



MONROE PLANNING COMMISSION

Regular Meeting
Monday, February 22, 2021, 7:00 PM
Zoom Online Meeting Platform

Chair
Jay Bull

Commissioners
Bridgette Tuttle, Vice Chair;
Kyle Fisher; Elly Britt;
Dionne Miller, Liz Nugent, & Mike
Stanger

Page

1. CALL TO ORDER

Virtual Participation Information The Planning Commission meeting will be held virtually via Zoom Meeting. Due to the COVID-19 crisis, and OPMA guidance issued by Governor Jay Inslee, in-person attendance is not permitted at this time.

Join Zoom Meeting:

- [Click here to join Zoom Meeting](#); or
- Dial in: (253) 215-8782
- Meeting ID: 841 8070 7197

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the audience may comment on any city matter that is not listed on the agenda. Comments by individuals are limited to three (3) minutes. The Commission usually does not respond to matters brought up during audience participation and may, if appropriate, address the matter at a subsequent meeting.

Virtual Participation Information

If you are attending the meeting virtually (using the link or number provided above) please indicate that you would like to speak by clicking “raise hand” and the Chair will call on attendees to speak at the appropriate time. If you are joining by phone, dial *9 to “raise hand.”

Attendees can alternatively submit written comments to be read into the record at the time of the meeting. All written comments must be received prior to 5:00 p.m. on the day of the meeting and must be 350 words or less. Submit to labarr@monroewa.gov.

4. APPROVAL OF MINUTES

4.1. January 25, 2021

3 - 5

5. PUBLIC HEARING

6. OLD BUSINESS

7. NEW BUSINESS

- 7.1. Housing Action Plan (HAP) Update Anita Marrero
[Agenda Bill - Housing Action Plan - Pdf](#)

6 - 35

8. DISCUSSION BY COMMISISONERS & STAFF

9. ADJOURNMENT



MONROE PLANNING COMMISSION

Regular Meeting
Monday, January 25, 2021, 7:00 PM
Zoom Online Meeting Platform

Chair
Jay Bull

Councilmembers
Bridgette Tuttle, Vice Chair;
Kyle Fisher; Elly Britt;
Dionne Miller, Liz Nugent;
& Mike Stanger

MINUTES

1. CALL TO ORDER

Chair Bull called the meeting to order at 7:04pm

2. ROLL CALL

PRESENT: Commissioner Dionne Miller, Commissioner Liz Nugent, Commissioner Michael Stanger, Chair Jay Bull, Commissioner Kyle Fisher, and Commissioner Elly Britt

EXCUSED: Vice Chair Bridgette Tuttle

STAFF PRESENT: Permit Technician Leigh Anne Barr, Principal Planner Shana Restall, and Economic Development Specialist James Palmer

3. PUBLIC COMMENTS

None

4. APPROVAL OF MINUTES

4.1. January 11, 2021

Commissioner Michael Stanger moved to approve the January 11, 2021 minutes as written. The motion was seconded by Commissioner Elly Britt. On vote, motion motion carried 5-0.

5. PUBLIC HEARING

6. OLD BUSINESS

6.1. Discussion of Proposed Code Amendments to Title 22 MMC, Unified Development Regulations

Principal Planner Shana Restall requested that the Planning Commission defer Old Business 6.1 Discussion of Proposed Code Amendments to Title 22 MMC, Unified Development Regulations to the next Planning Commission meeting.

Commissioner Liz Nugent moved to defer Old Business 6.1 Discussion of Proposed Code Amendments to Title 22 MMC to the next regular Planning Commission meeting. The motion was seconded by Commissioner Dionne Miller. On vote, motion motion carried 5-0.

7. NEW BUSINESS

7.1. Economic Development Report

Economic Development Specialist James Palmer presented the Economic and Regional Demand Analysis to the Commission. Mr. Palmer started with the background and purpose section of the report.

Commissioner Fisher joined the meeting at 7:19pm.

Dr. Spencer Cohen, author of the report, presented the remaining sections of the report to the Commissioners.

The Commissioners asked questions of Mr. Palmer and Dr. Cohen and offered suggestions on items presented in the report.

8. DISCUSSION BY COMMISISONERS & STAFF

Commissioner Fisher explained that he arrived late to the meeting due to internet issues. Commissioner Fisher attended his first Parks Board meeting and gave an update to the Commission.

Commissioner Miller explained that she also had internet issues during tonight's meeting that caused her to log off and rejoin the meeting several times. Commissioner Miller also thanked Secretary Barr and City Staff for the new agenda format.

Commissioner Nugent gave an update on the wayfinding signs from the Economic Development Advisory Board (EDAB) and took notes from tonight's meeting to bring back to EDAB.

Commissioner Britt asked for clarification on what Principal Planner Restall would like the Planning Commissioners to look at in the definitions. Commissioner Britt also asked about the Eastside masonry site at the west end of town.

Principal Planner Restall is bringing the definitions and temporary encampments back

to the next Planning Commission meeting. The public hearing for temporary encampments is currently scheduled for the February 22nd meeting.

Chair Bull appreciated the input that everyone put forward in tonight's meeting.

9. ADJOURNMENT

Commissioner Kyle Fisher moved to adjourn at 8:48pm. The motion was seconded by Commissioner Liz Nugent. On vote, motion motion carried 6-0.

Chair, Jay Bull

Planning Commission Secretary, Leigh Anne Barr



AGENDA BILL

Meeting Date: February 22, 2021

Staff Contact: Anita Marrero, Senior Planner

Department: Community Development

SUBJECT: Housing Action Plan (HAP) Update

PREVIOUS DISCUSSION:

N/A

PUBLIC HEARING(S):

N/A

REQUESTED ACTION:

N/A, Discussion Item Only

POLICY CONSIDERATIONS:

N/A, The Planning Commission is not being asked to consider any policy issues at this time.

DESCRIPTION/BACKGROUND:

In October 2019, the City of Monroe applied for a Department of Commerce (DOC) grant funded through E2SHB 1923, which provided \$5 million to increase residential building capacity in Washington communities. Of the list of eligible activities, as defined in the bill, the City chose to adopt a housing action plan with a total funding request of \$50,000. The City was awarded the grant on November 5, 2019.

The City Council accepted the grant and the Mayor signed the DOC grant agreement on January 14, 2020. Staff selected a consultant and Council approved the consultant agreement on April 28, 2020.

Housing costs and housing affordability have been an increasingly prominent state and national policy issue since the Great Recession. In Snohomish County, the 2019 Snohomish County Housing Affordability and Regional Task Force (HART) report found that housing affordability has worsened since 2010. From 2010 to 2017:

- The monthly rent for a two-bedroom apartment increased 49.5% from \$901 to \$1,347;
- The price for an average single-family home increased 36.1% from \$400,000 to \$544,449;
- During that same period, median household income increased only by 17.7%.

Population growth driven by the State's strong economy increased the demand for, and cost of, both rental and owner occupied housing. By comparison, wage growth outside of the tech industry has not kept up with these housing cost increases.

The Washington State legislature has been particularly active the past few years in considering and/or passing housing related legislature. Certain legislature has provided increased funding for housing programs (e.g. State Housing Trust Fund); other recent legislation has reduced Cities' ability to create limiting regulations for certain accessory dwelling units and also the operation of homeless encampments by religions organizations.

Still other legislation, which did not pass in 2020, sought to pre-empt local land use authority and require certain types of housing such as duplexes, triplexes, quadplexes, sixplexes, and courtyard apartments be allowed in areas zoned for single-family residential use.

HB 1923, passed in 2019, took an incentive approach. Rather than mandate certain requirements be adopted (as the bill originally proposed), HB 1923 allows local jurisdictions to work collaboratively with their communities to develop a Housing Action Plan to include housing recommendations and strategies appropriate to their jurisdiction. It also provides funding to support these efforts.

HOUSING ACTION PLAN

The goal of a housing action plan is to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family market.

The City of Monroe has planned for growth in the Comprehensive Plan. Growth targets require a population capacity of 24,754 in 2035. With the new density limits under the newly adopted Unified Development Regulations (UDR), Monroe now has a population capacity of 25,306 in 2035.

Although the City has the capacity to accommodate growth, the challenge is creating opportunities for non-profit and for-profit developers to build a variety of housing developments for all income levels. Pursuing a Housing Action Plan will provide the City with a clear vision and strategies to increase residential building capacity and/or streamline regulations.

As part of the Housing Action Plan, the city will focus on the following strategies:

- Helping people stay in affordable housing
- Creating a variety of housing choices
- Creating more affordable housing
- Unlock housing supply by making it easier to build
- Identify public lands for housing opportunities

Public involvement will be key in this process. The City wants to hear from all groups who have an interest in affordable housing and residents from all income levels. The Affordable

Housing Committee will be able to provide input on proposed strategies as well as the Planning Commission.

The Housing Action Plan will provide guidance to the City when planning for the future and will be instrumental when drafting the mandated Comprehensive Plan 2024 Update.

The City hopes that the Housing Action Plan will stimulate development of new housing, preserve existing affordable housing, and improve the overall quality of life in the City. Addressing the affordable housing crisis is a top priority for the City and the goal is to create an inclusionary community through quality development and collaboration.

Staff has been working with the consultant to create a project charter, public participation plan, schedule, and project website. The consultant is currently working on the Housing Needs Assessment. Housing needs assessments typically involve a housing inventory, household characteristics (e.g. size, income, housing costs), population and employment forecasts, and an evaluation of needs for all demographic and economic segments of the community. This information is consistent with Growth Management Act (GMA) data requirements.

HOUSING NEEDS ASSESSMENT

A Housing Needs Assessment (HNA) is a study that evaluates current and future housing needs among all economic segments of the of the community and for different household sizes and types. The HNA also identifies gaps between the current housing supply and identified needs.

