle’ is used to define a range of multi-unit or clustered housing types compatible in scale with single-family homes. These are building types that are characteristic of pre-1940’s neighborhoods and consist of duplexes, three and four-plex buildings, townhomes, live/work, and small multi-plex buildings. These developments are suitable on larger lots and with good design they fit well within single family neighborhoods. One source considers ‘Missing Middle’ housing as being defined as “affordable-by-design workforce housing that helps meet the demand for walkable neighborhood living.”\textsuperscript{8} The sizes of units in ‘Missing Middle’ housing tend to be smaller than conventional single-family homes resulting in more units on a similarly sized parcel for one single-family home. The densities found in Missing Middle examples range from 16 up to 50 units per acre and can fit Langley’s small town character.

However, as noted in the Land Use Element, there is a serious shortage of land zoned for multi-family housing or dense single-family housing which has the greatest chance of being affordable. In other words, is this capacity in the right place and does it fulfill other objectives of this Comprehensive Plan? The following conclusions from the city’s first GMA compliant plan in 1991 appear still relevant today.

1. Based on current household incomes and the cost of housing, and assuming the average median-income for Langley continues to decline while housing costs increase, the current relationship of income and housing costs continue, there will be

\textsuperscript{7} Office of Financial Management April 2016
\textsuperscript{8} http://opticosdesign.com/the-missing-middle-affordable-housing-solution/
more households will be cost burdened and be challenged with finding affordable housing needing assistance to pay for housing by 2020. All of these could be expected to reside in high-density single-family or multi-family housing. Therefore, there would be a need for additional area for such housing for median- and lower-income households.

2. Traditionally, middle-income households can meet their housing needs in the market. However, with housing prices and rents rising faster than income, middle-income households are also having trouble meeting their housing needs. Until the balance changes, middle-income people will continue to experience problems finding housing they can afford. To compound their difficulty, they are not eligible for most assistance programs from the federal or state government. It is for this group that local government is considering changes to land use codes and permit systems, which will facilitate lower-cost housing development by the private sector. Local government can also support and facilitate efforts by owner-builders and co-housing groups.

In summary, while Langley clearly has sufficient capacity to meet its 20-year growth projection the majority of available land is within the single-family zone districts. Permitting multi-family developments following the 'missing middle' example can enable more affordable housing options. The shape and density of this capacity should be amended to more closely reflect the vision for the community expressed throughout this Comprehensive Plan.

**HOUSING TRENDS AND AFFORDABILITY**

Residential development regulations need to balance numerous goals and objectives. Much of the current regulations continue to reinforce single family suburban type development, proactively affect the quality of the built environment. The current minimum-lot-size standards of residential subdivisions are destructive to the landscape and are based on historic 1950s – 1980s market models. The concept of conservation design combined with mixed densities can greatly change and improve Langley’s semi-rural landscape while providing creative, marketable, and affordable housing choices. This section looks first at some alternatives to the existing single-family residential culture and concludes with a discussion of housing affordability.

**Residential Neighborhoods:** Langley's residential neighborhoods in Langley have are comprised of primarily single-family detached housing but there are with some small multiplex, courtyard, and cottage housing interspersed. These areas can accommodate combined-lot in-fill housing that would remain at a small scale, which would be sensitive to the existing small-town feel that Langley strives to maintain. This strategy can provide for a modest increase in overall density.

**ALTERNATIVE HOUSING TYPOLOGIES**

Post World War II American small-town housing has been typified, at least in the west,
by single-family homes and boxy common-wall structures, and Langley has its share of this vernacular. More recently, frustration with the one-style-fits-all approach has resulted in new and neo-traditional movements that are introducing a variety of housing styles. This section briefly describes housing looks at three typologies that have gained footholds in Langley, and explores other options suitable for Langley’s small town context that could be appropriate for new housing initiatives.

Cottage Housing: In an article published by the Housing Partnership, they note that the overwhelming preference among Americans (upwards of 85%) is to live in detached homes. They report that while a significant number of Americans live in multi-family housing, the majority of Americans would make sacrifices to live in single-family housing. Fostering a denser, more integrated community, one that encourages a sense of neighborhood community, is what many Americans feel is missing from their lives.

