



# MONROE PLANNING COMMISSION

Regular Meeting  
Monday, March 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](mailto:labarr@monroewa.gov).

## 4. APPROVAL OF MINUTES

4.1. February 22, 2021

3 - 5

**5. PUBLIC HEARING**

- 5.1. Proposed Code Amendments regarding Temporary Homeless Encampments Shana Restall 6 - 19  
[Agenda Bill - Temporary Encampments Code Amendments - Pdf](#)

**6. OLD BUSINESS**

- 6.1. Housing Action Plan (HAP) Update Anita Marrero 20 - 75  
[Agenda Bill - Housing Action Plan - Pdf](#)

**7. NEW BUSINESS**

**8. DISCUSSION BY COMMISISONERS & STAFF**

**9. ADJOURNMENT**



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

## MINUTES

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### 1. CALL TO ORDER

Chair Bull called the meeting to order at 7:03pm.

### 2. ROLL CALL

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

**EXCUSED:**

**STAFF PRESENT:** Permit Technician Leigh Anne Barr, Principal Planner Shana Restall, and Senior Planner Anita Marrero

### 3. PUBLIC COMMENTS

### 4. APPROVAL OF MINUTES

4.1. January 25, 2021

Commissioner Elly Britt moved to approve the minutes from the January 25, 2021 regular meeting. The motion was seconded by Commissioner Dionne Miller. On vote, motion carried 6-0.

Commissioner Fisher joined the meeting at 7:06pm.

### 5. PUBLIC HEARING

### 6. OLD BUSINESS

## **7. NEW BUSINESS**

### 7.1. Housing Action Plan (HAP) Update Anita Marrero

Senior Planner Anita Marrero explained this is a work session to gather feedback on the Housing Needs Assessment to move forward with drafting the Housing Action Plan. Senior Planner Marrero walked the Commissioners through the assessment and discussion that included:

- Accuracy of the demographics in Needs Assessment
- Direction from City Council
- Supply and demand of housing types
- Strategies for implementation of Housing Action Plan
- Annexations

Senior Planner Marrero will move forward with drafting 3-4 strategies for use in the Housing Action Plan and will bring the Housing Needs Assessment and Planning Commission's discussion to the Council's P3 committee next month for discussion and direction in moving forward.

## **8. DISCUSSION BY COMMISISONERS & STAFF**

Planning Commission Secretary checked in with the Commissioners on their City emails.

Principal Planner Restall will be bringing the definitions and temporary encampments back to the next Planning Commission meeting.

Commissioner Miller expressed her desire to honor the history in the older neighborhoods while creating additional housing in the City.

Commissioner Tuttle gave an Economic Development Advisory Board (EDAB) and a Community Human Services Advisory Board update.

Commissioner Mike Stanger moved to extend the meeting past 9pm. The motion was seconded by Commissioner Kyle Fisher. On vote, motion carried 7-0.

Commissioner Nugent took the comments the Commissioners had regarding the report from the last meeting back to EDAB.

Commission Britt informed the Commission that she will be out of town for the next several weeks but will still be attending the Planning Commission meetings.

Commissioner Fisher suggested some synonyms for the word affordable and gave a Parks Board update.

Senior Planner Marrero gave a current development update for the City.

**9. ADJOURNMENT**

Vice Chair Bridgette Tuttle moved adjourn at 9:05pm. The motion was seconded by Commissioner Liz Nugent. On vote, motion carried 7-0.

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Chair, Jay Bull

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Planning Commission Secretary, Leigh Anne Barr



# AGENDA BILL

**Meeting Date:** March 22, 2021

**Staff Contact:** Shana Restall, Principal Planner

**Department:** Community Development

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**SUBJECT: Proposed Code Amendments regarding Temporary Homeless Encampments**

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**PREVIOUS DISCUSSION:**

08/12/2019, 03/09/2020, 04/13/2020, 06/06/2020, 07/27/2020, 10/26/2020, and 12/14/2020

**PUBLIC HEARING(S):**

3/22/2021

**REQUESTED ACTION:**

**Motion A:** Move to **DIRECT** staff to draft Findings of Fact and Conclusions of Law for the Planning Commission that **RECOMMEND** that the Monroe City Council **APPROVE** the proposed amendments to Chapter 22.90 MMC, Temporary Encampments, to update the City's provisions regulating temporary homeless encampments in order to reflect current state law.

- THEN -

**Motion B:** Move that the Planning Commission **ADOPT** the Findings of Fact and Conclusions of Law contained in **Attachment 1** to the Planning Commission agenda bill, **AUTHORIZE** the Planning Commission Chair to sign the Findings on behalf of the Commission, and **RECOMMEND** that the Monroe City Council **APPROVE** the proposed amendments to MCC Chapter 22.90 MMC, Temporary Encampments.

**POLICY CONSIDERATIONS:**

Temporary homeless encampments, which provide temporary shelter to homeless persons, have become more frequent in the Puget Sound area over the past decade. The Washington State legislature adopted Engrossed House Bill 1956 on March 23, 2010 that authorizes religious organizations to host temporary encampments and limits a local government's ability to regulate these encampments. Specifically, it prohibits local governments from enacting an ordinance or regulation with respect to the provision of homeless housing that imposes conditions other than those necessary to protect public health and safety and do not substantially burden the decisions or actions of a religious organization. Furthermore, Governor Inslee signed into law Engrossed Substitute House Bill 1754 on March 31, 2020, which provides additional clarification regarding the regulation of temporary encampments.

## DESCRIPTION/BACKGROUND:

Over the last decade, temporary homeless encampments, sometimes called tent cities, have become an often-used mechanism for providing shelter for homeless individuals. These encampments usually rotate between various host properties, which are generally owned by religious organizations. On March 6, 2007, the Monroe City Council adopted Ordinance No. 003/2007, which added a chapter to the zoning code to regulate temporary homeless encampments within the City. However, in 2010, the state adopted legislation that limited a local government's purview over these encampments. RCW 35A.21.360 authorizes religious organizations to host temporary homeless encampments and states that cities may not:

1. Impose conditions other than those necessary to protect public health and safety and that do not substantially burden the decisions or actions of a religious organization regarding the location of housing or shelter for homeless persons on property owned by the religious organization; or
2. Require a religious organization to obtain insurance pertaining to the liability of a municipality with respect to homeless persons housed on property owned by a religious organization or otherwise require the religious organization to indemnify the municipality against such liability.

Governor Inslee signed into law Engrossed Substitute House Bill 1754 on March 31, 2020, which provides additional clarification regarding the regulation of temporary encampments. The City's code was not updated at the time Engrossed House Bill 1956 was adopted and has yet to be updated to reflect the provisions of Engrossed Substitute House Bill 1754. The proposed amendments are intended to bring the code into compliance with state law.

## FISCAL IMPACTS:

N/A

## TIME CONSTRAINTS:

On June 9, 2020, the City adopted Ordinance No. 005/2020, which repealed and replaced previously adopted interim provisions to regulate temporary encampments. The interim ordinance is in effect for no longer than six months per RCW 35A.63.220, Moratoria, Interim Zoning Controls—Public Hearing—Limitation on Length. The interim provisions were extended by the City Council for an additional six months on November 12, 2020. The interim ordinance will sunset on May 12, 2021.

## ALTERNATIVES TO REQUESTED ACTION:

### Alternatives to Motion A:

1. Move to **DIRECT** staff to draft Findings of Fact and Conclusions of Law for the Planning Commission that **RECOMMEND** that the Monroe City Council **DENY** the proposed amendments to Chapter 22.90 MMC, Temporary Encampments. *This may result in the reinstatement of the previous permanent version of MMC Chapter 22.90 after the interim ordinance sunsets on May 12, 2021.*
2. Move to **CONTINUE** the public hearing to the April 12, 2021 regular meeting.

**ATTACHMENTS:**

[ATT1 - PH - Temp Enc - 3-22-21](#)

[ATT2-Temp Enc-3-18-21](#)

## Chapter 22.90 TEMPORARY ENCAMPMENTS

### Sections:

<b>22.90.010</b>	Purpose.
<b>22.90.020</b>	Applicability; Construction.
<b>22.90.030</b>	Definitions.
<b>22.90.040</b>	General provisions.
<b>22.90.050</b>	Memorandum of understanding.
<b>22.90.060</b>	Outdoor encampments.
<b>22.90.070</b>	Indoor overnight shelters.
<b>22.90.080</b>	Temporary houses on-site.
<b>22.90.090</b>	Vehicle resident safe parking areas.
<b>22.90.100</b>	Application and review process; Appeals.

### **22.90.010. Purpose.**

The City of Monroe finds it is necessary to promote solutions to the complex problem of homelessness. One solution is to facilitate, with appropriate regulation and oversight, sponsors of temporary shelters in existing structures and in temporary outdoor encampments organized and managed by religious organizations. These facilities do not represent a permanent solution to homelessness, but rather can provide vitally needed shelter and a first step toward more permanent forms of housing. This chapter reflects guidance provided by ESHB 1754, WAC 51-16-030, and by federal law that religious institutions are free to practice their faith including offering assistance to the homeless. This chapter further attempts to appropriately balance such considerations with the city's need to protect the health, safety and welfare of both temporary encampment residents and of the public.

### **22.90.20. Applicability; Construction.**

A. The regulations, requirements, and standards set forth in this chapter apply to all temporary encampments within the City.

B. This chapter shall be reasonably construed and administered in a manner consistent with applicable state and federal law, including ESHB 1754. Without limitation of the foregoing, the City may exercise any of the authority set forth in ESHB 1754 in administering this chapter.

C. Except as provided in this chapter and/or by law, nothing in this chapter shall excuse any person from compliance with all applicable provisions of the Monroe Municipal Code.

### **22.90.30. Definitions.**

The following definitions shall apply for purposes of this chapter:

A. "Managing agency" means an organization such as a religious organization or other organized entity that has the capacity to organize and manage a temporary encampment.

B. "Outdoor encampment" means any temporary tent or structure encampment, or both.

C. "Religious organization" means the federally protected practice of a recognized religious assembly, school, or institution that owns or controls the real property where the temporary encampment is hosted.

D. "Temporary" means not affixed to land permanently and not using underground

utilities.

E. "Temporary encampment" means a temporary housing or shelter for homeless persons, such as an outdoor encampment, indoor overnight shelter, temporary small house on-site, or vehicle resident safe parking area.

#### **22.90.40. General provisions.**

The following standards shall apply to all temporary encampments within the city of Monroe, except as modified by the category-specific standards otherwise set forth in this chapter:

A. A religious organization may host a temporary encampment for the homeless on property owned or controlled by the religious organization whether within buildings located on the property or elsewhere on the property outside of buildings, subject to the provisions of this chapter.

B. All temporary encampments shall comply with the applicable provisions of RCW 35A.21.360.

C. The host religious organization and/or managing agency shall provide a transportation plan for the temporary encampment, which shall include provisions for access to and from transit services.

D. The host religious organization and/or managing agency shall ensure the temporary encampment's compliance with all applicable state laws and regulations, the Monroe Municipal Code, Fire District 7 directives, and Snohomish health district standards concerning, but not limited to, drinking water connections, solid waste disposal, human waste, electrical systems, and fire-resistant materials.

E. The host religious organization and/or the managing agency shall appoint an individual to serve as a permanent point of contact for the temporary encampment.

F. At least one representative of the host religious organization, the managing agency, and/or a designated occupant of the temporary encampment shall be on duty at the temporary encampment all times. Such individuals shall be familiar with emergency protocols, equipped with suitable communication devices, and be trained to contact local first responders when necessary. The names and contact information for such individuals shall be posted daily at the temporary encampment.

G. The host religious organization and/or the managing agency shall ensure the temporary encampment's compliance with all applicable public health regulations, including but not limited to the following:

1. Adequate toilet facilities shall be provided on site and shall be set back at least 40 feet from all property lines. Restroom access shall be provided either within the buildings on the host property or through use of portable facilities;

2. Hand washing stations provided near the toilets and food preparation areas;

3. Food preparation and/or service tents and/or facilities shall be provided;

4. Solid waste receptacles shall be provided on site throughout the temporary encampment. A regular trash patrol in the immediate vicinity of the temporary encampment site shall also be provided;

5. An adequate supply of potable water shall be available on site at all times; and

6. All applicable city, county, health department, and state regulations pertaining to drinking water connections and solid waste disposal shall be met.

H. Temporary encampments shall not cause or permit the intrusion of noise from the temporary encampment exceeding the applicable thresholds set forth in WAC 173-60-040.

I. The host religious organization and/or the managing agency shall keep a log of the names of all overnight residents of the temporary homeless encampment and the date(s) upon which they stayed.