Components of an HNA

- Community Profile
- Workforce Profile
- Housing Inventory
- Gap Analysis
- Land Capacity

Next Steps

- An HNA is the first step towards addressing housing affordability challenges in the City of Monroe.
- The next steps are to:
 - Identify suitable housing strategies for addressing housing needs
 - Create an action plan for implementing these strategies

GOALS AND OBJECTIVES

Goals

- Assess Monroe's housing needs.
- Through a comprehensive public engagement process, develop a strategy addressing housing needs for the citizens of Monroe.
- Prepare a HAP that is consistent with the housing element of the City's Comprehensive Plan and addresses goals and policies.

Objectives

- Develop strategies and recommendations to increase the supply and types of housing needed, in Monroe.
- Develop zoning, regulatory, and incentive strategies to support housing that meets the needs of Monroe.
- Evaluate and refine existing housing policies and actions.
- Develop recommendations for improvement based on housing needs assessment data.
- Identify a schedule of programs/actions to implement the recommendations of the HAP.
- Create a collaborative process that is inclusive and focused on housing solutions.

FISCAL IMPACTS:

There is no match requirement. The grant is reimbursement based. Qualified expenditures made by the City are not to exceed the grant award amount of \$50,000.

TIME CONSTRAINTS:

The Commerce deadline for adoption of the HAP is June 30, 2021.

ALTERNATIVES TO REQUESTED ACTION:

N/A

ATTACHMENTS:

[20210201 Draft HNA Revised](#)

HOUSING NEEDS ASSESSMENT

CITY OF MONROE, WASHINGTON



PROJECT OVERVIEW

WHAT IS A HOUSING NEEDS ASSESSMENT, AND WHY IS THE CITY OF MONROE CREATING ONE?

Washington State House Bill 1923 granted the Washington State Department of Commerce (Commerce) \$5 million dollars in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development or develop a Housing Action Plan (HAP).

The City of Monroe received \$50,000 grant from Commerce to develop a HAP, the goal of which will be to assess current and future housing needs and offer strategies and recommendations for policy development regulations that will allow for a variety of housing types affordable to varying income ranges.

A Housing Needs Assessment (HNA) is a comprehensive study that will be used to inform the HAP. In order to formulate policy recommendations, the City of Monroe must have access to the most recent population, housing, and workforce data. The HNA is developed to define the housing needs specific to Monroe residents.

THE HNA IS CATEGORIZED INTO FIVE ELEMENTS:

1. Community Profile
2. Workforce Profile
3. Housing Inventory
4. Gap Analysis
5. Land Capacity Analysis

QUESTIONS THE HNA HELPS TO ANSWER:

1. Who lives and works in Monroe and what are some of their socioeconomic characteristics?
2. How much housing will be needed to accommodate for future population growth?
3. Are there housing options for residents at all income levels?



Source: WA Department of Commerce

HOUSING NEEDS ASSESSMENT OUTLINE

1. Community Profile

- a. Population Characteristics
- b. Household Characteristics
- c. Special Housing Needs

2. Workforce Profile

- a. Local Workforce Characteristics
- b. Jobs to Housing Ratio
- c. Employment Trends & Projections

3. Housing Supply

- a. General Housing Inventory
- b. Housing Market Conditions
- c. Special Housing Inventory

4. Gap Analysis

5. Land Capacity Analysis

*The datasets explored in each of the five elements are required by Commerce. If not required, the data will be marked with an asterisk to display optional or additional analysis done on behalf of the City and consultant.

Data Sources:

American Community Survey (ACS)

- Roughly 3.5 million households are surveyed every month, every year
- Explores topics not asked by decennial Census

Washington State Office of Financial Management (OFM)

- Obtains data from state and federal agencies, and private businesses

United States Department of Housing and Urban Development (HUD)

- Obtains data from the ACS

OnTheMap (OTM)

- Web Application provided by the U.S. Census Bureau
- Maps jurisdictions based on workforce characteristics

Employment Security Department (ESD)

- Labor Market and Economic Analysis

U.S. Bureau of Labor Statistics

- Quarterly Census of Employment and Wages

City of Monroe

- Building permits
- Comprehensive Plan

Zillow

- Tracks home values, rental units, and market changes on a monthly basis

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. GAP ANALYSIS

5. LAND CAPACITY

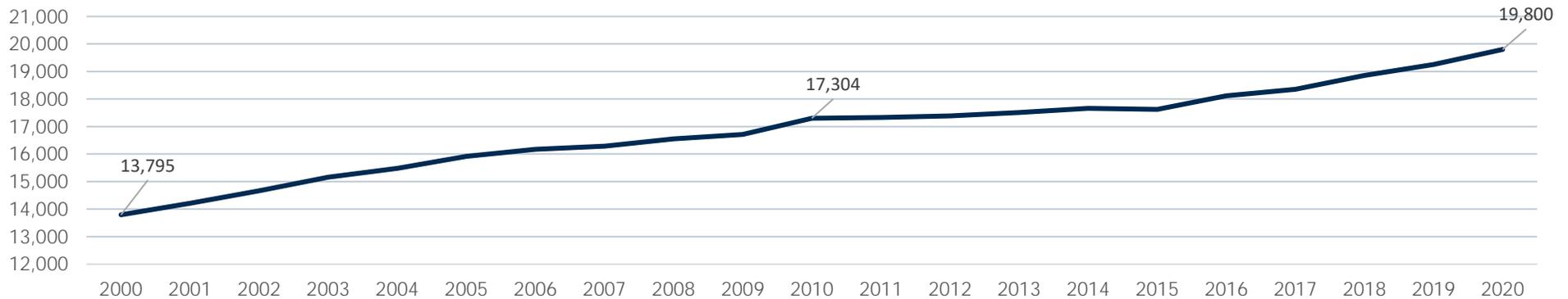


Population and Community Characteristics

MONROE'S POPULATION HAS GROWN BY 6,005 PEOPLE SINCE 2000 AND BY 2,496 SINCE 2010.

Since 2000, Monroe's population has grown from 13,795 to roughly 19,800 as of 2020, according to the Washington State Office of Financial Management (OFM), an increase of more than 6,000 residents (43 percent). The majority of that population increase occurred between 2000 and 2010.

Exhibit I. Population Estimate, 2000 - 2020



Source: OFM Forecasting & Researching Division, April 1st Official Estimates & Monroe's 2015 Comprehensive Plan

SNOHOMISH COUNTY AND THE CITY OF MONROE EXPECT TO SEE STEADY, MODERATE GROWTH INTO THE FUTURE.

Monroe's Comprehensive Plan projects the city to have a total of 22,102 residents by the year 2035. This is a 12 percent increase from the year 2020, an addition of 2,302 new residents. Per the 2017 GMA Projections created by OFM, Snohomish County will experience even steeper population growth at 167,776 new residents, or a 19 percent increase, in the same amount of time.

It is important to note the Monroe Correctional Complex (MCC) population is included in the decennial Census count and influence the City's demographics with people who are not full time Monroe residents.

Population and Community Characteristics

MONROE'S POPULATION IS YOUNGER ON AVERAGE THAN SNOHOMISH COUNTY AND WASHINGTON STATE.

In the year 2018, Monroe shows a similar, but slightly younger, age distribution as Snohomish County and Washington State.

The City of Monroe has a larger percentage of school aged (Under 19) and working residents (20-64) than the County or State.

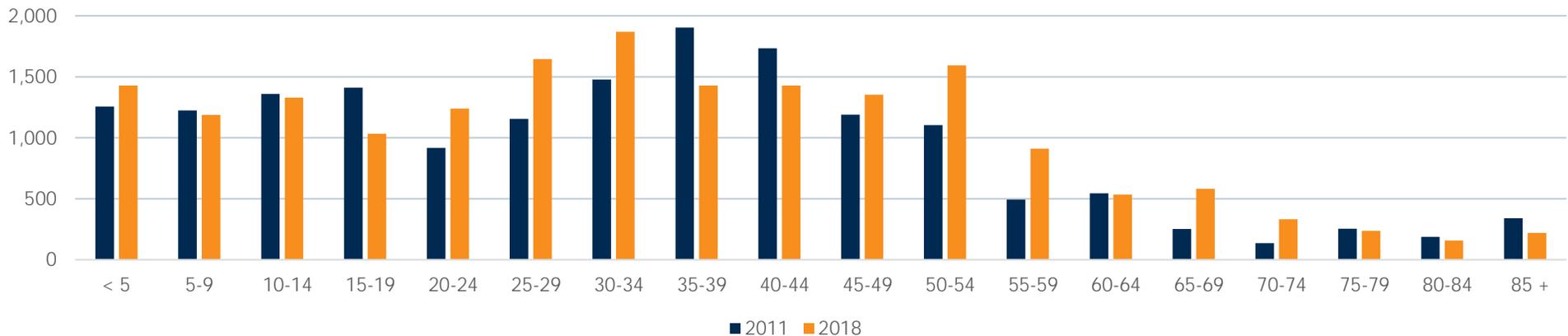
In terms of the aging population, Monroe has a significantly smaller portion of residents 65 years and older. 8.3 percent of Monroe's population is over the age of 65, while the County sees 13.5 percent and the state see 15.8 percent.

	MONROE	SNOHOMISH COUNTY	WASHINGTON STATE
UNDER 19 YEARS OLD	27.2%	13.5%	24.5%
20 – 64 YEARS OLD	64.8%	61.8%	60.2%
65 AND OLDER	8.3%	13.5%	15.8%

Exhibit II. Comparison in Age Distribution

Source: 2014 – 2018 ACS 5-year estimates. Table S1010

Exhibit III. Population by Age Group, 2011 - 2018



Source: 2014 – 2018 ACS 5-Year Estimates. Table S1010

Population and Community Characteristics

MONROE HAS SEEN A 3 PERCENT INCREASE OF HISPANIC/LATINO RESIDENTS SINCE 2011.