Further, a shift has started to take place among the demographic of American families when the 2010 Census was conducted, the size of the average household in Langley was 1.86, whereas in the nation it was 2.59. It is predicted that this downward trend in household size will cause a shift in the type of housing that people find desirable.

Cottage housing is an attempt to expand density while preserving the privacy and personal space of a single-family home, and it provides a chance to deepen our sense of relatedness in our communities. Cottage housing is defined as the clustering of small, single-family homes around a common area, developed with a consistent plan for the entire site. Cottages have gained popularity in recent years as a shared common area and the coordinated design has allowed for densities that are higher than typical single-family neighborhoods. These developments minimize the impact on neighboring residential areas. As a result, cottage housing has the potential to offer the benefits of single-family housing at a lesser cost.

In 1995 Langley adopted the Cottage Housing Development Zoning Ordinance to help expand its housing options. This type of housing is most suitable for larger lots within the city or at the perimeter of neighborhoods. The Third Street Cottages were introduced into the community with great success. This project increased the density by 100% by building eight detached units on four standard single-family lots. The homes share a community building, a garden, and a walkway while parking is screened.

The Highlands Planned Unit Development was initially approved as a cottage development however after the first phase the developer chose to change to a more conventional subdivision for the subsequent phases apparently due to homeowner preference.

Mixed-Use Development: Mixed-use development tends to consist of commercial/retail uses on the ground floor and residential units above. Some of the older retail shops on First and Second Streets are built as such but are only two stories. A recent example in the City is the mixed use building on Anthes with three commercial units on the ground floor and two floors with four residences above. Mixed-use developments are important as they can contribute to the vitality and interest of residents, provide additional
customers for neighborhood businesses, as well as offer a variety of housing options and reduce dependency on the automobile.

The Urban Land Institute (ULI) created a formal definition of mixed use over thirty years ago. This definition states that a mixed-use project must have three or more significant revenue-producing uses, significant functional and physical integration of the different uses, and conformity to a coherent plan. Mixed-use development is a way for cities to resist the trend of sprawl and for developers to maximize the value of land. Developers in the residential market say that homebuyers are attracted to development that contains complementary uses such as residential, retail, commercial, employment, civic, and entertainment uses in close proximity. Additionally, mixed-use development can contribute to the vitality and interest of residents, provide additional customers for neighborhood businesses, as well as offer a variety of housing options and reduce dependency on the automobile.

Recently, the City approved a new purpose-built mixed-use building on Antioch that will house two or three retail spaces on the ground floor and four residences on two floors above the retail.

Accessory Dwelling Units (ADUs): ADUs can either be attached or detached from the primary residential unit and are almost always subordinate in size, location, and appearance to the primary residential unit. These units contain a separate living unit which includes a separate kitchen, sleeping room or area, and bathroom. ADUs are permitted in all single family residential zones in the City. However, the exact number of ADUs within the City is unknown due in part that some homeowners establish them without approvals and City records have not been well maintained. These units do provide opportunities for rental housing however in most recent years they are also being used as vacation rentals taking them off the market as long term rentals. The process for granting approval of ADUs as well as connection fees for utilities may be a discouragement for homeowners to build or to go through the proper process. Therefore streamlining the process, reducing fees and generally making it easier for homeowners to build ADUs should be undertaken.

In the 1940s and 1950s, many families would rent an extra apartment over their garage or in the basement as a way to earn extra income to help pay their mortgage or other expenses. Known formally as Accessory-Dwelling Units (ADUs) and less formally as mother-in-law units, ADUs can either be attached or detached from the primary residential unit and are almost always subordinate in size, location, and appearance to the primary residential unit.