J. The host religious organization and/or the managing agency shall ensure that the

Monroe Police Department has completed sex offender checks of all adult residents and guests of the temporary encampment. The host religious organization retains the authority to allow such offenders to remain on the property.

K. Periodic inspections of the temporary encampment by public officials from agencies with applicable regulatory jurisdiction, including without limitation the fire marshal, may be conducted at reasonable times, consistent with applicable constitutional and statutory standards.

L. Any host religious organization must work with the city to utilize Washington's homeless client management information system, as provided for in RCW 43.185C.180.

1. When there is no managing agency, the host religious organization is encouraged to partner with a local homeless services provider using the Washington homeless client managing information system.

2. Any managing agency receiving any funding from local continuum of care programs must utilize the homeless client management information system.

3. Temporary, overnight, extreme weather shelters provided in religious organization buildings are exempt from the requirements of this subsection.

#### **22.90.50 Memorandum of understanding.**

A. The city shall require the host religious organization and/or a managing agency to execute a memorandum of understanding to protect the health and safety of both the residents of the temporary encampment and that of the public. Any such memorandum of understanding must, at a minimum, include information regarding:

1. The right of a temporary encampment resident to seek public health and safety assistance;

2. The resident's ability to access social services on-site;

3. The resident's ability to directly interact with the host religious organization, including the ability to express any concerns regarding the managing agency to the religious organization;

4. A written code of conduct agreed to by the managing agency, if any, host religious organization, and all volunteers working with residents; and

5. Where a publicly funded managing agency exists, the ability for the host religious organization to interact with residents using a release of information.

B. The zoning administrator, in consultation with the city attorney, is authorized to negotiate and execute on behalf of the city a memorandum of understanding under this section.

#### **22.90.60. Outdoor encampments.**

A. The hosting term of an outdoor encampment shall not exceed 180 consecutive days at one location per each 365-day period;

B. At least three months 93 days shall lapse between subsequent or established outdoor encampments at a particular site.

C. Simultaneous and adjacent hostings of outdoor encampments by a religious organization shall not be located within 1,000 feet of another outdoor encampment concurrently hosted by the same or different religious organization.

D. An outdoor encampment shall be located a minimum of 20 feet from the property line of abutting properties.

E. Any exterior lighting must be directed downward and contained within the outdoor encampment.

F. The maximum residential density of an outdoor encampment is one occupant per 400 square feet of parcel area; provided, that the maximum number of occupants within an outdoor encampment shall not exceed 100 regardless of the size of the parcel.

G. An outdoor encampment shall comply with the following fire safety requirements:

1. All tents exceeding 300 square feet, and all canopies exceeding 400 square feet, shall be comprised of flame retardant materials;

2. Open flames are prohibited in an outdoor encampment;

3. If temporary structures other than tents are used for habitation within an outdoor encampment, each such structure shall have a door, at least one egress window, and shall be equipped with a functional smoke detector;

4. An adequate power supply to the outdoor encampment is required; provided, that properly permitted and installed construction site type electrical boxes may be approved by the zoning administrator; and

5. Only wired electrical heating is allowed within tents and other temporary structures used for habitation at an outdoor encampment.

H. The outdoor encampment shall ensure a minimum separation of six feet between structures, including tents.

#### **22.90.70 Indoor overnight shelters.**

The city shall not limit a religious organization's availability to host an indoor overnight shelter in spaces with at least two accessible exits due to lack of sprinklers or other fire-related concerns, except that:

A. If the fire code official finds that fire-related concerns associated with an indoor overnight shelter pose an imminent danger to persons within the shelter, the city may take action to limit the religious organization's availability to host the indoor overnight shelter; and

B. The city may require a host religious organization to enter into a memorandum of understanding for fire safety that includes:

1. Inspections by the fire code official;

2. An outline for appropriate emergency procedures;

3. A determination of the most viable means to evacuate occupants from inside the host site with appropriate illuminated exit signage;

4. Panic bar exit doors; and

5. A completed fire watch agreement indicating:

a. Posted safe means of egress;

b. Operable smoke detectors, carbon monoxide detectors as necessary, and fire extinguishers; and

c. A plan for monitors who spend the night awake and are familiar with emergency protocols, who have suitable communication devices, and who know how to contact the fire department.

#### **22.90.80 Temporary small houses on-site.**

The city shall not limit a religious organization's ability to host temporary small houses on land owned or controlled by the religious organization, except for recommendations that are in accord with the following criteria:

A. A renewable one-year duration agreed to by the host religious organization and the city via a memorandum of understanding;

B. Maintaining a maximum unit square footage of one 120 square feet, with units set

at least six feet apart;

C. Electricity and heat, if provided, must be inspected by the city;

D. Space heaters, if provided, must be approved by the local fire authority;

E. Doors and windows must be included and be lockable, with a recommendation that the managing agency and host religious organization also possess keys;

F. Each unit must have a fire extinguisher;

G. Adequate restrooms must be provided, including restrooms solely for families if present, along with handwashing and potable running water to be available if not provided within the individual units, including accommodating black water;

H. A recommendation for the host religious organization to partner with regional homeless service providers to develop pathways to permanent housing.

#### **22.90.90 Vehicle resident safe parking areas.**

A. The city shall not limit a religious organization's availability to host safe parking efforts at its on-site parking lot, including limitations on any other congregationally sponsored uses and the parking available to support such uses during the hosting, provided that the following criteria are met:

1. No less than one space may be devoted to safe parking per ten on-site parking spaces;

2. Restroom access must be provided either within the buildings on the property or through use of portable facilities, with the provision for proper disposal of waste is recreational vehicles are hosted; and

3. The religious organization providing spaces for safe parking shall abide by all existing on-site parking minimum requirements so that the provision of safe parking spaces does not reduce the total number of available parking spaces below the minimum number of spaces otherwise required by the MMC. Provided, the City may in its discretion enter into a memorandum of understanding with the religious organization that reduces the minimum number of on-site parking spaces required.

B. The host religious organization or the managing agency must inform vehicle residents how to comply with laws regarding the legal status of vehicles and drivers and provide a written code of conduct consistent with applicable city standards.

#### **22.90.101. Application and review process; appeals.**

A. Application. The completed application for a temporary encampment, which shall be signed by the host religious organization and/or managing agency, and shall contain, at a minimum, contact information for the applicant, and detailed information regarding the following:

1. How the proposed temporary encampment will meet the requirements set forth in this chapter;

2. Potential adverse effects that the proposed temporary encampment will likely have on neighboring properties and the community;

3. Measures to mitigate such adverse effects;

4. A proposed written code of conduct for the temporary encampment;

5. Measures to meet applicable requirements of the International Fire Code; and

6. Certification that the applicant has taken and/or will take all reasonable and legal steps to obtain verifiable identification from current and prospective encampment residents and shall ensure that the Monroe Police Department has and/or will have completed sex offender checks of all adult residents and guests of the temporary encampment. The form of the notice and the application shall be provided by the zoning administrator upon request by the applicant.

B. Community Meeting. Unless the use is in response to a declared emergency, the host shall hold a meeting open to the public prior to the opening of a temporary encampment. The purpose of the community meeting is to provide the surrounding community with information regarding the proposed duration and operation of the encampment, conditions that will likely be placed on the operation of the encampment, requirements of the written code of conduct, and to answer questions regarding the encampment. The religious organization must provide written notice of the community meeting to the city council at least one week, if possible, but no later than ninety-six hours prior to the meeting.

1. The notice must specify the time, place, and purpose of the meeting; and
2. Public notice of the meeting shall be provided by the city by taking at least two of the following actions at any time prior to the time of the meeting:
  - a. Delivering to each local newspaper of general circulation and local radio or television station that has on file with the city a written request to be notified of special meetings;
  - b. Posting on the city's web site;
  - c. Prominently displaying, on signage at least two feet in height and two feet in width, one or more meeting notices that can be placed on or adjacent to the main arterials in proximity to the location of the meeting; or
  - d. Prominently displaying the notice at the meeting site.

C. Application Review. The zoning administrator shall issue a decision approving, approving with conditions, or denying the application for a temporary homeless encampment within fourteen days of the date that the application was submitted.

D. Decision. A notice of decision for the temporary encampment, or summary thereof, shall contain the decision of the zoning administrator approving, approving with conditions, or denying the application, and the appeal procedure, and shall be distributed as required within four business days after the decision.

E. Conditions of Approval. Reasonable conditions of approval may be established as deemed necessary by the zoning administrator in order to protect the health, safety and welfare of the public and the occupants of the temporary homeless encampment, consistent with this chapter and applicable federal and state law. Without limitation of the foregoing, any such conditions of approval shall comply with RCW 35A.21.360 and applicable state and federal law concerning religious exercise.

F. Appeal. The zoning administrator's decision to approve, approve with conditions, or deny the application is appealable directly to Snohomish County Superior Court in accordance with the procedures and timeframes of the Land Use Petition Act, Chapter 36.70C RCW.



## ATTACHMENT 2

# PLANNING COMMISSION STAFF REPORT

## Analysis of Approval Criteria

### A. GENERAL INFORMATION

<b>File Number(s):</b>	CA2019-03 and SEPA2019-11
<b>Project Summary:</b>	The City of Monroe is proposing text amendments to Chapter 22.90 MMC, Temporary Encampments, to comply with RCW 35A.21.360, which authorizes religious organizations to host temporary homeless encampments. The City's code was not updated at the time the state law was adopted. The proposed amendments establish provisions to regulate temporary encampments within the City and bring the code into compliance with RCW 35A.21.360.
<b>Applicant:</b>	City of Monroe
<b>Location:</b>	The proposed amendments to MMC 22.90, Temporary Encampments, are non-project actions that are not site-specific. The amendments do not apply to a specific property or properties, but rather to the entire area within the limits of the City of Monroe and its Urban Growth Area (UGA).
<b>Public Hearing Date:</b>	<b>Monday, March 22, 2021, at 7:00 PM</b>  Monroe City Hall Council Chambers 806 West Main Street Monroe, WA 98272
<b>Staff Contact:</b>	Shana Restall Principal Planner City of Monroe 806 West Main Street Monroe, WA 98272 (360) 863-4544 srestall@monroewa.gov

### B. BACKGROUND

The City of Monroe is proposing text amendments to Chapter 22.90 MMC, Temporary Encampments, to comply with RCW 35A.21.360, which authorizes religious organizations to host temporary homeless encampments. The City's code was not updated at the time the state law was adopted. The proposed amendments establish provisions to regulate temporary encampments within the City and bring the code into compliance with RCW 35A.21.360.

## **C. REVIEW PROCESS**

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### **1. Overview**

MMC Table 22.84.060(8)(1): Project Permit Types, designates code amendments as Type IV project permits. Type IV permits require that the Planning Commission review the proposal and make a recommendation to the final decision authority, which is the City Council. The City is proposing amendments to Chapter 22.90 MMC, Temporary Encampments to bring the code into compliance with state law. Therefore, a Planning Commission public hearing and recommendation to the City Council is required. The required public hearing in front of the Planning Commission will be held March 22, 2021.

Following the close of the public hearing, the Planning Commission will forward a recommendation to the City Council. According to MMC 22.84 .030(D)(2) , the Planning Commission shall make a written recommendation to the City Council regarding Type IV actions at the close of their final public hearing or at their next scheduled meeting. The written recommendation to the City Council shall be one of the following:

- a. Recommendation for additional time and/or resources on the application;
- b. Recommendation of approval of the legislative action;
- c. Recommendation of approval of the legislative action with modifications; or
- d. Recommendation of denial of the legislative action.

No earlier than April 13, 2021, the City Council will hold a first reading to consider the Commission's recommendation. Per MMC Table 22.84.060(8)(2), Decision-Making and Appeal Authorities, the City Council is the City's final decision authority on the proposed code amendments. The decision may be appealed subject to the judicial appeal provisions in MMC 22.84.080(D), Judicial Appeals.

### **2. Public Notification and Comments**

- a. Notice of Public Hearing: Notice of Public Hearing was provided in accordance with MMC 22.84.050(C) by posting the notice at City Hall and the Monroe Library, and publishing the notice in the Everett Daily Herald on February 25, 2021.
- b. State Environmental Policy Act (SEPA) Review: Pursuant to WAC 197-11-704, the proposal is classified as a non-project action under the State Environmental Policy Act. Non[project actions involve "decisions on policies, plans, or programs," which includes the adoption of zoning ordinances [WAC 197-11-704(b)(ii)]. A SEPA Determination of Non-Significance (DNS) was issued on the proposed code amendments on July 30, 2019. The public comment and appeal periods for the DNS ended at 5:00 PM on August 13, 2019. No comments or appeals were received
- c. Public Hearing: The public hearing on this matter will be held in front of the Planning Commission on March 22, 2021, at 7:00 PM in the City of Monroe Council Chambers.