Monroe was 85 percent white in 2011 and as of the 2014-2018 survey period, that percentage had fallen to roughly 80 percent. This change was driven by large percentage increases in the Black, multiracial, and Hispanic/Latino communities. The number of residents who speak a language other than English at home has grown 16 percent from 2011 to 2018, rising from 2,859 to 3,331 over that time. As seen in Exhibit IV., the percentages do not equal 100% and this is mostly likely from people identifying more than on race or ethnicity and calculations being rounded up to the closest whole number. Another important thing to note when looking at Exhibit IV., is the Black population of roughly 3% would drop to 1% if the State Correctional Facility data were removed from this count. For this reason, Exhibit IV. is not entirely representative of the Monroe demographics, as many people in the State Correctional Facility come from other communities.

RESIDENCE OUTSIDE OF THE U.S., PRIOR TO LIVING IN MONROE, HAS TAKEN A STEEP INCREASE SINCE 2011.

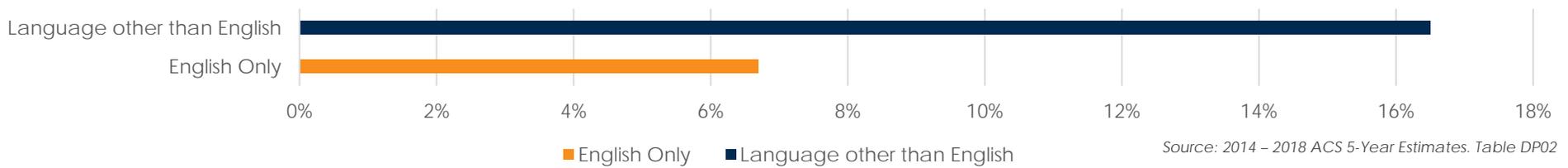
In the 2014-2018 survey period, Monroe residents were asked where they were living one year prior to taking the census survey. 179 of Monroe residents answered that they were living abroad at the time. This is nearly a 1000 percent increase from the 2007-2011 survey period where only 16 Monroe residents were living outside the U.S in the year prior to taking the survey. Additionally, Monroe residents who were born outside of the United States increased from 1,751 to 2,155, a 23 percent increase, between the two survey periods.

Exhibit IV. Race and Ethnicity, 2011-2018

	2011	2014-2018
White	85.4%	80.3%
Black	3.0%	3.3%
American Indian and Alaska Native	1.2%	1.1%
Asian	3.2%	2.2%
Native Hawaiian and Other Pacific Islander	0.1%	0.2%
Two or More Races	2.8%	5.4%
Hispanic or Latino, Any Race	15.5%	18.0%

Source: 2014 – 2018 ACS 5-Year Estimates. Table DP05

Exhibit V. Percent Change of Languages Spoken at Home, 2011 - 2018



Source: 2014 – 2018 ACS 5-Year Estimates. Table DP05

Household Characteristics

THE TOTAL COUNT OF HOUSEHOLDS IN MONROE ONLY INCREASED BY 341 BETWEEN THE YEARS 2011 AND 2018.

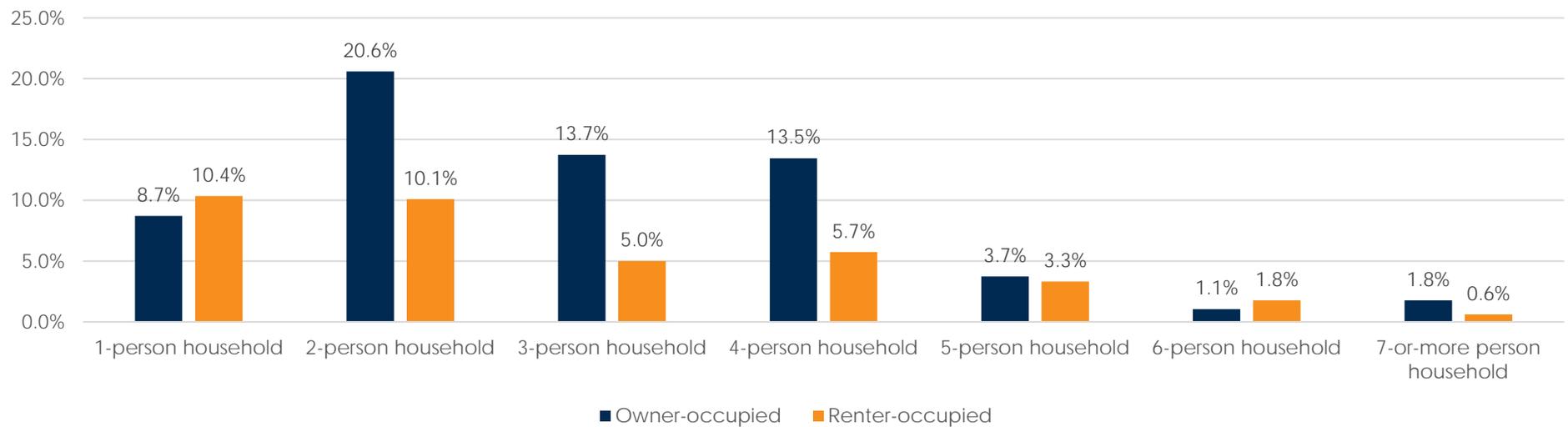
In the year 2011, Monroe’s population was 17,304 in a total of 5,164 households, with an average of 3.3 people per household. In 2018, Monroe’s total population increased to 18,860 residents in 5,505 households, with an average of 3.4 people per household. Between the 2007 – 2011 and 2014 – 2018 estimate periods, rentership increased from 1,458 households to 2,032, a 39 percent increase.

THE DISTRIBUTION OF HOUSEHOLD SIZE IN MONROE MATCHES SNOHOMISH COUNTY AND WASHINGTON STATE PATTERNS.

Household size distribution in Monroe follows the same trends as the county and state extremely close. At the city, county, and state level, between 30 – 35 percent of households were occupied by two people. Between 88 – 90 percent of households in Monroe, Snohomish County and Washington State have between 1 and 4 household members. The percentage of households with more than 4 members quickly declines at all three levels studied.

As seen in Exhibit VI, the household size distribution is also similar among Monroe’s home-owning and renter population. Two exceptions are shown in 1-person and 6-person households – in these household size categories, there is a greater percentage of renters than homeowners.

Exhibit VI. Tenure by Household Size, 2018



Source: 2014 – 2018 ACS 5-Year Estimates. Table B25009

Household Characteristics

MONROE' HOUSEHOLDS EARN PREDOMINATELY MIDDLE TO UPPER-MIDDLE INCOMES AND ARE MAJORITY HOMEOWNERS.

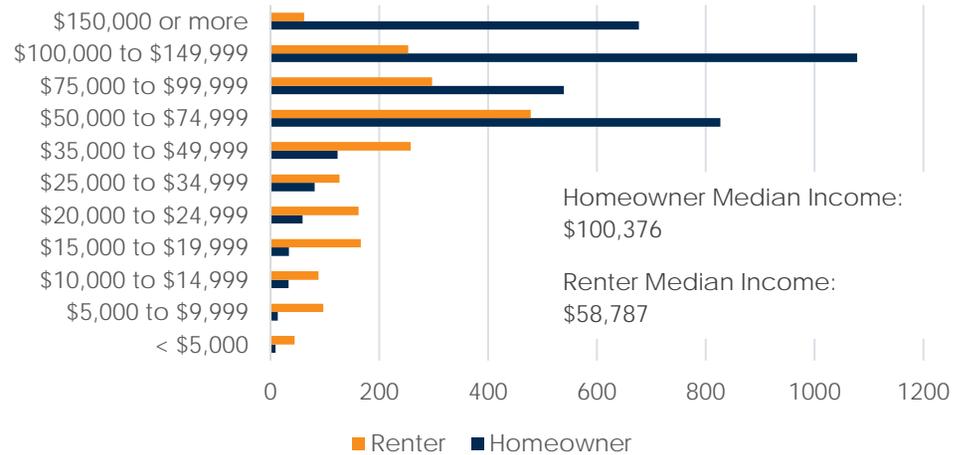
In 2018, 63 percent of Monroe residents owned their housing unit. This is 9 percent lower than 2011 when 72 percent of households owned a home.

MONROE RENTERS SAW A GREATER INCOME INCREASE BETWEEN 2011 AND 2018 THEN HOMEOWNERS DID.

As seen in Exhibit VIII, renters in Monroe have more varied income levels, while homeowners are seen to have a smaller, but higher range. In 2018, the median renter income was \$58,787 and the median homeowner income was \$100,376.

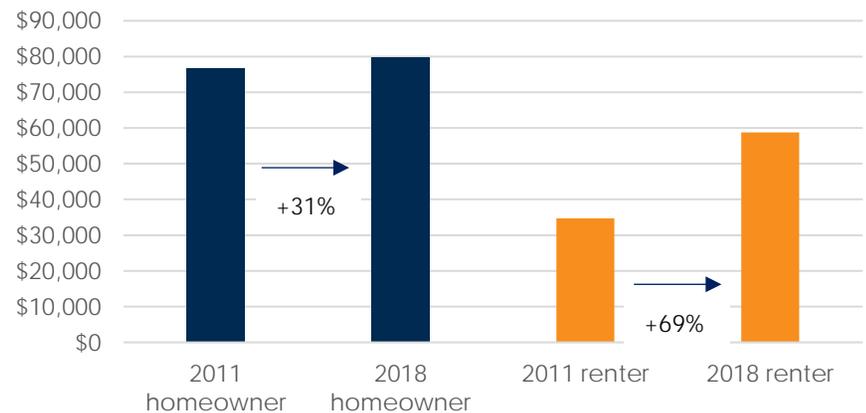
Between the years 2011 and 2018, Monroe renters saw a much larger increase in median income at a 69 percent difference. Homeowners only saw a 31 percent increase in median income in that same time period.