After World War II, communities adopted restrictive residential zoning regulations, which limited or banned such units altogether, usually for the sake of preserving single-family neighborhoods. Recently, the perception and attitude toward ADUs has started to change. Much of this shift can be credited to the effects of the challenge of affordable housing. Additionally, demographic trends are resulting in a growing number of smaller households, which has also contributed to an increased interest in these units. As we plan
for future growth, we must consider increased density in housing. The utilization of ADUs is just one way to accommodate an increasing population. The Washington Legislature mandates that cities with over 20,000 residents must encourage and allow for the use of accessory dwelling units in single-family zones. To date, Langley has permitted about ten ADUs in various parts of the City.

There are two housing developments recently added to Langley’s inventory that include housing affordability as a key goal for their intentional communities.

**Fifth Street Commons** is made up of 1- and 2-bedroom units in a four building apartment complex. It was originally built in 1996 as a purpose built rental. In 2012, a group of individuals came together to purchase the property and transform it into an intentional community. A central laundry and commons building was constructed in 2013. As an intentional community, the membership strives for a community that has a mix of owners and renters, is multi-generational, has a range of incomes, is ecologically responsive, and is socially healthy.

**Upper Langley** is an intentional community with 16 lots clustered on a 10-acre parcel located on the southwest end of Al Anderson Road. Each of the houses are less than 975 square feet. The project was developed based upon the City ordinance entitled “Innovative, Permanently Affordable Housing Projects.” The project is ‘deed restricted’ to keep the housing prices perpetually affordable and residents must meet income qualification of being a middle-income household, i.e. households with an income that are between 96 and 120 percent of the average median income. The community embraces values of conservation and sustainability.

**Corner Lot “Captain’s Homes”**. These homes typically include 1-5 units with a single entry, shared front porch, common front yard, and a backyard with private space. Parking is shared, with an entry from the side street or the alley. These homes are ideal for large corner lots either in the downtown or residential areas.

**Shared Living Residence** is a housing option in which a small group (typically, three to ten—sometimes, a few more) of unrelated people share the housing unit and the expenses and tasks of running the household. Residents may be all elderly adults or an intergenerational mix of older and younger adults. Each resident has a private bedroom and a shared or private bath; all residents share the kitchen, dining room, and living room/areas. Shared Living Residences are attractive to residents who are capable of independent living, but whose circumstances make them unable or unwilling to continue living alone. These residences may be purpose built or could be a converted larger single family residence. There are different management structures associated with this type of residence.

**The New “Boarding House”**. These homes are a combination of a captain’s home and an adult family home. They can include private space with cooking facilities, a shared social space, and intimate workspace. Like the captain’s homes, corner lots in the downtown corridor are suitable.

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H-17
Residential Neighborhoods: Residential neighborhoods in Langley have single-family detached housing with some small multiplex, courtyard, and cottage housing interspersed. These areas can accommodate combined lot in-fill housing that would remain at a small scale, which would be sensitive to the existing small-town feel that Langley strives to maintain. This strategy can provide for a modest increase in overall density.

Multiplex Homes: Buildings in compact form, 2-3 stories high, while maintaining small-scale residential character. Parking is typically to the rear and/or underneath or to the side of the building. Various typologies fit this design intent including courtyard, row, or townhome housing. The front of the units should face the main street. Row and townhome designs should share a common roof form with individual entries. Stacked flats with a shared entry (typically 4 per entry).

Adaptive Re-Use: Special-condition housing developments such as old school buildings and churches may be attractive to non-profit housing groups for affordable housing or single-room occupancy.

Mixed Density Design: This approach is applicable to both urban and semi-rural contexts. This type of design mixes housing types within a cluster or phase of a development as opposed to locating one specific typology in one sector and a different typology in another.

Conservation Design: This density neutral approach is appropriate where preservation of natural features such as forested slopes, ravines, ridges, wetlands, etc. are considered a priority in the configuration of a lot's size and shape within a development. With this approach, the clustering of homes to preserve these natural features as well as to conserve open space is of prime consideration. Characteristics of a density-neutral development design include but are not limited to:

- No requirement for minimum lot dimension as long as significant contiguous open space is protected and conserved. Open space interspersed with compact housing development.
- Limited-access road that provide access to both individual and shared parking areas.
- Two- to three-story buildings.
- Ground-floor parking with two-story units above, which reduces the total building footprint.
- Private open spaces for each unit, which are attached to a larger common space.
- Can be patented or condominium (air-space) ownership arrangements.