## **D. SELECTION CRITERIA AND ANALYSIS**

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Pursuant to MMC 22.72.040(E), Decision Criteria, an amendment to the unified development regulations shall not be granted unless the applicant demonstrates that all of the following criteria are met:

1. The proposed amendment to the development regulations is consistent with the policies and provisions of the Monroe comprehensive plan;
2. The amendment complies with all other applicable criteria and standards of the Monroe Municipal Code and is consistent with the purpose of this Title;

3. The subject property is suitable for development in conformance with the development regulations applicable under the proposed zoning district;
4. The proposed amendment advances the public interest of the community;
5. The amendment does not adversely affect public health, safety, or welfare; and
6. The amendment is warranted because of changed circumstances, error, or a demonstrated need for additional property in the proposed zoning district, when applicable.
7. In addition to those criteria in MMC 22.72.040(E)(1-6), amendments to the official zoning map (rezones) shall also meet all of the following criteria:
  - a. The amendment is consistent with the future land use map set out in the Monroe comprehensive plan;
  - b. The amendment is compatible with the uses and zoning of the adjacent properties;
  - c. The proposed reclassification does not constitute a “spot” zone;
  - d. Adequate public facilities and services are likely to be available to serve the development allowed by the proposed zone;
  - e. The potential adverse environmental impacts of the types of development allowed by the proposed zone have been identified and can be mitigated taking into account all applicable regulations, or the unmitigated impacts are acceptable; and
  - f. The proposed reclassification is an extension of an existing zone, or a logical transition between zones.

The following **Findings of Fact** have been made about the proposed code amendments, and the resulting **Conclusions of Law** were established from the Findings of Fact:

1. The proposed amendment to the development regulations is consistent with the policies and provisions of the Monroe comprehensive plan.
  - a. Findings of Fact: The adopted 2015 – 2035 Monroe Comprehensive Plan contains applicable goals and policies, as shown below.

Policy Item Number	Policy Item Text
P.118	Permit a variety of smaller-sized housing, including cottage housing, manufactured home parks, or other types where compatible with surrounding neighborhoods.
P.119	Encourage the development of housing for special needs populations that may include the following: <ul style="list-style-type: none"> <li>• <i>Integration of universal design standards to assist elderly and other special needs populations to stay in their homes;</i></li> <li>• <i>Coordination of housing and service providers in serving special needs populations; and</i></li> <li>• <i>Promoting the development of ongoing operations of supportive housing with appropriate services for people with special needs throughout the county and region.</i></li> </ul>

- b. Conclusions of Law: Staff concludes the proposed amendment to the development regulations is consistent with policies and provisions of the Monroe comprehensive plan.
2. The amendment complies with all other applicable criteria and standards of the Monroe Municipal Code and is consistent with the purpose of this Title.
  - a. Findings of Fact: The proposed amendments would modify the development regulations to bring the code into compliance with state law. Governor Inslee signed into law Engrossed Substitute House Bill 1754 on March 31, 2020, which provides additional clarification regarding the regulation of temporary encampments. The City’s code was not updated at the time Engrossed House Bill 1956 was adopted and has yet to be updated to reflect the provisions of Engrossed Substitute House Bill 1754.

- b. Conclusions of Law: Staff concludes the amendment complies with all other applicable criteria and standards of the Monroe Municipal Code and is consistent with the purpose of this Title.
- 3. The subject property is suitable for development in conformance with the development regulations applicable under the proposed zoning district.
  - a. Findings of Fact: The proposal is not site-specific. This criterion does not apply.
  - b. Conclusions of Law: The proposal is not site-specific. This criterion does not apply.
- 4. The proposed amendment advances the public interest of the community.
  - a. Findings of Fact: The proposed amendments would advance the public interest of the community by affording means, as specified by state law, by which homeless individuals can access temporary, safe shelter. These encampments would also result in fewer homeless individuals occupying portions of existing buildings.
  - b. Conclusions of Law: Staff concludes the proposed amendment advances the public interest of the community.
- 5. The amendment does not adversely affect public health, safety, or welfare.
  - a. Findings of Fact: The City of Monroe finds it is necessary to promote solutions to the complex problem of homelessness. One solution is to facilitate, with appropriate regulation and oversight, sponsors of temporary shelters in existing structures and in temporary outdoor encampments organized and managed by religious organizations. The state has granted broad authority to religious organizations to offer shelter or housing to persons experiencing homelessness on property the organizations own or control and has limited a local government's ability to regulate such shelters. However, local governments may regulate conditions necessary to protect public health and safety, so long as they do not substantially burden the decisions or actions of a religious organization.
  - b. Conclusions of Law: Staff concludes the amendment does not adversely affect public health, safety, or welfare.
- 6. The amendment is warranted because of changed circumstances, error, or a demonstrated need for additional property in the proposed zoning district, when applicable.
 

Findings of Fact: The proposal to amend MMC 22.90 is warranted because of changed circumstances. The Washington State legislature adopted Engrossed House Bill 1956 on March 23, 2010, that authorizes religious organizations to host temporary encampments and limits a local government's ability to regulate these encampments. Specifically, it prohibits local governments from enacting an ordinance or regulation with respect to the provision of homeless housing that imposes conditions other than those necessary to protect public health and safety and do not substantially burden the decisions or actions of a religious organization. Furthermore, Governor Inslee signed into law Engrossed Substitute House Bill 1754 on March 31, 2020, which provides additional clarification regarding the regulation of temporary encampments. The proposed amendments would bring the City's regulations into compliance with these changes in state law.

  - a. Conclusions of Law: Staff concludes the amendment is warranted because of changed circumstances, error, or a demonstrated need for additional property in the proposed zoning district, when applicable.
- 7. In addition to those criteria in MMC 22.72.040(E)(1-6), amendments to the official zoning map (rezones) shall also meet all of the following criteria:
  - a. *The amendment is consistent with the future land use map set out in the Monroe comprehensive plan;*
  - b. *The amendment is compatible with the uses and zoning of the adjacent properties;*

- c. *The proposed reclassification does not constitute a “spot” zone;*
  - d. *Adequate public facilities and services are likely to be available to serve the development allowed by the proposed zone;*
  - e. *The potential adverse environmental impacts of the types of development allowed by the proposed zone have been identified and can be mitigated taking into account all applicable regulations, or the unmitigated impacts are acceptable; and*
  - f. *The proposed reclassification is an extension of an existing zone, or a logical transition between zones.*
- i. Findings of Fact: A rezone is not proposed. This criterion does not apply.
  - ii. Conclusions of Law: A rezone is not proposed. This criterion does not apply.

## **E. STAFF RECOMMENDATION**

Based on the analysis and findings included herein, staff recommends to the Planning Commission the following:

### **Motion A**

Move to **DIRECT** staff to draft Findings of Fact and Conclusions of Law for the Planning Commission that **RECOMMEND** that the Monroe City Council **APPROVE** the proposed amendments to Chapter 22.90 MMC, Temporary Encampments, to update the City’s provisions regulating temporary homeless encampments in order to reflect current state law.

– THEN –

### **Motion B**

Move that the Planning Commission **ADOPT** the Findings of Fact and Conclusions of Law contained in **Attachment 1** to this Planning Commission agenda bill, **AUTHORIZE** the Planning Commission Chair to sign the Findings on behalf of the Commission, and **RECOMMEND** that the Monroe City Council **APPROVE** the proposed amendments to MCC Chapter 22.90 MMC, Temporary Encampments.



# AGENDA BILL

**Meeting Date:** March 22, 2021

**Staff Contact:** Anita Marrero, Senior Planner

**Department:** Community Development

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**SUBJECT:** Housing Action Plan (HAP) Update

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**PREVIOUS DISCUSSION:**

February 22, 2021

**PUBLIC HEARING(S):**

N/A

**REQUESTED ACTION:**

N/A, Discussion Item Only, Planning Commission to review the Housing Action Plan draft, ask questions, and provide comments.

**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.

## **Findings of the HNA**

### Community Profile:

- Monroe’s population has grown by 6,005 people since 2000 and by 2,496 since 2010.
- Monroe’s population is younger on average than Snohomish County and Washington State.
- Monroe has seen a 3 percent increase of Hispanic/Latino residents since 2011.
- Monroe households earn predominately middle to upper-middle incomes and are majority homeowners.
- Monroe renters saw a greater income increase between 2011 and 2018 than homeowners did.
- Renter households are more likely than homeowners to experience overcrowding.
- Displacement risk is moderate.

### Workforce:

- In 2017, Monroe was home to nearly 8,000 jobs and 7,149 workers (10 percent of whom also work in the city).
- A majority of Monroe employees live outside the city.
- Monroe has added medium and high wage jobs in recent years, but low wage jobs have stagnated.

### Housing Market:

- Monroe’s housing stock is predominately single-family homes built between 1980 and 2000.
- The majority of Monroe’s housing units have between 1 – 4 bedrooms while the average household size has 1 – 4 people.
- Construction of single-family homes has grown steadily over the past 10 years; in contrast, multi-unit buildings have flatlined.
- 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.
- Renters are more likely to spend more than 30% of their income on housing than homeowners.

### Gap Analysis:

- 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.
- There is a need for housing units that accommodate 1 – 2 person households.

Land Capacity:

- The city has room to accommodate the 1,200 housing units needed for the 2035 growth projections, with caveats.

**MEETING SCHEDULE**

Planning Commission/City Council:

PC	3/22 Draft HAP Discussion	4/12 Draft HAP Discussion	4/26 Draft HAP Discussion	5/10 Open House/Public Hearing
CC	3/23 P3 Committee	4/20 Council Study Session	5/11 First Reading	6/08 Final Reading/Adoption

**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:**

- [Draft HNA Revised 20210305-FINAL](#)
- [DRAFT HAP March 2021](#)

# 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<sup>1</sup>. 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?

<sup>1</sup> Due to data availability, most recent available data is 2018.

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.

\*\* Information provided in this report reflects the most recent available data at the time of writing.

## 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

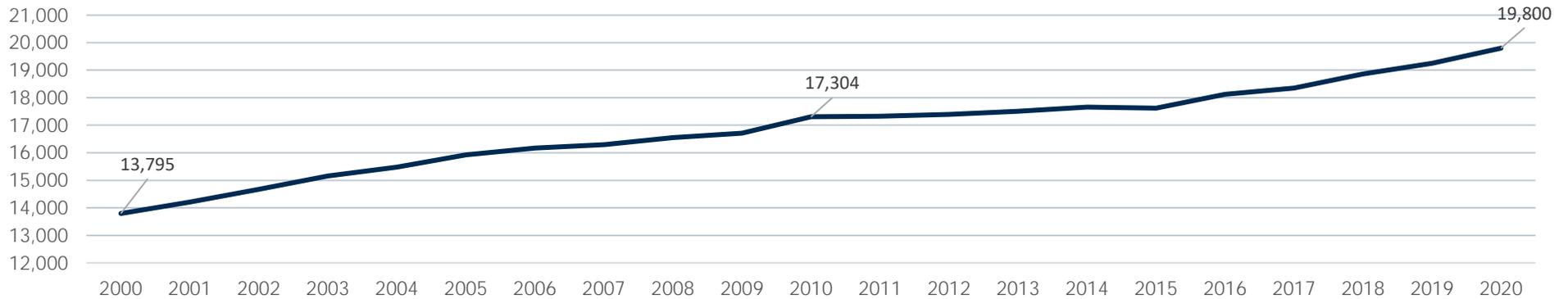


# Population and Community Characteristics

## **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



## **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 influences 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.