Exhibit VIII. Comparison Between Renter & Owner Median Income, 2018



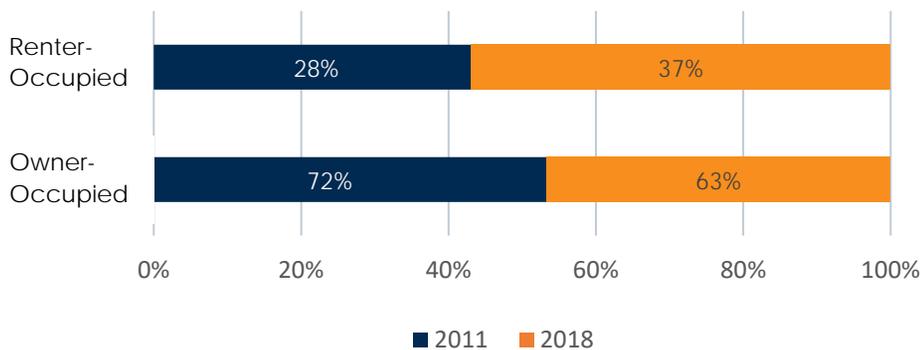
Source: 2007 – 2011 & 2014 – 2018 ACS 5-Year Estimates. Table S2503

Exhibit IX. Change in Median Income, 2011 - 2018



Source: 2007 – 2011 & 2014 – 2018 ACS 5-Year Estimates. Table S2503

Exhibit VII. Housing Tenure 2011 - 2018



Source: 2014 – 2018 ACS 5-Year Estimates. Table B25009

Household Characteristics

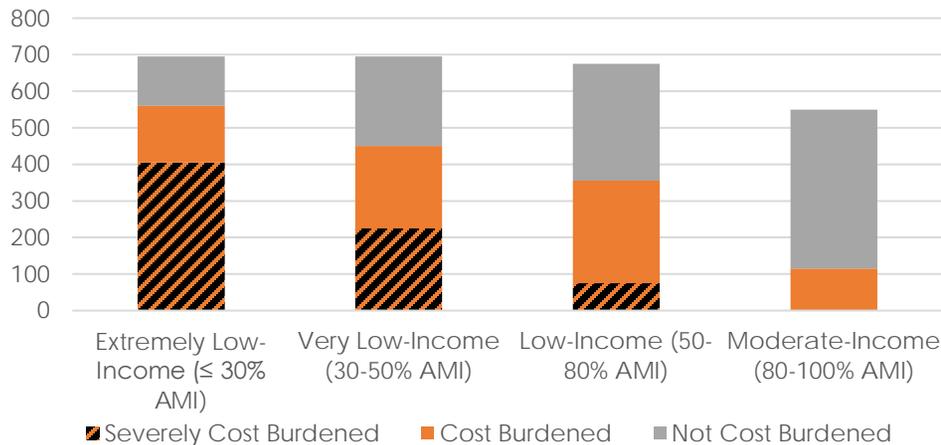
The Housing and Urban Development (HUD) Department considers a household to be cost burdened when more than 30 percent of their income is spent on housing. In the HUD tabulations using the 2016 American Community Survey (ACS), 18 percent of Monroe residents were spending between 30 and 50 percent of their income on housing annually. An additional 15 percent of households were severely cost burdened, meaning they spent more than 50 percent of their household income on housing.

Overall, roughly 32 percent of surveyed Monroe households spent more than 30 percent of their income on housing - this was approximately 1,575 households in 2016. This tracks with broader regional trends, as both Snohomish County and the State of Washington also had 32 percent of residents spending more than 30 percent of their income on housing.

An additional aspect to the cost burden analysis is incorporating what percent of the area median family income these cost burdened households are earning (see table below right).

To put things in perspective using the latest data available, 15 percent of surveyed households earn less than 30 percent of the median family income **and** spend more than 30 percent of their income towards housing. In 2016, this means 560 Monroe households were earning less than \$27,090 annually and spending more than \$8,127 of that income on housing annually. It is important to note that these HUD income limits are from Snohomish County broadly through HUD's FY 2016 Income Limits and may not be precise for Monroe, although they allow comparison of cost burden data with income groupings.

Exhibit X. Cost Burdened Households, 2016



Income Grouping for Cost Burden Analysis	Income Range
Less than 30% Area Median Family Income	Less than \$27,090
30 - 50% Area Median Income	\$27,090 to \$45,150
50 - 80% Area Median Income	\$45,150 to \$72,240
80 - 100% Area Median Income	\$72,240 to \$90,300
100% Area Median Income and Above	\$90,300 and above

Source: Fiscal Year 2016 Income Limits for Snohomish County, Adopted by HUD as Area Median Income for FY 2016

Source: HUD/CHAS (based on ACS 2012-2016 5-Year Estimate), Table 8.

Household Characteristics

RENTER HOUSEHOLDS ARE MORE LIKELY TO EXPERIENCE OVER-CROWDING THEN HOMEOWNERS.

Overcrowding estimates are made by looking at how many people occupy a single bedroom in a household. In Monroe, the vast majority of households, both owner and renter occupied, have 1 or less occupants per room. As seen in Exhibit XI, there are dramatically more renter-households with more than 1 occupant per room.

Exhibit XI. Overcrowding Estimates, 2018

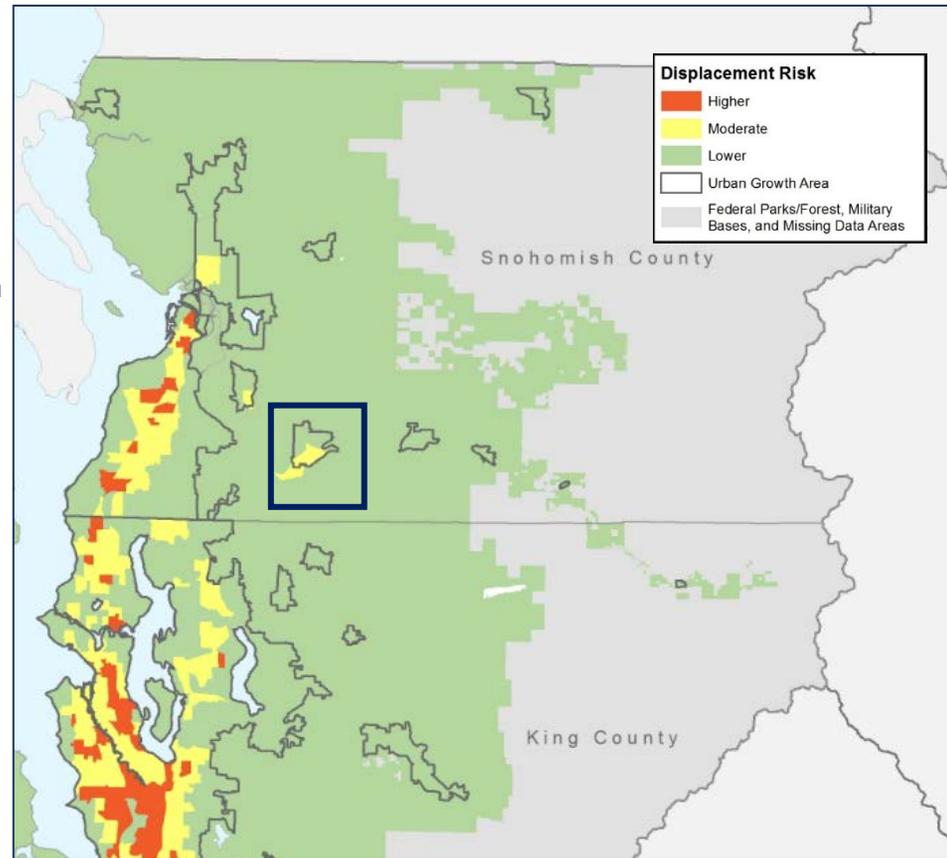
OCCUPANTS PER ROOM	2018 OWNER-OCCUPIED	2018 RENTER-OCCUPIED
1 OR LESS	3,431	1,797
1.01 – 1.50	42	191
1.50 OR MORE	0	44

DISPLACEMENT RISK

The Puget Sound Regional Council has developed a strategy to determine the risk of displacement of census tracts. Each census tract in Monroe has received a place on the displacement index by analyzing factors in the following categories: socio-demographics, transportation qualities, neighborhood characteristics, housing, and civic engagement. In Monroe, census tract 522.09 is shown to have a moderate level of displacement risk. This means residents may be susceptible to physical, economic, or cultural displacement.