Tiny Homes: Allow for the occupancy of "tiny homes" which is a dwelling unit 500 square feet or less with a kitchen and bathroom. These units may or may not be built with permanent foundations and some have wheels. Typically, these units are not built on-site but have the ability to be pulled by a vehicle and mounted to a foundation. Tiny homes can be useful in conjunction with many of the alternatives listed above in order to provide
additional affordability and conservation while providing a wider range of options than is currently being utilized. Tiny homes may be an ADU on an existing single-family lot or multiple tiny homes could be developed similar to the existing cottage developments found in Langley.

AFFORDABILITY OF HOUSING

There are a number of factors impacting Langley’s housing affordability and availability:

- Lack of available zoned land for higher density housing
- Real estate and land is becoming increasingly more expensive following broader regional trends
- Housing is being used for vacation rentals whether a full house or accessory dwelling unit
- Homes being used as second residences
- The existing permitted densities are very low
- Lack of sewer in the City restricts possible development
- A growing state population and changing demographics have added more people to the state and increased the number of households, which is placing an intense demand on local housing markets

Possible actions to reduce barriers to creating more housing in Langley include:

- Increasing ‘hidden’ density by permitting both ADUs and DADUs
- Creating a zone with smaller minimum permitted lot sizes
- Reducing utility fees
- Reducing parking and setback requirements
- Increasing the maximum height
- Work with the County on issues of common interest
- Permit multi-unit housing typologies reflected in the ‘Missing Middle’ throughout the City as a conditional use
- Permitting multiple “tiny homes” on a single lot
- Increasing the density for all zones
- Identifying a process to incentivize the creation of appropriate smaller sized lots

The dramatic increase in the cost of housing has pushed the dream of home ownership beyond the reach of a growing number of Langley residents. A growing state population and changing demographics have added more people to the state and increased the number of households, which is placing an intense demand on local housing markets. Contrary to popular belief, those unable to afford housing are not limited to those at the bottom end of the income ladder, but rather these individuals represent middle-income families and individuals.

With an annual average increase of 10% in the cost of housing on South Whidbey Island since the year 2000, it is not surprising that many current homeowners in Langley could...
What is Affordable Housing?
Federal guidelines define affordable housing as decent, quality housing that does not exceed 30% of a household's gross monthly income for rent/mortgage and utility payments. Island County is ranked as the 8th least affordable area in Washington State for housing and Langley is the most expensive area to live on Whidbey Island. As the cost of housing continues to rise, more low- and median-income households will either be evicted from the housing market altogether or forced to pay a larger portion of their income toward rent.

Classification—of—Income
Groups
The Department of Housing and Urban Development [HUD] and the State of Washington classify household income groups as follows:

- Very Low Income: Households below 50% of the average median income
- Low Income: Households between 50-80% of the average median income
- Lower Income: Households between 81-95% of the average median income
- Middle Income: Households between 96-120% of the average median income

The Washington Office of Financial Management and the US decennial census provides the following median household income figures for Langley, Island County, and the State of Washington:

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2010</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langley</td>
<td>$24,792</td>
<td>$30,868</td>
<td>$34,923</td>
</tr>
<tr>
<td>Island County</td>
<td>$45,515</td>
<td>$57,190</td>
<td>$56,455</td>
</tr>
<tr>
<td>Washington State</td>
<td>$45,776</td>
<td>$57,244</td>
<td>$59,472</td>
</tr>
</tbody>
</table>

The cost of housing has increased, and incomes have not kept pace. Many families now pay in excess of 30% of their income to housing, and the inability of income to keep up with the cost of housing is pushing moderate- and low-income residents out of the local housing market.

Increasing density is one of the most basic and potentially most effective techniques for promoting housing affordability. As previously discussed, increasing density can be done through the creation of cottage housing, ADUs, and mixed-use development. Part of the challenge of meeting the needs of our growing region is to offer the types of housing that address the values that people hold for single-family housing, but with smaller spaces and smaller price tags.