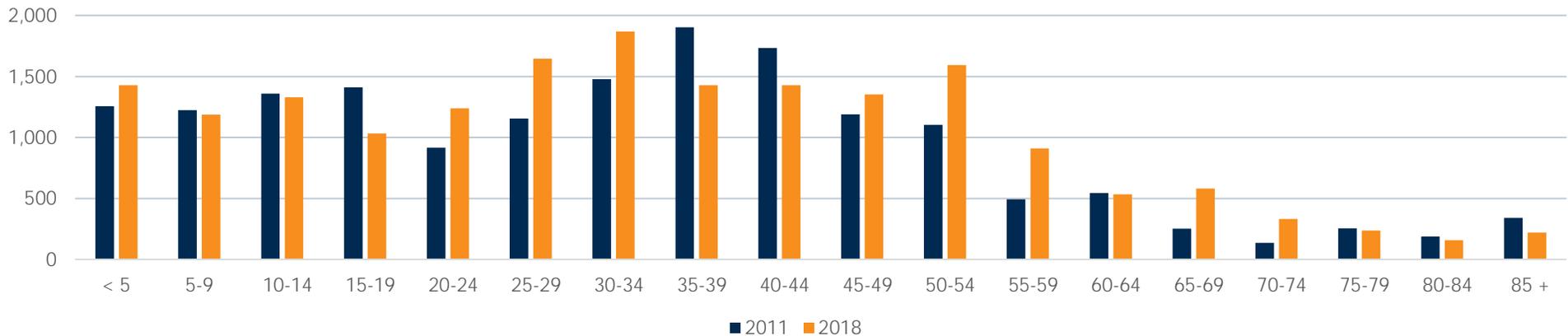
In terms of the aging population, Monroe has a significantly smaller portion of residents 65 years and older. 8.3 percent of Monroe's population is over the age of 65, while the County sees 13.5 percent and the state see 15.8 percent.

Exhibit II. Comparison in Age Distribution

	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%

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 75 percent white in 2011, and as of the 2014-2018 survey period, that percentage had fallen to roughly 70 percent. This change was driven by increases in the Black, multiracial, and Hispanic/Latino communities. As seen in Exhibit IV, after accounting for the demographics of the state correctional facility, those identifying as two or more races and those identifying as Hispanic or Latino make up more than a quarter of the city's population.

## RESIDENCE OUTSIDE OF THE U.S. PRIOR TO LIVING IN MONROE AND LANGUAGE OTHER THAN ENGLISH SPOKEN AT HOME HAS INCREASED 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 1,000 percent increase from the 2007-2011 survey period, when only 16 Monroe residents reported 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.

Combined with data on language spoken at home (see Exhibit V below), which show a 16 percent increase in households reporting speaking a language other than English at home over that time, these trends suggest immigration has played a large role in Monroe's recent growth. This has implications for housing because different immigrant communities may have differences in family size and work in different economic sectors both compared to other immigrant groups and compared to the community at large.

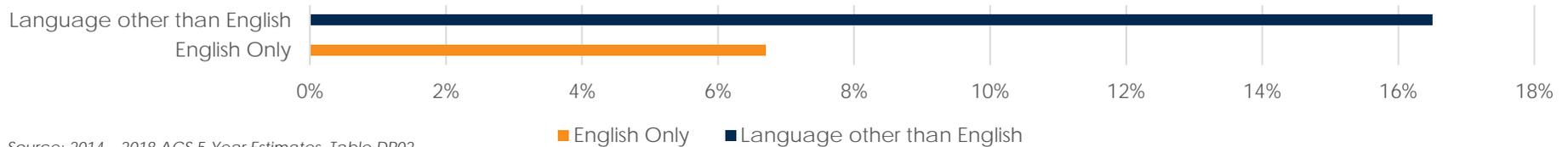
Exhibit IV. Race and Ethnicity of Monroe, Adjusted for the MCC Population, 2019

2019

	Estimate	Percent
White	12,276	70.0%
Black or African	217	1.5%
American Indian and Alaska Native	98	0.5%
Native Hawaiian, Asian or Other Pacific Islander	468	3.0%
Two or More Races	1,365	8.0%
Hispanic or Latino, Any Race	3,250	18.0%

Source: 2015 - 2019 ACS 5-Year Estimates. MCC adjustments made by City of Monroe staff.

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



Source: 2014 - 2018 ACS 5-Year Estimates. Table DP02

# Household Characteristics

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

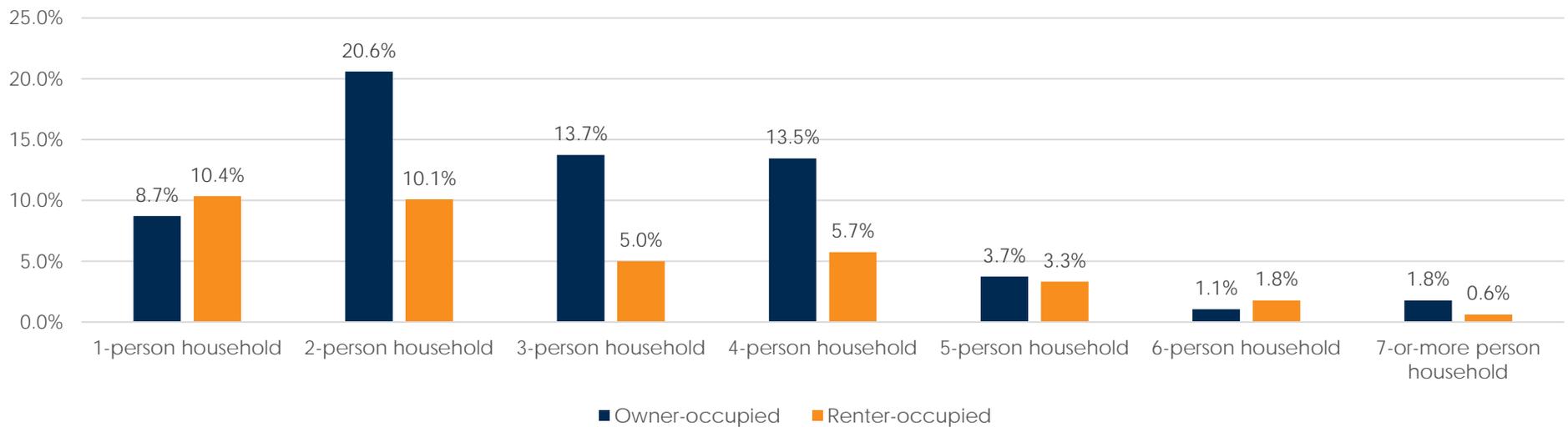
In the year 2011, Monroe’s population was 17,304 in a total of 5,164 households, with an average of 3.3 people per household. In 2018, Monroe’s total population increased to 18,860 residents in 5,505 households, with an average of 3.4 people per household. Between the 2007 – 2011 and 2014 – 2018 estimate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

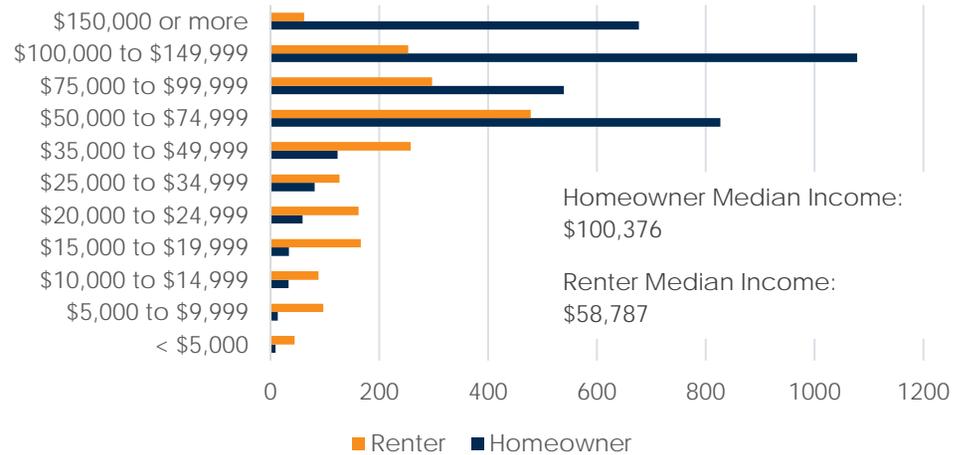
In 2018, 63 percent of Monroe residents owned their housing unit. This is 9 percent lower than 2011 when 72 percent of households owned a home.

## MONROE RENTERS SAW A GREATER INCOME INCREASE BETWEEN 2011 AND 2018 THAN 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.

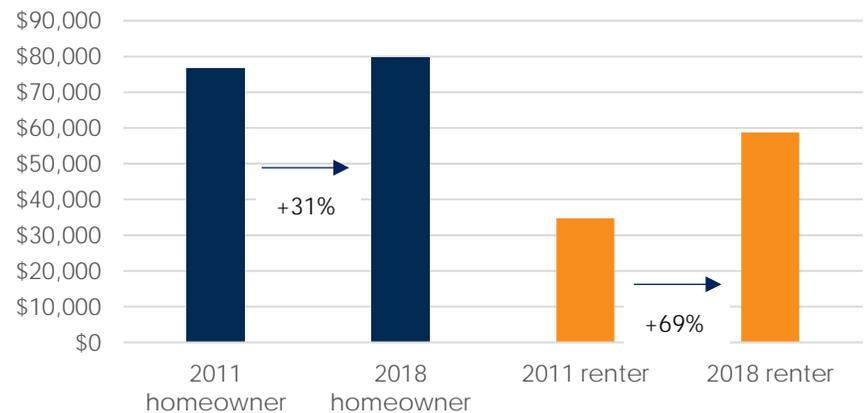
Between the years 2011 and 2018, Monroe renters saw a much larger increase in median income at a 69 percent difference. Homeowners only saw a 31 percent increase in median income in that same time period.

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



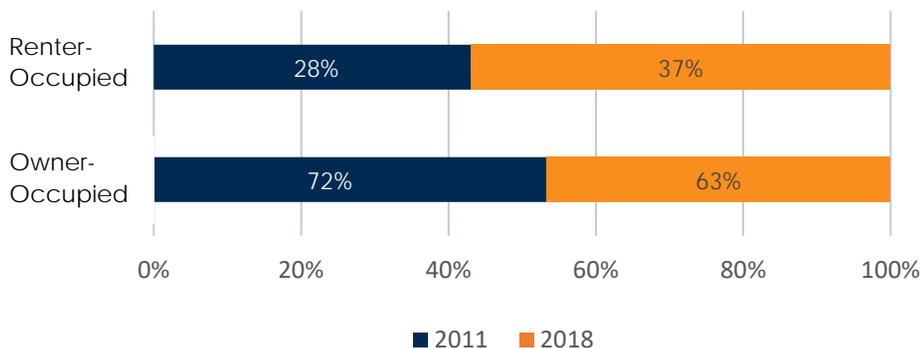
Source: 2007 – 2011 & 2014 – 2018 ACS 5-Year Estimates. Table S2503

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

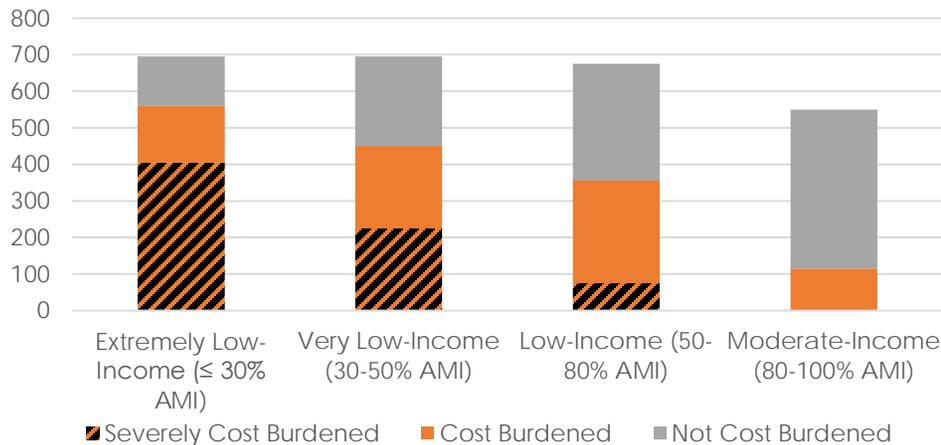
The Housing and Urban Development (HUD) Department considers a household to be cost burdened when more than 30 percent of their income is spent on housing. In the HUD tabulations using the 2016 American Community Survey (ACS), 18 percent of Monroe residents were spending between 30 and 50 percent of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