CENSUS TRACT	DISPLACEMENT RISK
522.09	MODERATE
522.08	LOW
522.04	LOW
522.04	LOW

Exhibit XII. PSRC Displacement Risk



Source: Puget Sound Regional Council

Source: US Census Bureau – 2010 Census

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. GAP ANALYSIS

5. LAND CAPACITY

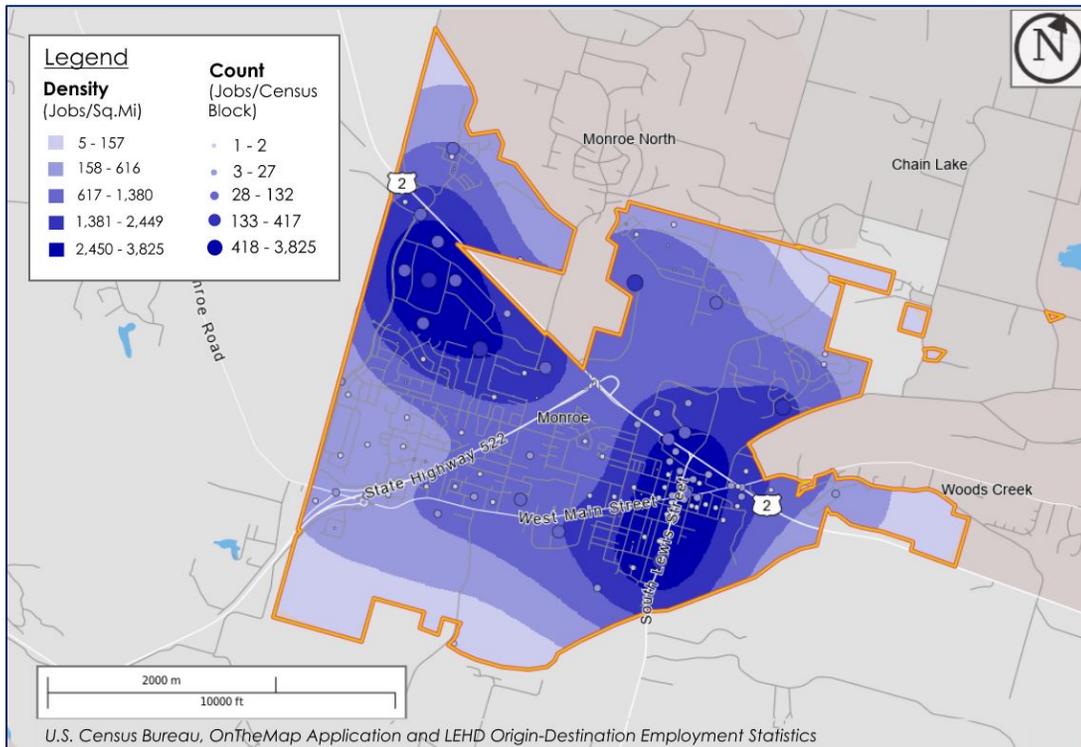


Local Workforce Characteristics

IN 2017, MONROE WAS HOME TO NEARLY 8,000 JOBS AND 7,149 WORKERS (10 PERCENT OF WHOM ALSO WORK IN THE CITY).

These 7,999 jobs are clustered along South Lewis Street and East Main Street as well as SR 2 in the north eastern corner of the city. The top industries in Monroe (hold above 10 percent of total City employment) are manufacturing (16.9%), retail trade (17.1%), educational services (13.9%), healthcare and social services (14.6%).

According to the 2005-2025 Monroe Comprehensive Plan, over 50 percent of the labor force is employed in government jobs. Within the public sector, the majority of jobs are held at the State Correctional Facility and Monroe School District, along with county and municipal departments.



EMPLOYMENT TRENDS AND PROJECTIONS IN MONROE HAVE BEEN SEVERELY DISRUPTED DUE TO COVID-19.

The Washington State Employment Security Department (WA ESD) produces employment projections by industry and occupation and provides updates on an annual basis.

Alongside the Bureau of Labor Statistics, they have been producing datasets that try to encapsulate the impacts COVID-19 has had on jurisdictions. The following numbers should be taken with great reservation, given they did not account for the way COVID-19 has altered labor markets across Washington State.

As part of the Comprehensive Plan, Monroe incorporates the WA ESD employment projections to inform the Economic Development section. Per these sources, the 2035 employment target is 11,456 jobs which is an increase of 3,890 jobs from the year 2017. In the unincorporated Monroe UGA, there is an increase of 325 jobs expected.

The City of Monroe's manufacturing industry has room for potential expansion as their rates fall slightly below Snohomish County (16.9% in Monroe versus 20.8% in the County). "This indicates an opportunity for Monroe to continue to attract businesses from further west in the County." (Monroe Comprehensive Plan, 2015).

Local Workforce Characteristics

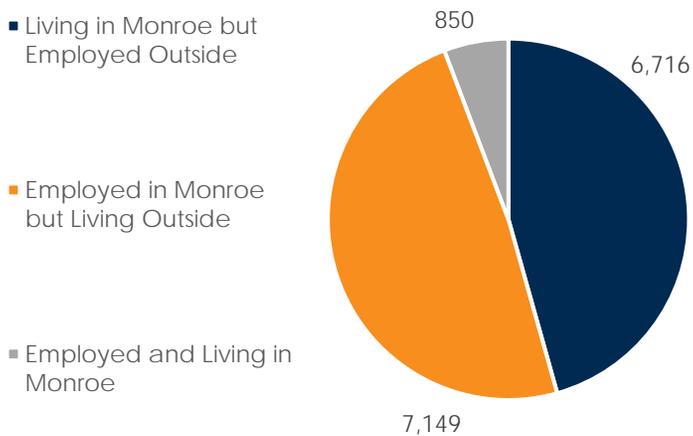
A MAJORITY OF MONROE EMPLOYEES LIVE OUTSIDE THE CITY.

According to an inflow-outflow analysis from the US Census Bureau, almost 90 percent of people employed in Monroe live outside the city. This is 7,149 people commuting into the city on a daily basis. Conversely, around 850 Monroe residents, or 11 percent of the workforce both live in and work in the city. The City of Monroe is home to 7,999 employees, but a total of 13,865 workers, indicating a net outflow of 6,716 workers during the day.

MONROE HAS ADDED MEDIUM AND HIGH WAGE JOBS IN RECENT YEARS, BUT LOW WAGE JOBS HAVE STAGNATED

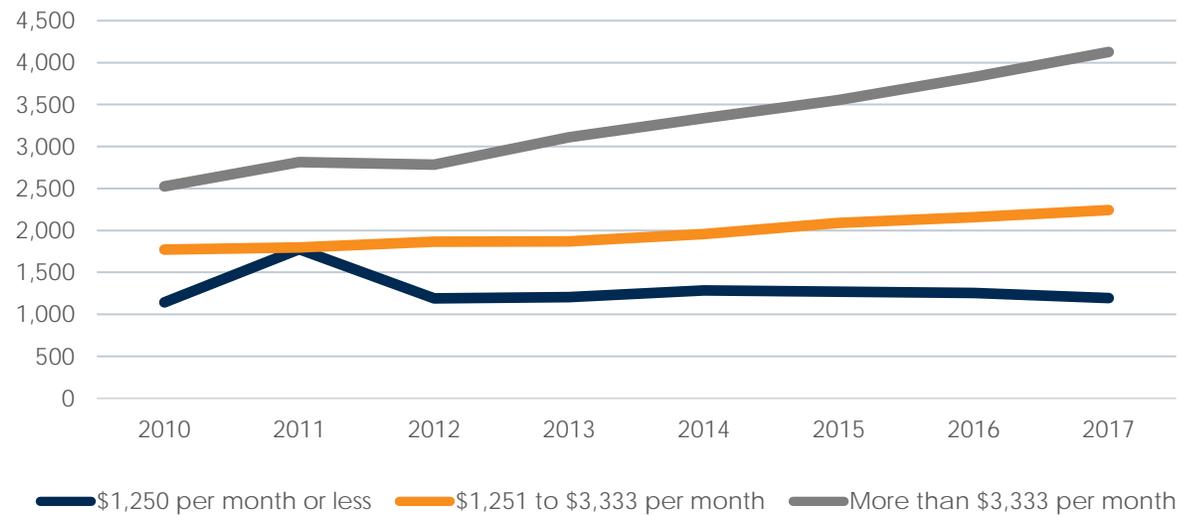
The number of jobs in the city that pay \$1,250 per month or less (roughly \$15,000 per year) jumped slightly in 2011 but remains largely the same since 2010. In contrast, the number of middle and high-income jobs have sharply increased, particularly the latter (jobs paying more than \$3,333 per month).

Exhibit XIII. Monroe Inflow/Outflow Analysis, 2017



Source: OnTheMap Inflow/Outflow Analysis

Exhibit XIV. Change in Jobs by Income



Source: OnTheMap Home Area Profile

1. COMMUNITY PROFILE

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Housing Inventory

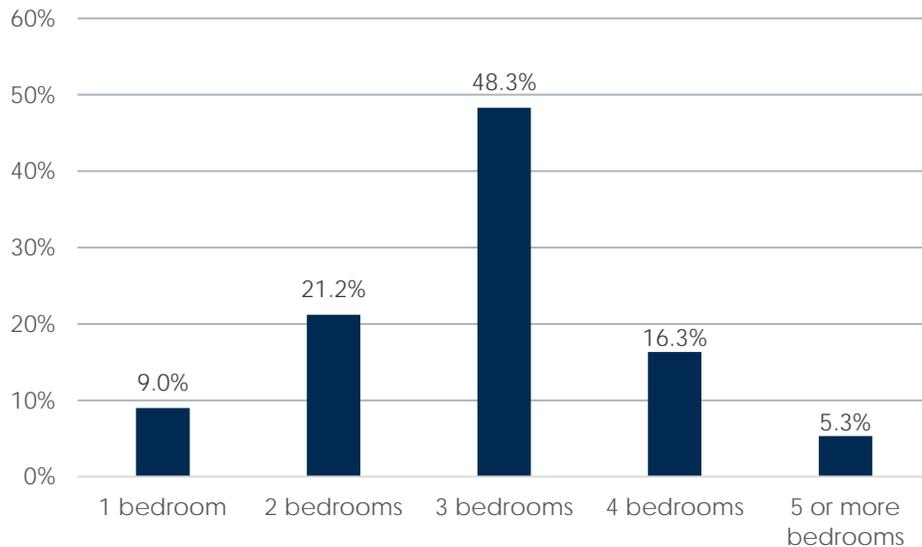
MONROE'S HOUSING STOCK IS PREDOMINATELY SINGLE-FAMILY HOMES BUILT BETWEEN 1980 AND 2000.