HOUSING PROGRAMS SERVING WHIDBEBY ISLAND AND ISLAND
COUNTY

Saratoga Community Housing: This community land trust formed in 2006 to concentrate efforts to provide affordable housing throughout Island County.

Housing Authority of Island County: No organization has had a greater impact on meeting the housing needs for low-income residents than the Housing Authority (HA) of Island County. HA provides and administers various public programs including HUD-subsidized housing for the elderly and persons with disabilities as well as the HUD Section 8 Housing Choice Voucher Program (rental assistance and home ownership). It also developed partnerships with other private and public service organizations such as CADA (Citizens Against Domestic Abuse) and the Opportunity Council to provide emergency and transitional housing for women and children, transitional group housing for persons with mental illnesses, transitional housing rental assistance, and other assistance.

Habitat for Humanity: Since 1998, Habitat for Humanity has completed eight new homes in Island County, averaging two new units per year. To date, none of the homes have been constructed in Langley, primarily due to the high cost of undeveloped lots within the city. Eligible applicants must be within 30% - 80% of median income to qualify for 0% financing and are required to provide a down payment, pay a monthly mortgage, and invest 250 - 500 hours of sweat equity. The homeowner is responsible for the cost of materials to build the house and Habitat covers the cost of the land and the infrastructure. The average Habitat home built in the United States costs $60,000 (www.islandcountyhabitat.org/). Homes are built in partnership with local churches, organizations, and businesses, along with staff and community volunteers. Habitat for Humanity purchased two parcels on Brooks Hill Road at the entrance to Langley. The development is in its planning phase but will be a welcome addition to the City.

The Langley House of Hospitality, House of Hope opened Memorial Day 2015 and since opening it has been at full capacity. This four-bedroom home is owned and operated by the South Whidbey Homeless Coalition. House of Hope provides short term housing for families with children and vulnerable adults up to a maximum of 90 days. If needed guests are provided with additional "mentor" support for six months once they have left.

Island County Human Services Support Center was established in 2016 to assist families and individuals that are either at risk of becoming homeless or already experiencing homelessness. The Housing Support Center conducts screenings and assessments, considers all housing programs and determines which program and service provider can best accommodate the needs of those seeking housing.

HOUSING GOALS AND POLICIES

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, housing that allows people to age in place, and other innovative forms of housing.

| H-1.1 | Include more flexible development standards to increase housing diversity and affordability including but not limited to:  
  - Reducing minimum lot sizes  
  - Increasing density on single family zoned lots  
  - Reducing lot lines to zero for attached multi-family housing  
  - Reducing maximum lot size for clustering  
  - Increasing lot coverage for small lots, accessory dwelling units, and multi-family lots  
  - Reducing setbacks  
  - Narrowing street widths  
  - Permitting shared or common parking between dwellings. |

| H-1.2 | Encourage developers to design and build innovative housing options including creative housing alternatives for individuals at each stage of life. |

| H-1.3 | Actively promote the “missing middle” housing typology that includes row housing, townhouses and small scale apartments. |

**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.

| H-2.1 | Expand where multi-family residential housing is permitted. |

| H-2.2 | Encourage attached and detached ADUs in residential zones provided character, scale, and appearance are consistent with the existing dwelling unit. |