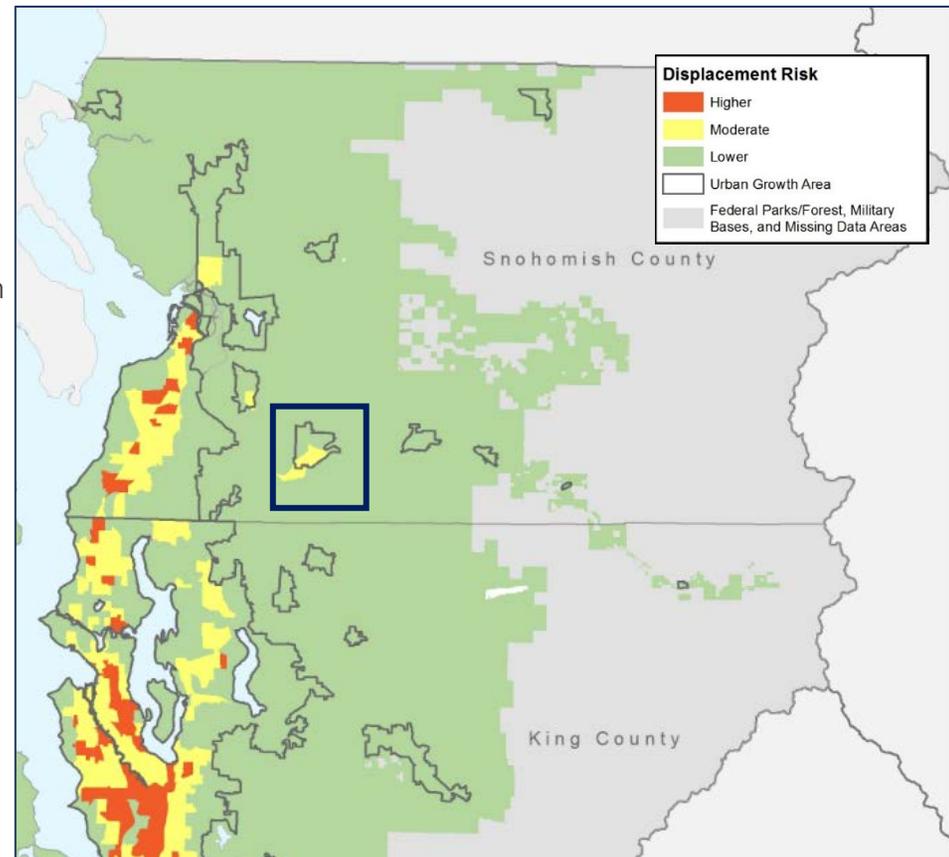
OCCUPANTS PER ROOM	2018 OWNER-OCCUPIED	2018 RENTER-OCCUPIED
1 OR LESS	3,431	1,797
1.01 – 1.50	42	191
1.50 OR MORE	0	44

## 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

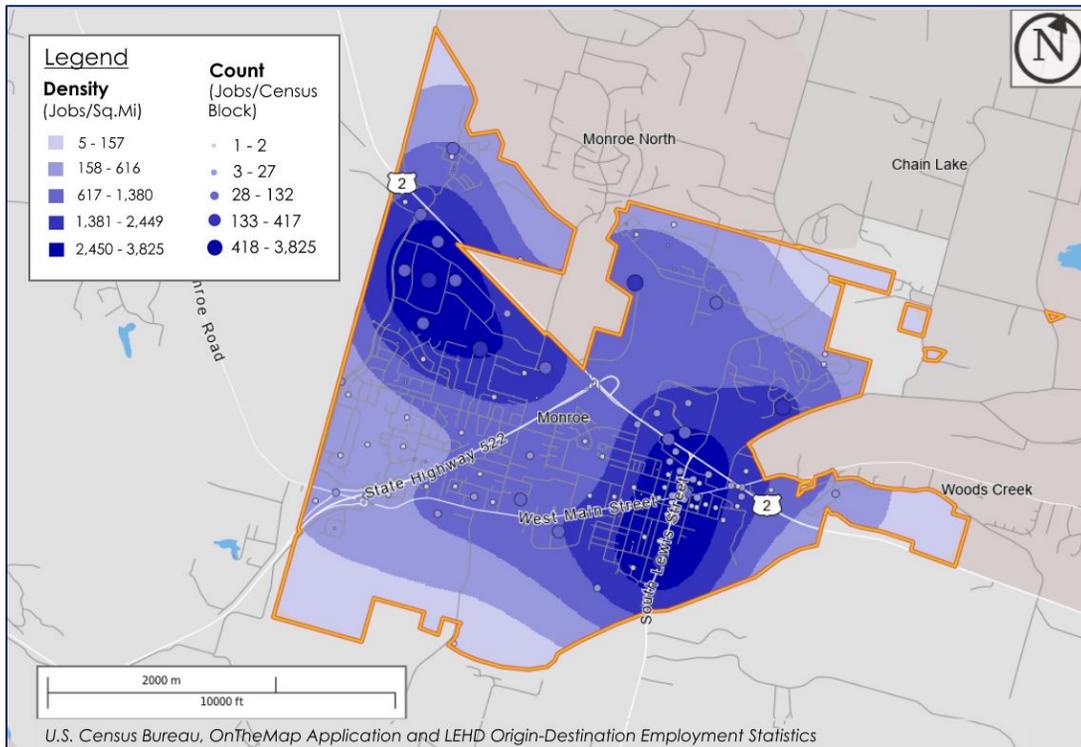


# Local Workforce Characteristics

## 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

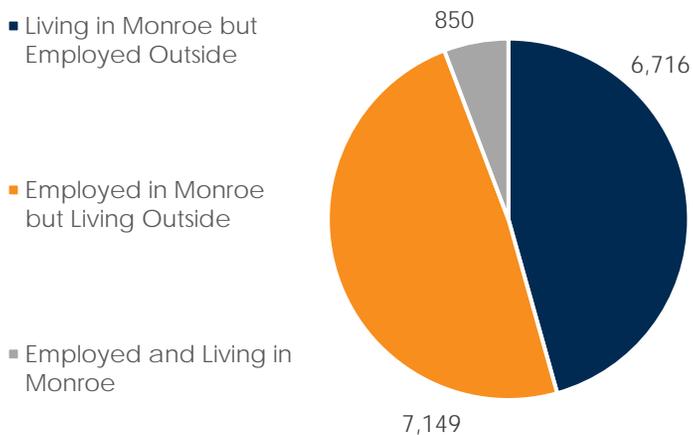
## A MAJORITY OF MONROE EMPLOYEES LIVE OUTSIDE THE CITY.

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.

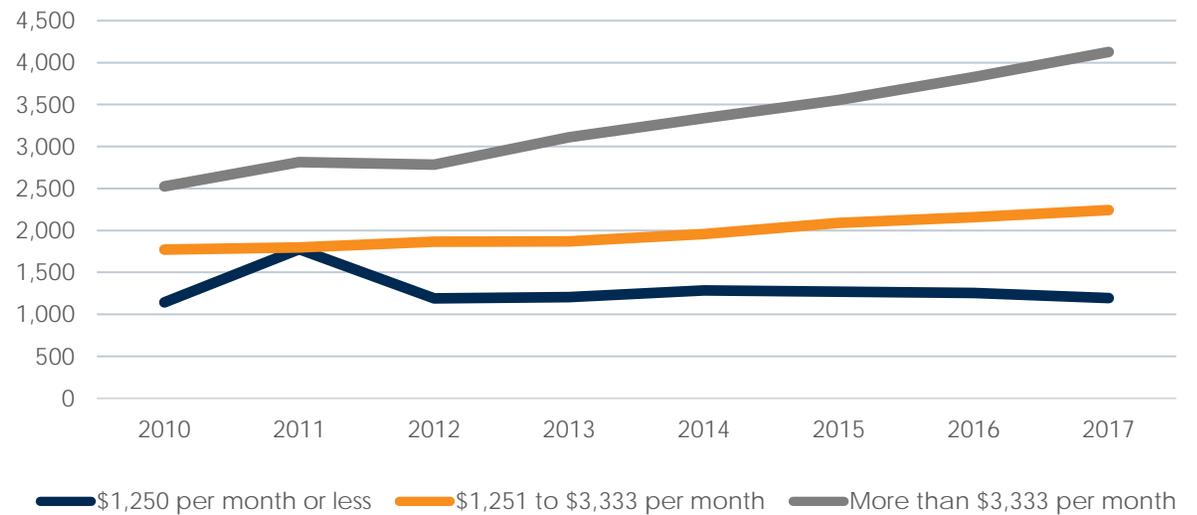
The number of jobs in the city that pay \$1,250 per month or less (roughly \$15,000 per year) jumped slightly in 2011 but remains largely the same since 2010. In contrast, the number of middle and high-income jobs have sharply increased, particularly the latter (jobs paying more than \$3,333 per month).

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

2. WORKFORCE

3. HOUSING MARKET

4. GAP ANALYSIS

5. LAND CAPACITY



# Housing Inventory

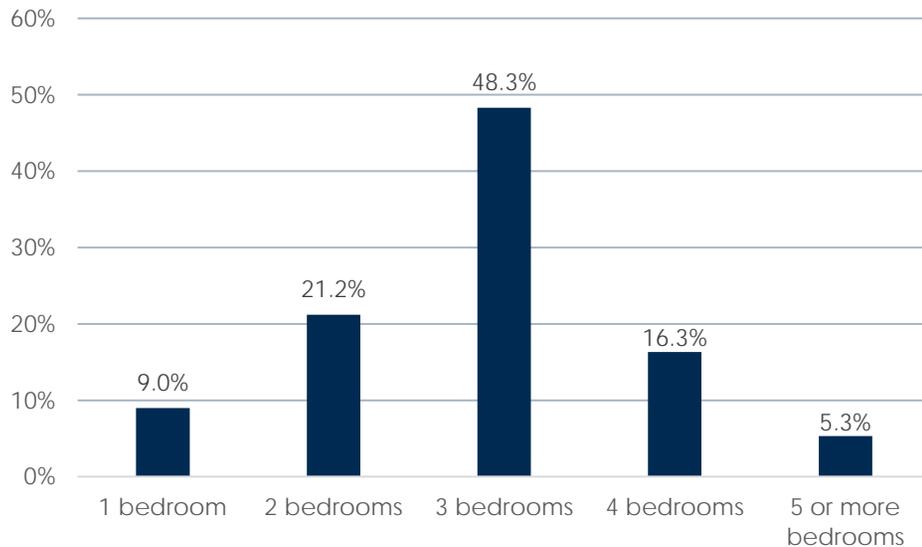
## MONROE'S HOUSING STOCK IS PREDOMINATELY SINGLE-FAMILY HOMES BUILT BETWEEN 1980 AND 2000.

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 of mobile homes, boats, or RVs.

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

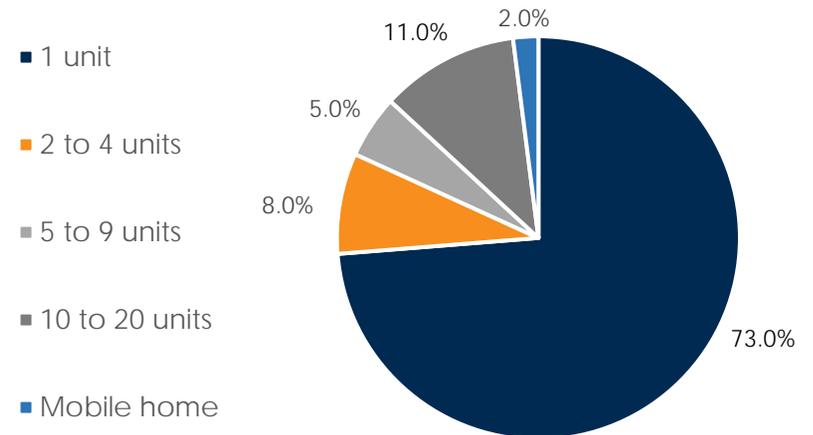
Monroe has roughly 95 percent of its housing stock available to accommodate the largest group of household size in the City. The average household size among renters and homeowners is between 1–4 people and based on the data shown in Exhibit XV, Monroe's housing stock is nearly 95 percent comprised of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