Roughly 70 percent of all dwelling units in Monroe are either detached or attached single-family homes. Two or four-unit structures compose an additional 8 percent, while multifamily structures with 5 or more units make up 16 percent of dwellings in the city. Two percent of the housing stock comprises mobile homes, boats, or RVs.

THE MAJORITY OF MONROE'S HOUSING UNITS ARE HAVE BETWEEN 1 - BEDROOMS WHILE THE AVERAGE HOUSEHOLD SIZE HAS 1 – 4 PEOPLE.

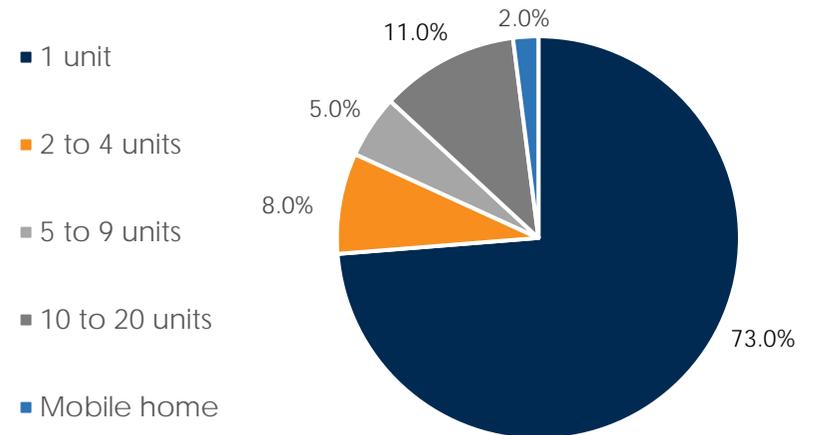
Monroe has roughly 95 percent of its housing stock available to accommodate the largest group of household size in the City. The average household size among renters and homeowners is between 1–4 people and based on the data shown in Exhibit XV, Monroe's housing stock is nearly 95 percent comprised of units with 1-4 rooms.

Exhibit XV. 2018 Unit Size by Number of Bedrooms



Source: 2014 – 2018 ACS 5-Year Estimates. Table DP04

Exhibit XVI. Household Count by Type



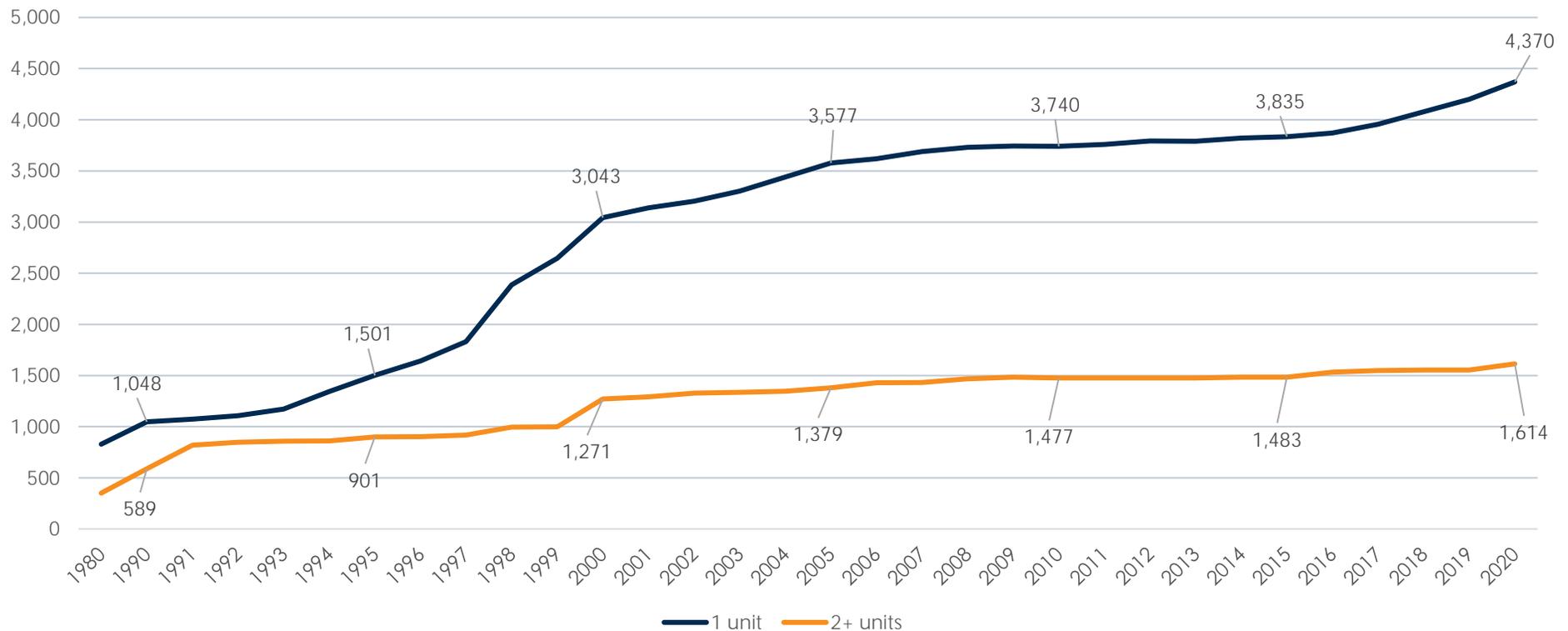
Source: 2014 – 2018 ACS 5-Year Estimates. Table DP04

Market Conditions

CONSTRUCTION OF SINGLE-FAMILY HOMES HAS GROWN STEADILY OVER THE PAST 10 YEARS; IN CONTRAST, MULTI-UNIT BUILDINGS HAVE FLATLINED.

The construction of residential structures with two or more units (duplexes, triplexes, and apartments, for example) has consistently lagged the construction of single-family homes in Monroe. As seen below, the construction of multi-unit homes nearly plateaued in 2010. 630 single-family detached homes were added in the city over that time.

Exhibit XVII. Housing Development Trends 1980, 1990-2020



Source: OFM, Postcensal Estimates of April 1 Housing Units, 1980 - 2020

Special Housing Inventory

THERE ARE A NUMBER OF GROUPS IN MONROE WHO NEED SPECIAL HOUSING ACCOMMODATIONS.

For the purpose of this analysis, the special housing inventory will focus on units available to aging and income-restricted residents. A handful of the facilities listed below in Exhibit XVIII. offer both living and rental assistance. We have split the special housing inventory into three categories based on their type of assistance. Monroe’s aging population (those above the age of 65+) was listed at 1,526 residents in the 2018 ACS survey period; 14 percent of that population is above the age of 85. The existing assisted living and care facilities in Monroe have the capacity to house 27 percent of those who may need assistance. Of the 310 assisted living units in Monroe, 40 percent of them offer/accept rental assistance.

THE CITY OF MONROE HAS 415 SUBSIDIZED HOUSING UNITS THAT PROVIDE FEDERAL RENTAL ASSISTANCE.

Rental assistance is provided primarily in three ways: housing choice vouchers, which can be applied to housing units on the private market; public housing which keeps a number of units in any given building affordable; section 8 project-based rental assistance. The latter provides subsidies to entire buildings in order to keep all units affordable. Regardless of how the units are kept affordable, the eligible tenants are expected to pay about 30 percent of their income in rent. In 2016, roughly 32 percent, or 1,585, households were paying more than 30 percent of their income on housing – making them eligible for subsidized housing. Considering there are only 415 subsidized units in 2020 (most likely a few less in 2016), roughly 26 percent or less of the cost burden population in Monroe could access affordable options.

Homeownership units are another option. They are affordable to the initial homeowner but can be sold at market rate after that first occupant leaves. There are no restrictions on who can buy the units.

Exhibit XVIII. Subsidized and Assisted Living

Subsidized	Housing Type	Number of Units
Athena I & II	Family	28
Fairview Apartments	Family	24
River’s Edge	Family	166
Housing Hope – Woods Creek	Family	8 affordable, 6 homeless
Housing Hope – Monroe Family Village	Family	47
Harmony House East	Adult w/Disability	5
Home Ownership Program		
Housing Hope – Main Street Townhomes	Family	13
Subsidized & Assisted		
Friendship House I & II	Senior & Disabled	64
Monroe Villa	Senior	22
Village East	Senior	38
Assisted		
Brookdale Monroe	Senior	82
Paths Adult Care Family Home & Respite	Senior	6
Regency Care Center	Senior	92
St. Jude Comfort Care LLC	Senior	6

Source: City of Monroe

Housing Affordability

A SCARCITY OF AFFORDABLE HOUSING ACROSS MUCH OF THE CENTRAL PUGET SOUND REGION IS PUSHING RESIDENTS EAST AND NORTH INTO FRINGE CITIES SUCH AS MONROE.

The City of Monroe has a reputation for offering affordable housing options in comparison to the more expensive King County cities. This includes young adults who have just graduated high school or university, young families looking to buy their first homes, and senior citizens who are downsizing need affordable housing options. Exhibit XX. shows that Monroe has consistently had slightly lower home values than Snohomish County, while being slightly more expensive than the Washington State average. Between the years 2000 – 2010, the average home price in Washington rose 66 percent, 72 percent in Snohomish County and 62 percent in Monroe.

Because the Puget Sound Region is continuing to grow in population and high-paying jobs, the City of Monroe will need to focus on maintaining and expanding its affordable housing options. Between the years 2011 and 2018, Monroe saw home values and rent prices increase more than incomes did, meaning people may have been pushed out of housing options that may have been considered affordable in the past.