| H-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. |

<p>| H-2.4 | Ensure that new development is sensitive to and reinforces the design character of existing neighborhoods, promotes the pedestrian orientation of neighborhood streets, and encourages street and development patterns that promote social interaction as well as privacy. |</p>
<table>
<thead>
<tr>
<th>H – 2.5</th>
<th>Continue the conservation of housing through public investment in the infrastructure needed to service the community (water, sewer, storm drainage, streets, and pathways) and in development regulations necessary to prevent incompatible land uses.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal H-3: Pedestrian Orientation, Community and Safety</strong></td>
<td>Encourage new subdivisions and neighborhoods with a pedestrian orientation and housing that maintains a development pattern consistent with promoting a sense of community and safety.</td>
</tr>
<tr>
<td>H – 3.1</td>
<td>Promote residential development that will facilitate pedestrian and transit access to commercial areas, employment, schools, and park or recreational areas.</td>
</tr>
<tr>
<td>H- 3.2</td>
<td>Encourage new development, remodeling, or adaptation of existing structures for multiple residential use to provide accommodations and access for residents to gather for either impromptu or formal meetings, community affairs, and to provide access to the full range of public services</td>
</tr>
<tr>
<td>H – 3.3</td>
<td>Discourage front-access garages and curb cuts. Encourage alleys and shared driveways.</td>
</tr>
<tr>
<td>H – 3.4</td>
<td>Encourage usable porches facing the street for community vitality and neighborhood surveillance.</td>
</tr>
<tr>
<td><strong>Goal H-4: Housing Affordability</strong></td>
<td>Enable the opportunity for affordable housing for a diversity of residents within the city of Langley.</td>
</tr>
<tr>
<td>H – 4.1</td>
<td>Explore innovative techniques that enable increased housing affordability including but not limited to long term rentals of accessory dwelling units (ADU), a housing trust fund, inclusionary zoning, density bonuses, smaller lot size, elimination of minimum lot size with appropriate open space, expediting permit processing, exempting Real Estate Excise Taxes (REET) to qualified sellers, incentives such as reduced or waived connection fees and reduced parking requirements and other provisions to be determined.</td>
</tr>
<tr>
<td>H – 4.2</td>
<td>Work with Island County and other local governments to develop a regional housing trust fund.</td>
</tr>
<tr>
<td>H – 4.3</td>
<td>Explore opportunities and mechanisms for workforce housing for residents with incomes between 80% to 120% of Area Median Income (AMI).</td>
</tr>
</tbody>
</table>

Commented [CP19]: Made more broad. Council review.
Commented [CP20]: Slight revision. Council review.
Commented [CP21]: Council review.
Commented [CP22]: New.
Commented [CP23]: Simplified. Council review.

8/29/2017 H-23
H - 4.4  Encourage new Accessory Dwelling Units (ADU) (both attached and detached) that provide long term rentals using incentives such as a reduced connection fees and parking requirement, density bonuses, and permitting more than one ADU on the property and must be served by sewer.

Commented [CP24]: More direct and specific to long term rentals. Council review

H - 4.5  Study the feasibility of developing an amnesty program to allow owners to regularize existing non-permitted ADU's (both attached and detached).

Commented [CP25]: New. Council review

H - 4.6  Consider establishing an inventory of old buildings that could be converted into affordable housing.

H - 4.7  Work to preserve the existing affordable housing stock.

H - 4.8  Work with and support the efforts of nonprofit and governmental housing organizations, such as the Housing Authority of Island County, Saratoga Community Housing, and Habitat for Humanity to develop affordable housing.

Commented [CP26]: Combined old H-4.6 and 4.8 Removed WI Share a house. Council review.

H - 4.9  Review the impacts that vacation rentals (Air B&B, VRBO, etc) may be having on long term rentals and housing affordability and if necessary, develop a strategy in response.

Commented [CP27]: New Ron Kaspirsin 11/17/15

H- 4.10  Allow increased density on existing affordable housing sites.

Commented [CP28]: New per PAB

Goal H- Special-Needs Housing
Work with Island County and other appropriate agencies to increase opportunities for residents with special housing needs.

H – 5.1  Encourage special needs housing to be located throughout the City.

Commented [CP29]: Simplified. Council review

Commented [CP30]: Broadened. Council review

Goal H-6: Green Housing
Encourage the development of housing and neighborhoods that reduces consumption of water, energy and other resources. And is less impactful on the natural environment.

H – 6.1  Reduce barriers and establish development regulations that encourage the development or redevelopment of more energy and water efficient homes and neighborhoods.

Commented [CP31]: Simplified. Council review

Commented [CP32]: Slight revision. Council review

8/29/2017  H- 24
| H - 6.2 | Support an ongoing program to inform homeowners, planners, and developers about opportunities to make new and existing housing resource efficient and environmentally friendly. |
| H - 6.3 | Facilitate and encourage the use of green building technologies and techniques. |

Commented [CP33]: New Council review.