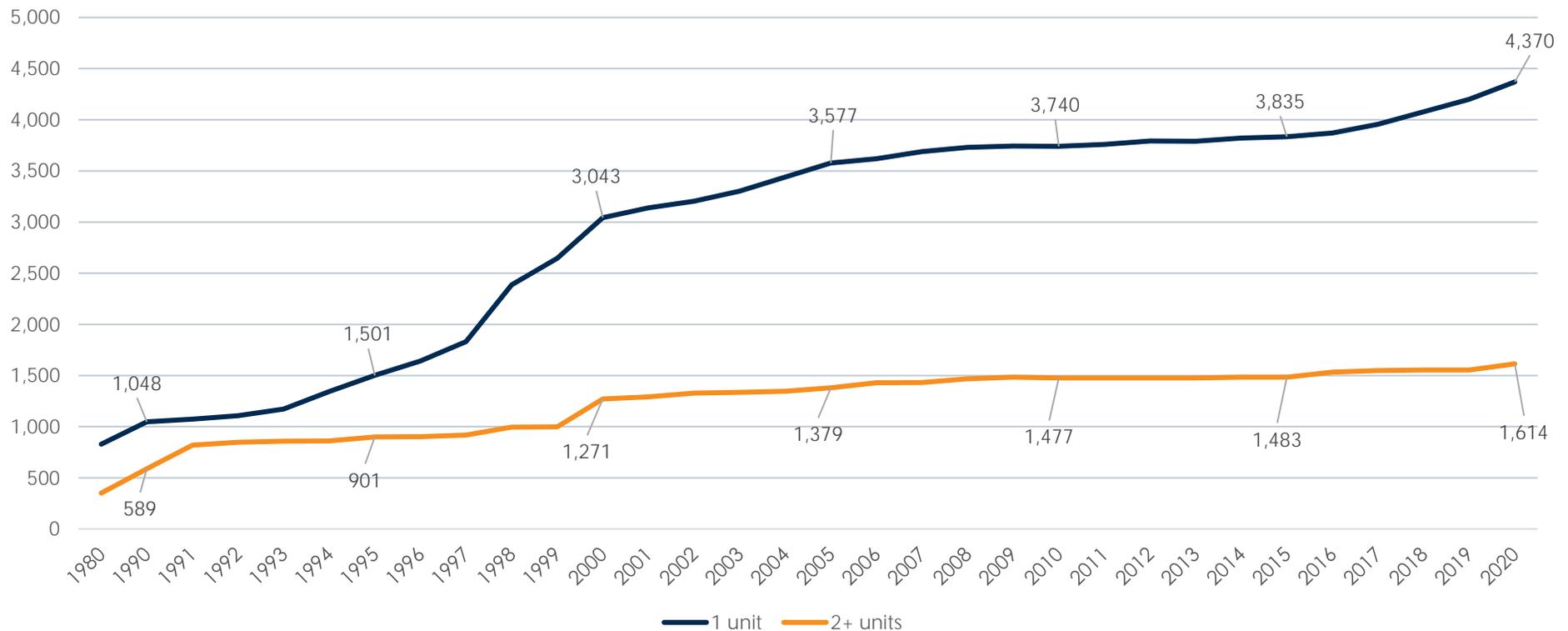
Source: 2014 – 2018 ACS 5-Year Estimates. Table DP04

# 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
<b>Home Ownership Program</b>		
Housing Hope – Main Street Townhomes	Family	13
<b>Subsidized &amp; Assisted</b>		
Friendship House I & II	Senior & Disabled	64
Monroe Villa	Senior	22
Village East	Senior	38
<b>Assisted</b>		
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

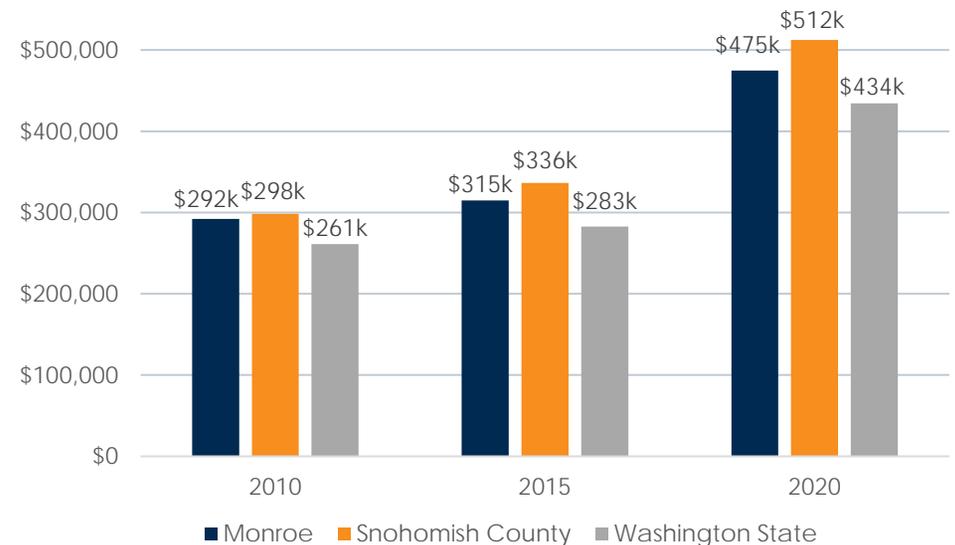
Change in Median Income	14.9%
Change in Median Home Value	78.3%
Change in Median Rental Price	21.3%

## 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)

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. GAP ANALYSIS

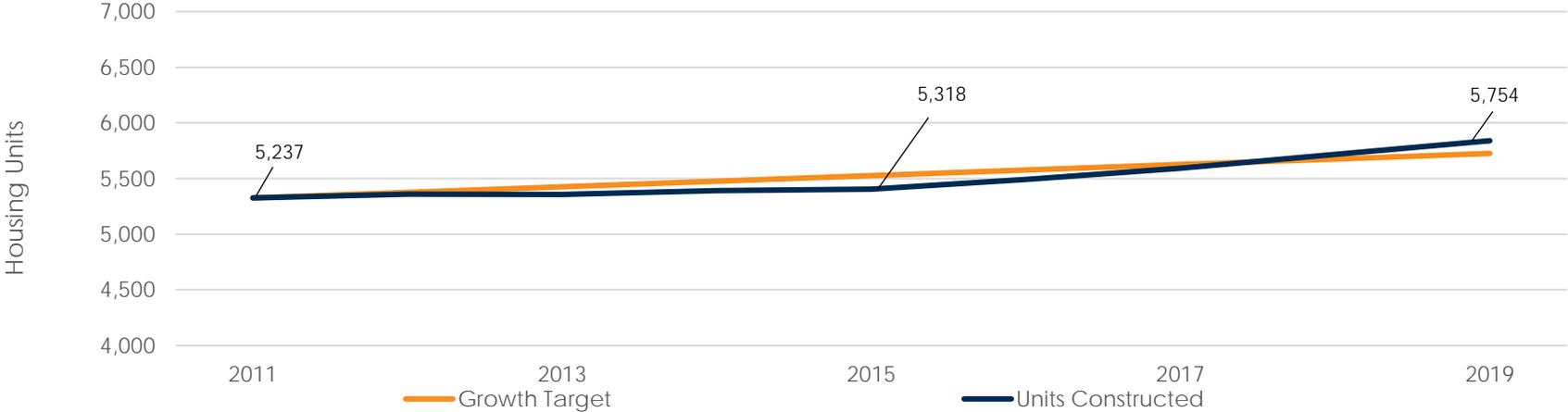
5. LAND CAPACITY



# 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) <sup>1</sup> , 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 <sup>2</sup>	0 <sup>2</sup>	130 <sup>2</sup>
<b>Total</b>			<b>1,560<sup>2</sup></b>	<b>860</b>	<b>695<sup>2</sup></b>

<sup>1</sup> 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.

<sup>2</sup> 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.

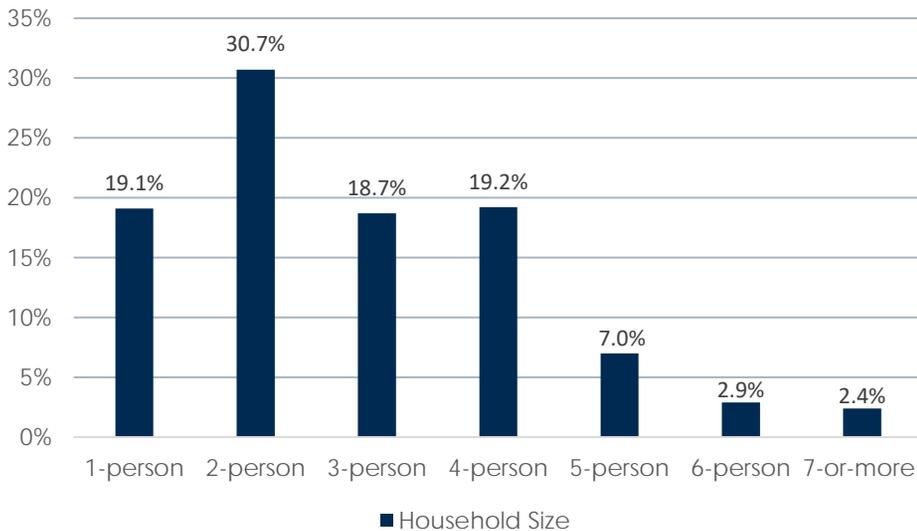
# Housing Size Gaps

## 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 one 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 one 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.

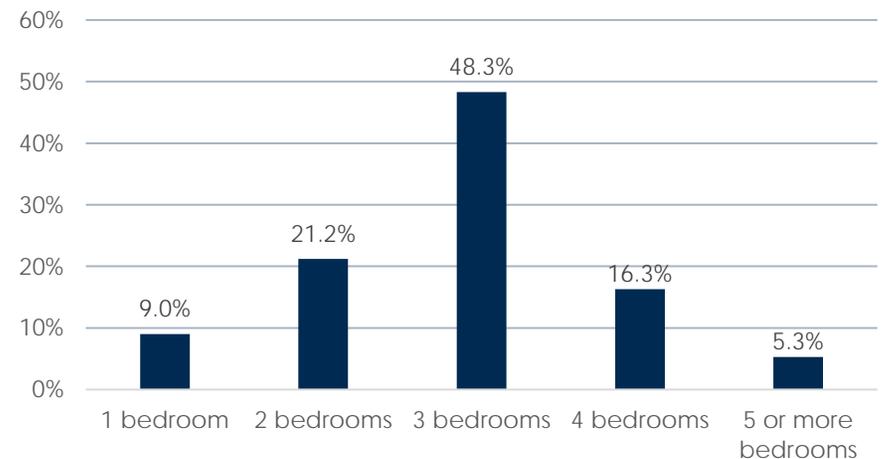
The ACS estimates 65 percent of the City’s population is between 20 and 60 years old, which is the age range most commonly associated with a household size that is larger than 2 people and would be seeking a housing unit with 3 or more bedrooms. As of now, this works out because the majority of housing 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

1. COMMUNITY PROFILE
2. WORKFORCE
3. HOUSING MARKET
4. GAP ANALYSIS
5. LAND CAPACITY

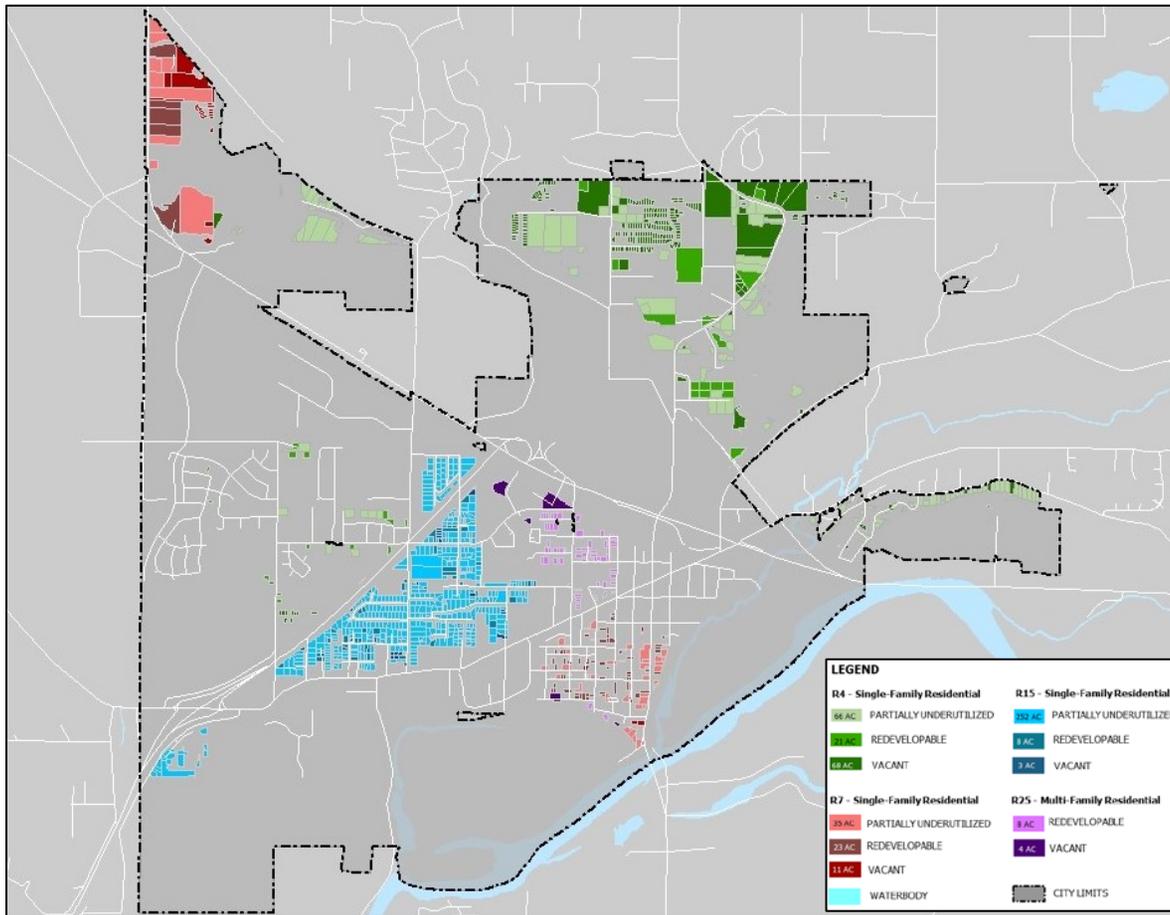


# Monroe Residential Land Capacity

## THE CITY HAS ROOM TO ACCOMMODATE THE 1,200 HOUSING UNITS NEEDED FOR THE 2035 GROWTH PROJECTIONS, WITH CAVEATS.

The map below shows vacant, redevelopable and partially utilized tax parcels in residential zones. After removing known critical areas, a 25 percent reduction factor is applied 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 86 acres of vacant, developable

Exhibit XXV. Land Capacity Analysis



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

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, site-specific analyses would be needed.