Exhibit XIX. Change in Housing Affordability Between the Years 2011 - 2018

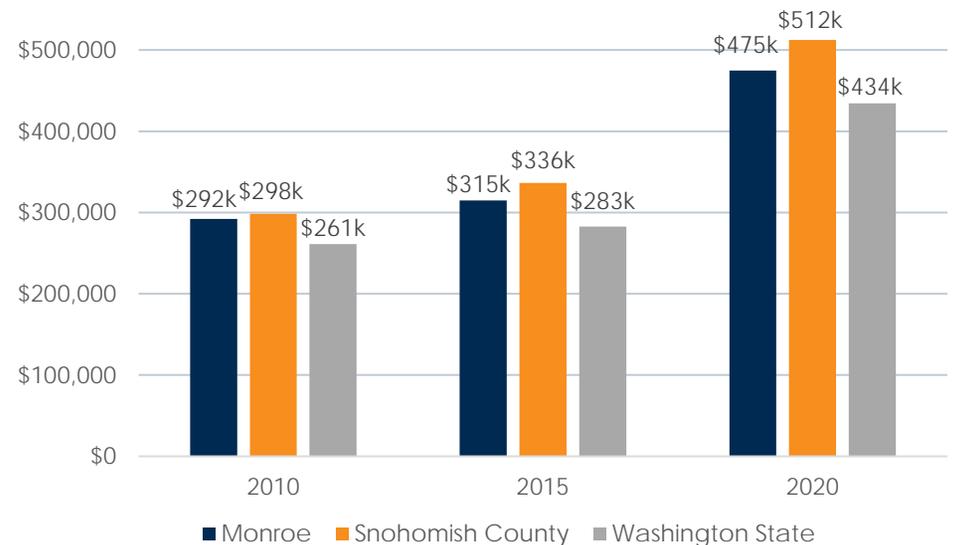
Change in Median Income	14.9%
Change in Median Home Value	78.3%
Change in Median Rental Price	21.3%

RENTERS ARE MORE LIKELY TO SPEND MORE THAN 30% OF THEIR INCOME ON HOUSING THAN HOMEOWNERS.

When looking at households making between \$20,000 – \$50,000 annually, a higher percentage of renters are paying more than 30 percent of their income on housing. However, once in the income bracket of >\$50,000 a year, a higher percentage of homeowners are spending more than 30 percent of their income on housing.

Regardless of the income level, there is still a higher percentage of cost burdened renting households than there are owner households.

Exhibit XX. Monroe, Snohomish County & Washington State Home Value Comparison



Source: Zillow Time Series: 2010 – 2019 Zillow Home Value Index (ZHVI)

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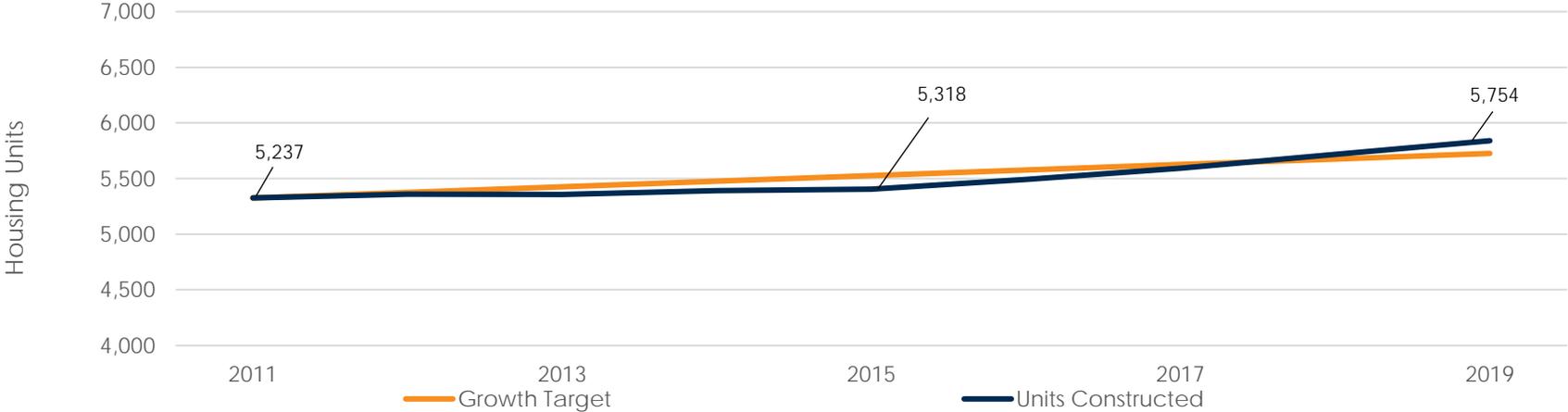
5. LAND CAPACITY



Housing Needs

The City of Monroe will need to add 1,200 units to its housing inventory by the year 2035. With an average addition of 50 unit per year, the City will be able to accommodate the growth targets allocated by the 2015 Snohomish County Land Capacity Analysis. Between the years 2011 and 2019, the Washington State Office of Financial Management estimates Monroe has added a total of 517 housing units, at an average rate of 64 units per year. In 2019 alone, there were 120 building permits issued for single-family homes and 177 for multi-family residential units. However, it is too soon to tell if this trend will continue because how the housing market fluctuates between years. The City is well under way to see no gap between its supply of housing units and demand for housing units by the end of its planning horizon in 2035.

Exhibit XXI. Housing Unit Targeted Growth Rate



Source: OFM, Postcensal Estimates of April 1 Housing Units, 2010 - 2020

The need for the new housing units is reinforced by the low housing vacancy rates within the City. According to the WA Department of Commerce, a vacancy rate of 5 percent is a healthy amount allowing residents to move freely amongst themselves. The ACS estimated that the City had a housing unit vacancy rate of 3.6 percent in 2018; which is nearly a 4 percent lower vacancy rate than 2011. In 2018 the ACS also estimated that the vacancy rate of homeowner households was 0.7 percent (~4 units) and the rental vacancy rate of 2.2 percent (~121 units). The decrease in vacancy rates between 2011 and 2018 tell us that there is a large gap between the City's current housing supply and its high demand for all housing types.

Housing Affordability Gaps

MONROE RESIDENTS EARNING THE MEDIAN INCOME CAN COMFORTABLY AFFORD THE AVERAGE MARKET RATE HOUSING; HOWEVER, THERE ARE NOT ENOUGH UNITS AT THIS PRICE TO SATISFY THE DEMAND.

In 2018, a renting household earning at least \$53,787 annually would be able to comfortably afford market rate rental units, or in other words, would not be cost burdened by their spending on income. The ACS estimated that the average market rate rental unit was approximately \$1,309, and roughly 66 percent of all rental units in Monroe were available at this price.

An average market rate home required approximately \$1,906 in monthly costs, which is considered affordable to those earning at least \$79,661 annually. About 52 percent of houses with that monthly cost were available in Monroe in 2018. A large percentage (between 44 and 48 percent) of households, whether they rent or own their unit, do not have access to affordable housing in Monroe.

HUD identified that nearly 1,585 (32 percent) households in the City were burdened by their annual housing cost. In Snohomish County and the State of Washington, 30 percent of residents are cost burdened, while 31 percent of residents nationwide are. Monroe has slightly higher percent of cost burdened population at 32 percent. The largest group of Monroe residents who are cost burdened are those earning less than 80 percent, or less than \$63,728, annually. 56 percent of these households spend more than 30 percent of their income on housing.

The City of Monroe has a large gap between the supply of low-income housing units, and what is needed to accommodate its residents with below average incomes. Exhibit XXII (next page) shows how many additional affordable units would be necessary to satisfy the demand as of the 2018 data.

Housing Affordability Gaps

Exhibit XXII. Affordability Gap by Income Range

Income Grouping for Cost Burden Analysis	Income Range	Affordable Monthly Rent for Income Group, Family of Four	Income Group Affordability Gap (Units) ¹ , Family of Four	Affordability Gap, Renter HH's, Family of Four	Affordability Gap, Owner HH's, Family of Four
Less than 30% Area Median Family Income	Less than \$28,800	Less than \$720	555	485	70
30 - 50% Area Median Income	\$28,800 to \$48,000	\$720 - \$1,200	435	240	190
50 - 80% Area Median Income	\$48,000 to \$72,000	\$1,200 - \$1,800	380	115	265
80 - 100% Area Median Income	\$72,000 to \$96,000	\$1,800 - \$2,400	190	20	170
100% Area Median Income and Above	\$96,000 and above	\$2,400 and above	130 ²	0 ²	130 ²
Total			1,560²	860	695²

¹ Gap is calculated as the number of households making less than median income paying more than 30 percent of their income in rent. Renters plus owners do not necessarily equal the total households due to rounding.

² HH's making above median income are assumed to be choosing to pay more for housing

Source: Fiscal Year 2017 Income Limits for Snohomish County,

Adopted by HUD as Area Median Income for FY 2017

A total of 860 renter households and 695 households in Monroe who own their housing unit making less than 100 percent of the area median income were cost burdened in the 2013-2017 data period. The degree of cost burden is especially apparent in the extremely low (less than 30 percent of median) income group and the low income (30 – 50 percent) group among renters, and among the moderately low income (50 – 80 percent) group of households who own their units. This suggests that providing housing options for low-income renters and starter homes for those moderate-income households looking to get into ownership should be particular focus areas for the City of Monroe.

Given the city's population trends, current housing gaps, and market pressures, the following housing types and populations are likely to be most needed over the course of the planning period:

- Workforce housing (especially low to moderate income and retail employment)
- Middle-income housing (especially starter single-family homes)
- Multi-family housing (especially for 1- and 2-person households and especially for those making less than 80 percent of the median income). A substantial portion of low-income households are likely to be seniors on fixed incomes.