The 146 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.



# City of Monroe Housing Action Plan



“Attainable housing and innovated residential development for the needs of the thriving community of Monroe.”

**March 2021-DRAFT**

Prepared by:  
City of Monroe and LDC, Inc.

# Acknowledgements

## *Housing is an important.....*

Geoffrey Thomas, Mayor

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## Executive Summary

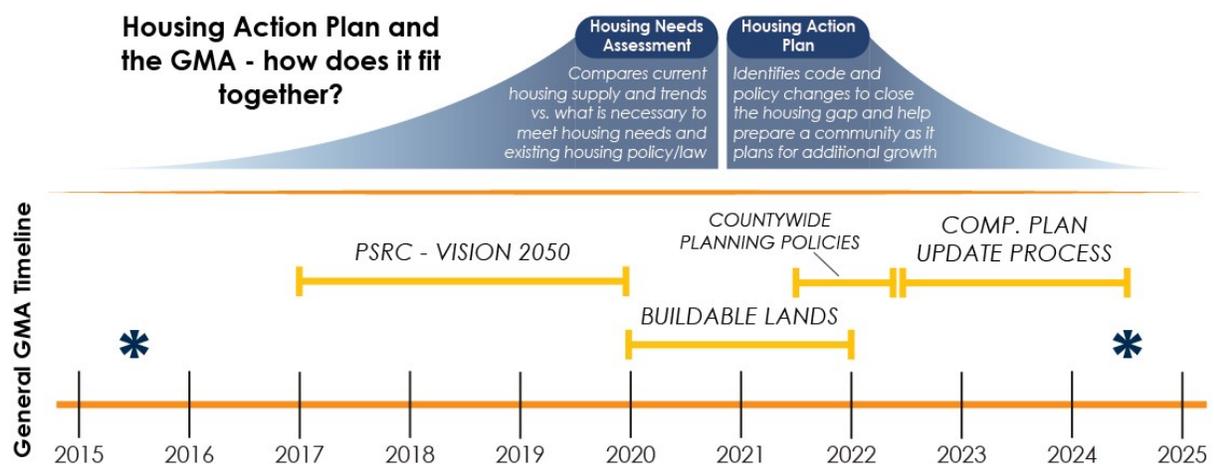
The Washington State Department of Commerce (“Commerce”) received \$5 million in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP).

The City of Monroe has chosen to develop a housing action plan. As required by the State legislation, the project will generally focus on possible future actions that would “...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 home market.”

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

The HAP process itself will not result in any Comprehensive Plan Policy or development regulation changes. However, the project elements will outline information, recommendations, and possible actions that the City can consider taking in the future. The development of a HAP should also be a helpful tool as the City embarks on updating the comprehensive plan prior to June 2024. The elements and objectives of a HAP are directly linked to housing requirements under the Growth Management Act (GMA).

**Figure 1: HAP and GMA Timeline**



\* Comprehensive Plan update deadlines

Note: ESHB 2342 was passed during the 2020 Legislative Session. It extended the time period between required updates from eight to nine years for this cycle.

## Introduction

The state of Washington is in the middle of an affordable housing crisis. Per the Department of Commerce, “It is the goal of the state of Washington to coordinate, encourage, and direct, when necessary, the efforts of the public and private sectors of the state and to cooperate and participate, when necessary, in the attainment of a decent home in a healthy, safe environment for every resident of the state. The legislature declares that attainment of that goal is a state priority.”

The Growth Management Act (GMA) Housing Goal, RCW 36.70A.020(4), encourages the availability of affordable housing to all economic segments of the population of this state, promotes a variety of residential densities and housing types, and encourages preservation of existing housing stock. The housing element of the City of Monroe Comprehensive Plan lists the following policies that support affordable housing and a diverse range of housing options:

- P.076, P.099, P.115: Promote redevelopment and infill along the west Main Street corridor, including higher-density residential and mixed-use development.
- P.093, P.110: Support maintenance and revitalization of older housing to beautify and help stabilize existing neighborhoods.
- P.112: Coordinate with non-profit agencies and other groups providing low to moderate-income housing.
- P.113: Promote the development of affordable housing.
- P.117: Allow the development of Work/Live units within Mixed Use areas and Downtown.
- P.118: Permit a variety of smaller-sized housing, including cottage housing, manufactured home parks, or other types where compatible with surrounding neighborhoods.
- P.119: Encourage the development of housing for special needs populations that may include the following: integration of universal design standards to assist elderly and other special needs populations to stay in their homes; coordination of housing and service providers in serving special needs populations; and promoting the development of ongoing operations of supportive housing with appropriate services for people with special needs throughout the county and region.

According to Monroe’s 2015 Comprehensive Plan, nearly half of the city’s households are cost-burdened. The city currently has 415 affordable housing units available for approximately 2,075 needy households accommodating only one-fifth of Monroe’s cost-burdened population. Approximately two-thirds of the city’s residential units are comprised of single-family homes thus creating the need for alternative forms of residential development.

The city is looking for ways to 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.

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.



# Housing Needs Assessment

*This section contains a summary of the Housing Needs Assessment. The full HNA can be found in Appendix 1.*

## Introduction

The need for housing in Monroe is great and increasing, and the kind of housing needed will shift over the next few decades. A key initial step to addressing housing challenges is to analyze the best available data to define the range and depth of unmet housing demand and affordability. This analysis answers questions about the availability of different housing, who lives and works in the community, and what range of housing is needed to address housing needs and demands into the future. Housing analysis is an important exercise because housing needs tend to evolve based on changes in the broader economy, local demographics, and regulatory environment. The data used in the HNA come from various sources, including the Census Bureau’s American Community Survey, or ACS, Washington’s Office of Financial Management and Employment Security Department, the Bureau of Labor Statistics, Zillow, and the City of Monroe. Roughly 3.5 million households are surveyed every month, every year to create the ACS datasets. However, there is a lag period between collection and publication. Much of these tabulations date from 2018, and other data sources stretch through 2020. Despite the time lag, the ACS data are still very valuable because they help establish important trends.

Monroe has grown significantly over the years, although not as quickly as other

communities in the Central Puget Sound region. The city’s population change is partially a result of the increasing cost of housing in more centrally located communities such as Kirkland, Bothell, or Mill Creek. This price pressure likely will continue to affect housing demands in the future.

Analyzing housing is complex, as it represents a bundle of services that people are willing or able to pay for, including shelter and proximity to daily household needs (job, grocery shopping, healthcare), access to public services (quality of schools, parks, etc.), and lifestyle amenities (type and quality of home fixtures and appliances, landscaping, views). It is difficult for households to maximize all these services and minimize costs. As a result, many families make tradeoffs and sacrifices between needed services and what they can afford.

Housing markets tend to function at a regional scale, which makes it a challenge for jurisdictions to adequately address issues individually. This also presents a prime opportunity for cities like Monroe to broadly meet their housing needs. The following section helps frame the broader context associated with key housing trends.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## Broader Demographic Trends

Several demographic changes have emerged since the mid-20th century that have influenced housing demand. These trends help explain broader housing market issues.

- Nationally, family households with children and parents/guardians shrank from 40 percent in 1970 to 20 percent in 2018, while the share of single-person households increased from 15 to 28 percent over that time.<sup>1</sup> Persons living alone have become the most prevalent household type, which could result in smaller household sizes and increased housing unit demand.
- Around one-third of Americans between 18 and 34 are now living in their parents' homes, possibly delaying their household formation.
- The population is aging, and the number of U.S. seniors will continue to grow over the next twenty years as the Baby Boomer generation exits the workforce. National estimates suggest that around 22 percent of Americans will be over 65 years of age by 2050. Seniors are projected to outnumber children for the first time ever by 2035. The over 65 age group is 8.3 percent of Monroe's population. The aging Baby Boomer generation (born 1946 to 1964) could result in greater demand for smaller housing for those wishing to "downsize" and greater demand for assisted living housing situations.
- Nationwide, the Hispanic/Latino population is predicted to be the

fastest growing racial/ethnic group over the next few decades. The growing diversity of American households will have a large impact on domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for rental housing and small homes.

Another factor affecting housing is the COVID-19 pandemic. Since its emergence, the pandemic has slowed the production of housing in many regions and due to growing remote work practices, commuting rates have diminished and housing preferences are shifting. In addition, the pandemic has impacted the ability to pay for housing consistently, which will likely exacerbate housing availability and stability. These types of trends should be monitored as communities adjust.

Another crucial ingredient for estimating housing needs is population growth. The growth around Puget Sound has been intense, with the region welcoming one million new people (a total of 4.3 million residents) since 2000 and a forecast showing a similar population increase through 2040.<sup>2</sup> While population growth has been moderate in Monroe compared to central Puget Sound, the effects of regional growth has arguably had an impact at both a local and countywide level. This growth has put pressure on an already limited housing supply in and around Monroe and has certainly had an impact on housing affordability.

<sup>1</sup> Sources: AARP (2018) Making Room for a Changing America, U.S. Census Bureau Annual Social and Economic Supplements 1950 and 1970, 2015 U.S. Census ACS, PSRC Draft 2050 Forecast of People and Jobs.

<sup>2</sup> Puget Sound Regional Council (PSRC). 2017. Land Use Vision Dataset. Retrieved from: <https://www.psrc.org/projections-cities-and-other-places>.

## Monroe Housing Needs Assessment Results Summary

### Monroe Housing Gap and Housing Production Target

The results of the Housing Needs Analysis show a gap in housing estimated at around 1,200 housing units needed by 2035 when Monroe's population is forecasted to reach approximately 22,102 persons. This means that to meet the additional housing demand by 2035 and close the current gap, 50 units or more units per year, on average, would need to be built in Monroe.

In addition to supporting needed housing growth, Monroe should also develop strategies to more equitably meet diverse housing needs such as planning for housing that is available and affordable to varying income levels. For example, in 2018 a renting household earning the median annual income could afford a market rate unit of \$1,309 per month. However, only 66% of rental units were priced low enough to keep this demographic from being cost-burdened by their housing payments. Affordable housing in the city of Monroe does exist for those earning close to the median income, but there is simply not quite enough of it. Additionally, there should be emphasis on housing strategies for those earning a very low income, or none at all; this covers immediate and temporary housing situations.

Several demographic trends including household size, race/ethnicity, incomes, and tenure influence housing demand and should be evaluated to identify emerging trends and variations in what people need for their families and households.

### Monroe's Average Household Size Increases Slightly between 2011 - 2018

Although the overall household size remained relatively even between 2007-11 and 2014-18 (3.3 people per household to 3.4 people per household, respectively), household size is similar in Monroe to Snohomish County and the State, with roughly half of all households including two or three persons.

**Finding:** This trend of consistent household size over time in Monroe compared with the County and the State may suggest that families of a similar nature are continuing to move to the city from other central Puget Sound jurisdictions. The City should explore strategies that not only provide for a broader mix of family-friendly housing units, but also smaller units that will accommodate other demographics within the community. In all cases, however, there should be a strategy to encourage the development of units at varying price points and will attract a wider range of incomes.