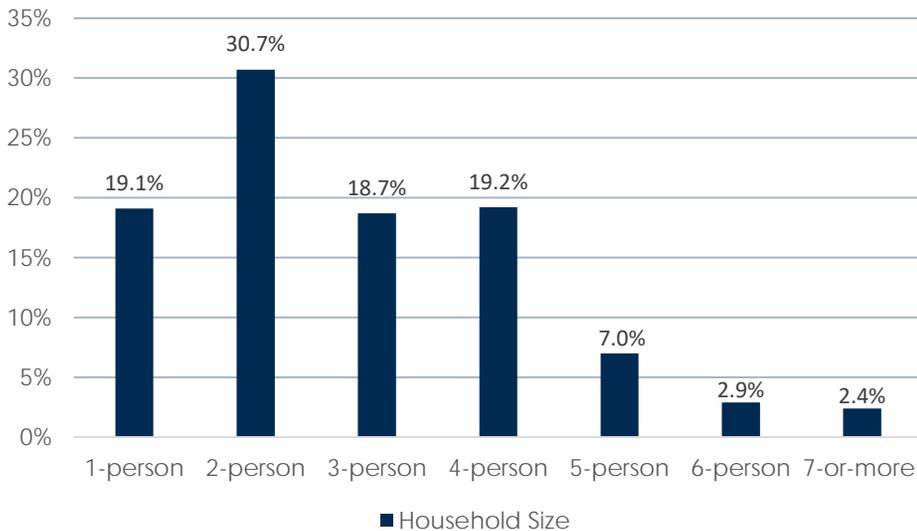
Housing Size Gaps

THERE IS A NEED FOR HOUSING UNITS THAT ACCOMMODATE 1 – 2 PERSON HOUSEHOLDS.

The ACS estimated that in 2018 roughly 70 percent of the City’s housing units had three or more bedrooms while nearly early 50 percent of the households that live in Monroe are made up of 1 or two people. These households typically need a housing unit with two or less bedrooms, often times even studio type apartments. Roughly 20 percent of these 1 to two people households are living in units that are too large for them, and likely paying for unneeded space. In return, there is a notable gap between the number of small, low-price housing units and the demand for those type of housing units.

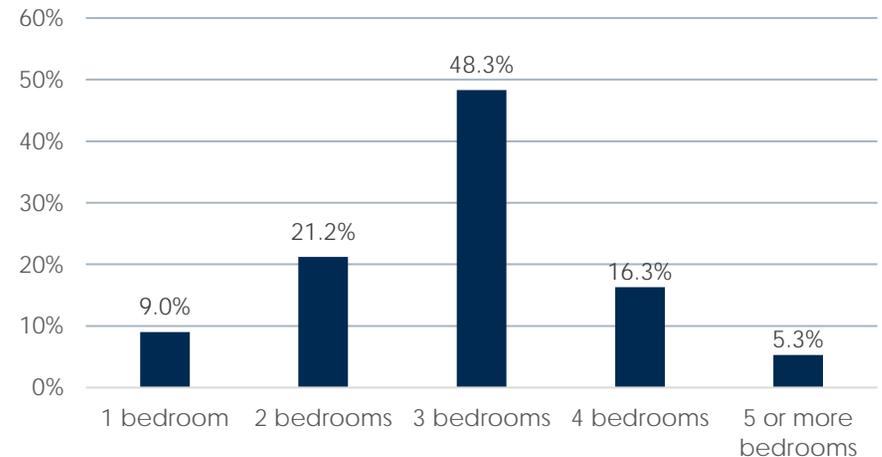
The ACS estimates 65 percent of the City’s population is between 20 and 60 years old, which is the age range most commonly associated with a household size that is larger than 2 people and would be seeking a housing unit with 3 or more bedrooms. As of now, this works out because the majority of housing units in Monroe are 3 + bedrooms. However, in 2035 at the end of the planning period, a majority of these household will be reduced to one to two person households, as children move out and parents become “empty nesters”. Again, there will be a greater demand placed on the City’s limited supply of smaller one to two-bedroom housing units to accommodate the new population of first-time home buyer and “empty nesters”.

Exhibit XXIII. Household Size, 2018



Source: 2014 – 2018 ACS 5-Year Estimates. Table B11016

Exhibit XXIV. 2018 Unit Size by Number of Bedrooms



Source: 2014 – 2018 ACS 5-Year Estimates. Table DP04

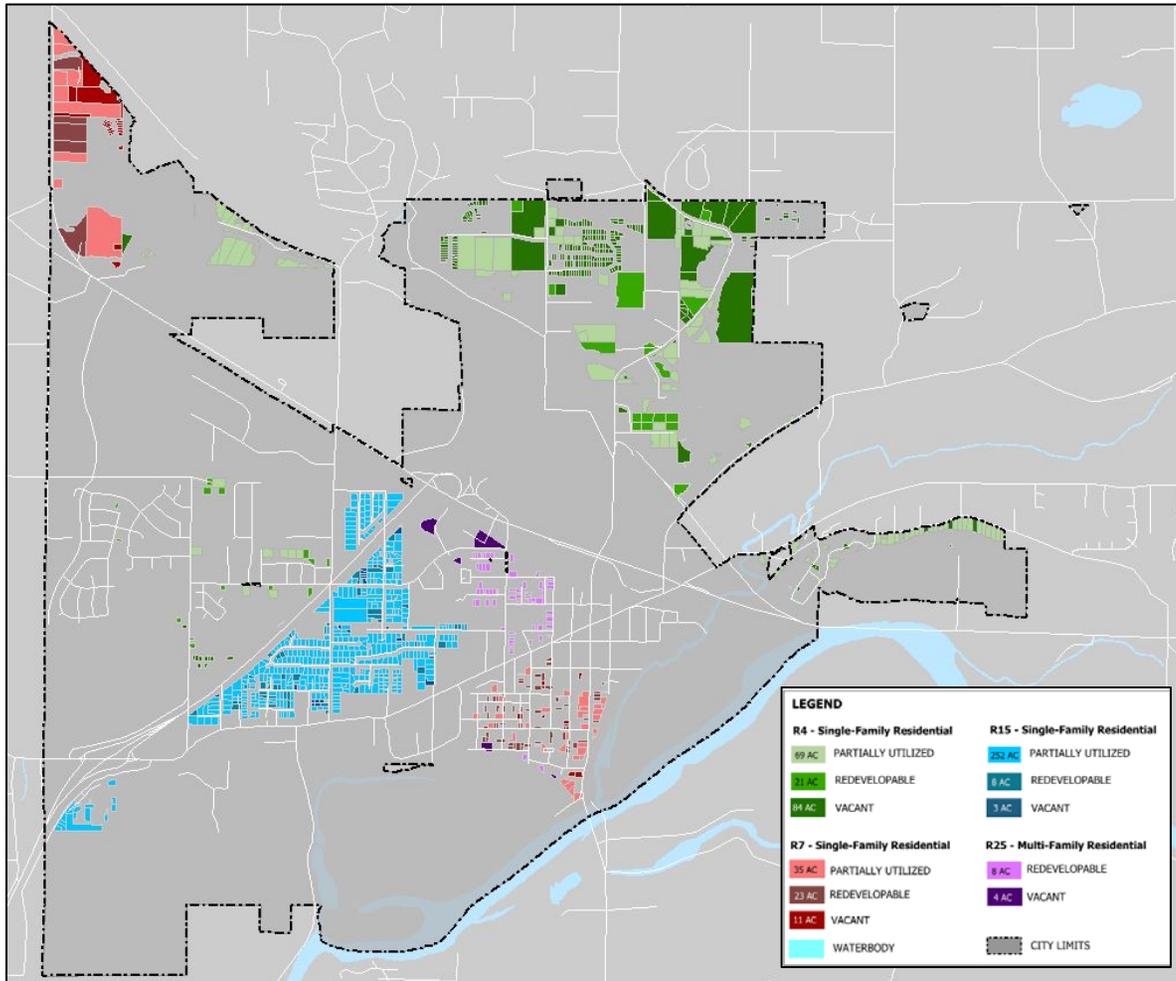
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Monroe Residential Land Capacity

THE CITY HAS ROOM TO ACCOMMODATE THE 1,200 HOUSING UNITS THAT HAVE BEEN PROJECTED FOR THE 2035 POPULATION, WITH CAVEATS. The map below shows vacant, redevelopable and partially utilized tax parcels in residential zones. Parcel acreage has been reduced by 25 percent, with critical areas removed, to account for any unusable land such as setbacks, common areas or utilities needed for new development. This reduction also considers that not all vacant, redevelopable or partially utilized land will not be sold or subdivided due to unwillingness on behalf of the property owner or other constraints. This analysis shows there are 102 acres of

Exhibit XXV. Land Capacity Analysis



vacant, developable land across residential zoning districts of densities that vary from four to twenty-five units per acre. 60 acres of land in the City have structures valued at less than \$100,000 or are less than 75% of the underlying land value.

Partially utilized parcels are the most frequent (light) colors seen on the map but are most difficult to identify precisely. These parcels are at least twice the size permitted by zoning and are not currently vacant. To identify parcels that truly have potential for additional development, a site specific analysis would need to be completed.

The 162 vacant and redevelopable acres could theoretically provide roughly 1,000 housing units at varying densities. It is likely that some of the partially utilized land could be developed so we can assume Monroe has the capacity to accommodate the projected 2035 population and households.

Snohomish County is updating their Buildable Lands Report (BLR) in 2021 and will provide a much closer look at Monroe's land capacity.