### Monroe Has Become Increasingly Diverse

Consistent with national and county trends, the City of Monroe has become more diverse since 2000. The share of the population identifying as white decreased from 85 percent to 80 percent between 2011 and the 2014-18 survey period. The Hispanic/Latino population rose 3% over this same period to become the second most prevalent non-white population group in Monroe. The Black community grew at the same rate as the Hispanic/Latino population. Hispanic and Latino households compared to non-Hispanic households overall tend to have a larger household size, and younger Hispanic

and Latino households on average have higher homeownership rates and lower than average incomes. Households for Hispanic and Latino immigrants are more likely to include multiple generations, requiring more space than smaller household sizes, and they tend to need lower-cost renting and ownership opportunities.

**Findings:** Strategies should focus on providing lower-cost rentals and increased moderate to middle-income priced homes with home ownership opportunities and multigenerational accommodations.

### Monroe's Population is Aging

Since housing needs change over a person's lifetime, it is important to track shifts among age cohorts to anticipate expected demand. Similar to Snohomish County trends, the overall demographic shift from 2000 - 2018 indicates that Monroe is aging. While the largest age group is currently the 20-64 cohort, indicating that the community is likely made up of families with children, working adults and soon to be retirees, the changes in the age cohorts above (65+) indicates the population is slowly aging.

**Findings:** As noted earlier, the dominant housing available in Monroe is larger single-family structures. This accommodates the existing 20-64 cohort with children and larger multi-generational families. However, the HAP should include strategies to address the increased housing needs for individuals

of this age who may not have children or families, or for individuals of other cohorts.

Homeownership rates tend to increase as age increases, and older people are more likely to live in single-person households. The aging of the Baby Boomer generation (born 1946 to 1964) could also generate greater demand for housing offering living assistance, multigenerational accommodations, and opportunities for residents to age-in-place or age elsewhere in their community. Overall, these trends indicate high demand for "missing middle" housing (e.g., ADUs, townhomes, triplexes, duplexes, quad homes, and cottages), which would allow more seniors and couples to downsize and remain in their community.<sup>3</sup>

### Increased Demand, Housing Scarcity, Rising Costs, and Lagging Household Incomes

Since the 2008/09 Great Recession, fewer units have been built per year than in the preceding decade.<sup>4</sup> Between the years 2011 and 2019, the Washington State Office of Financial Management estimates Monroe added a total of 527 housing units, at an average rate of 64 units per year. The construction of multi-unit homes nearly plateaued in 2010 while 630 single-family, detached homes were added to the city over that time. This housing underproduction in Monroe, coupled with high demand for housing needed

<sup>3</sup> "Missing middle" housing referred generally herein as middle housing primarily includes single-family attached housing with two or more units (duplexes, triplexes, quad homes, townhomes, courtyard cottages, accessory dwelling units, etc.) or other housing bridging a gap between single family and more intensive multifamily housing.

<sup>4</sup> From 2000 to 2008, an average of 118 single-family homes were permitted per year with variable numbers of duplexes, fourplexes, and apartments. From 2009 to 2019, an average of 42 homes per year were permitted, with only 33 total two- and multi-family units across that span.

for home-buyers, has fueled rising housing costs.

Both median rents and house values have increased dramatically between 2011 and 2018. The median rent in Monroe increased from \$1,079 (2011) to \$1,309 (2018), while house values increased from \$243,559 (2011) to \$434,338 (2018). This is a 21.3% change in rental rates and a 78.3% change in home value over seven years. Over that same period of time, median income increased at a much lower rate of 15%.

When household incomes increasingly lag behind rents and home values, this creates cost burden, including for households who may at one time have not faced this burden. And with Monroe's population aging and more of the population nearing retirement, the number of cost burdened households will likely increase.

**Findings:** Where feasible, additional home ownership opportunities should be provided for households earning less than 80 percent of the area median income. Housing serving this income bracket tends to be rental housing, with some smaller-sized middle density housing (i.e. duplex, triplexes, condos). Demand for middle housing and rentals, especially for 1- to 2-person households, is increasing mostly due to aging baby boomers. However, as noted previously, while the community is roughly 40% renters, there is little new construction in this segment to meet future demand. As a result, strategies should be developed to support middle housing production, including new rental units. The Monroe renter population tends to include households at the moderate to lower income levels, and the rising cost of housing has disproportionate impacts

for units priced at these levels.

Consequently, additional production of apartments, multiplexes and middle housing, and subsidized housing should be supported.

#### Monroe Residents Commute Outside City for Work

Understanding Monroe's workforce profile and commuting trends will help plan for workers' housing needs. Factors such as job sector growth and the city's commuting patterns may have implications for how many people are able to both live and work within the city.

The top industries in Monroe (holding 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%). While the number of lower paying jobs (\$1,250/month or less) has remained relatively stable, Monroe's high wage sector has increased significantly and is growing faster than the low wage sector. This likely contributes to upward pressure on housing prices.

A majority of employed Monroe residents do not work within city limits, with approximately 90 percent of employed residents commuting outside the city for work. Conversely, around 850 Monroe residents, or 11 percent of the workforce both live and work in the city. This results in a net outflow of 6,716 workers during the day.

**Findings:** The high percentage of employed city residents commuting elsewhere is likely due to the higher costs of housing in neighboring jurisdictions. Housing costs in King County elsewhere in Snohomish County tend to be even

higher, making it difficult for employees of those places to live in the same area.

### Monroe's Housing Stock is Aging

A plurality (roughly 50 percent) of housing units in Monroe were built between 1980 and 2000. Twenty-three percent were built before 1980, and roughly twenty percent were built since 2000.

Just over 70 percent are single-family homes, 8 percent are two to four units, 16 percent are 5 or more unit multifamily dwellings, and 2 percent are mobile homes or another type. Moreover, of all units, just about 70 percent of units have either 2 or 3 bedrooms.

**Findings:** Because growth pressure is mild in Monroe relative to other locations in the Puget Sound region, redevelopment pressure where existing dwellings are demolished and denser housing is built in its place is less likely than in Seattle, Tacoma, and inner-ring communities. However, the age of existing structures makes naturally occurring affordable housing somewhat vulnerable to displacement by newer and more expensive units.

The low supplies of single-family attached housing such as townhomes, triplexes, duplexes, and cottage courtyard apartments and multifamily housing should be addressed to provide broader housing options. In addition, demand is expected to increase for single-family attached housing mostly due to aging baby boomers and young households forming.

### Cost-burden Disproportionately Affects Lower-Income Renters, Young Families Looking to Buy and Senior Households

The affordability of housing in Monroe is of increasing concern. Home values have risen much faster than incomes between the years 2011 and 2018. Rental prices have not increased at such a high rate, but still significantly at more than 20 percent. Over that same span, the median home value has risen roughly 78 percent, roughly five times faster than the median income of households that own their dwelling. Because of the rapidly increasing value of homes, Monroe residents have expressed the difficulty in making the transition between renting and owning their housing unit.



Monroe Neighborhood | Photo Credit: LDC, Inc.

Affordable housing problems have not affected all households evenly; in fact, low and moderate-income households and older age cohorts in Monroe are impacted in a unique way.

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 only 27 percent of those in that population who may need assistance. This age group face affordable housing difficulties often because of fixed incomes such as social security or disability payments.

**Findings:** Monroe faces an existing gap of housing units affordable to many households, particularly low to moderate income renters, median-income earning families looking to buy and seniors. At the same time, it will face increased need for more affordable housing to accommodate projected population growth and the aging of its current population.



Monroe Neighborhood | Photo Credit: LDC, Inc.

#### *What is Affordable Housing?*

The term affordable housing refers to a household’s ability to find housing within its financial means. The typical standard used to determine housing affordability is that a household should pay no more than 30% of the gross household income for housing, including payments and interest or rent, utilities, and insurance. Another indicator for measuring and tracking housing affordability concerns is housing cost burden. The US Housing and Urban Development (HUD) guidelines indicate that a household is cost-burdened when they pay more than 30% of their gross household income for housing and severely cost-burdened when they pay more than 50% of their gross household income for housing (rent or mortgage, plus utilities).

#### *Median Income Level*

When examining household income levels, the Area Median Income (AMI) and Median Family Income (MFI) are helpful benchmarks for understanding what different households can afford to pay for housing expenses. Since housing needs vary by family size and costs vary by region, HUD produces a median income limit for different family sizes and regions on an annual basis. These benchmarks help determine eligibility for HUD housing programs and support the tracking of different housing needs for a range of household incomes.

# Missing Middle Housing

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## Strategies to Address Housing Needs in Monroe

Table 1 identifies the housing needs identified in Monroe and the overall strategies to address those needs. The following pages contain a detailed summary of each strategy, descriptions, examples, and policy considerations.

Table 1. Matrix of Strategies and Identified Housing Needs

	<sup>1</sup> Needs							
Strategies	1	2	3	4	5	6	7	8
Zoning Regulations	★	★	★	★	★	★		★
Middle-Income Housing	★	★	★	★	★	★		
Workforce Housing	★	★		★	★			★
Minimize Displacement							★	
Multi-family Incentives		★			★	★	★	

### <sup>1</sup>Housing Needs:

1. Provide a broader mix of family-friendly housing units, but also smaller units that will accommodate other demographics within the community.
2. Provide lower-cost rentals and increased moderate to middle-income priced homes with home ownership opportunities and multigenerational accommodations.
3. Address the increased housing needs for individuals of this age (20-64) who may not have children or families, or for individuals of other cohorts.
4. Where feasible, additional home ownership opportunities should be provided for households earning less than 80 percent of the area median income.
5. Strategies should be developed to support middle housing production, including new rental units.
6. The low supplies of single-family attached housing such as townhomes, triplexes, duplexes, and cottage courtyard apartments and multifamily housing should be addressed to provide broader housing options.
7. The age of existing structures makes naturally occurring affordable housing somewhat vulnerable to displacement by newer and more expensive units.
8. Provide housing opportunities for employees who work in the city to also live in the city.

# Strategy #1

## Zoning Regulations

Certain zoning restrictions can limit potential development. Providing flexibility promotes opportunities for desirable housing projects.

Possible zoning changes include:

- Allowing duplexes in all single-family zoning districts.
- Allowing duplexes in multifamily zoning districts.
- Allowing duplexes in mixed-use zoning districts.
- Increasing height limits in multifamily zoning districts.
- Relaxing parking restrictions.
- Increasing SEPA Threshold Exemptions.
- Allowing residential in commercial zoning districts.

- Zoning Districts**
- Single-Family Residential – 4 units per acre (R4)
  - Single-Family Residential – 7 units per acre (R7)
  - Single-Family Residential – 15 units per acre (R15)
  - Multifamily Residential (R25)
  - Mixed Use – Neighborhood (MN)
  - Mixed Use – General (MG)
  - Downtown Commercial (DC)
  - General Commercial (GC)
  - Tourist Commercial (TC)

Unified Development Regulations (UDR)		
	UDR	Possible Zoning Changes
Duplexes	Permitted in R4 and R7	Allow in R15, M25, MN, MG
Height Limits	45' in R25	Increase to 55'
Parking	Multifamily: 1.5 parking spaces per unit	Reduce the parking requirement to 1 parking space per unit
SEPA Thresholds	Residential units: up to 9 units	Single-family up to 30 units, Multifamily up to 60 units
Commercial Zones	Residential permitted in the North Kelsey/Tierne Place Overlay, DC (mixed-use only in Downtown Promenade)	Create other overlays in GC to allow residential, allow stand-alone multifamily in Downtown Promenade, allow residential in TC.

## Strategy #2

### Middle-Income Housing

This section covers housing options to meet the needs of middle-income housing. The types of housing discussed include duplexes, cottage housing, triplexes/fourplexes, townhomes, and mixed-use.

#### Duplexes



A duplex is a residential building, either on one lot or on separate lots, containing two kitchens and designed to be occupied by two families living independently of each other, sharing a common wall; a common wall includes floors or ceilings.

Duplexes are building code friendly in the sense that they can be built under the residential building code versus the international building code which has tougher building requirements.

Duplexes can provide opportunities for families to live near each other and can even be an investment opportunity.

#### Policy Considerations:

Expanding where duplexes are permitted.

Create an inventory of existing duplexes in the city to determine where best to allow new development.



## Cottage Housing



Cottage housing is a smaller scaled, usually 1 – 1.5 story, detached single-family residential housing. This type of housing is ideal for first time home buyers, empty nesters, small families, and seniors.

Cottage housing developments are clustered around a common open space area, shared parking, and other shared amenities.

Cottage housing can be a type of infill development and can be sited on smaller lots. This type of housing is less expensive than traditional single-family housing and can create a strong sense of community.

### Policy Considerations:

Develop cottage housing regulations.

Streamline the permitting process.

Allow for cottage housing subdivisions.



## Triplexes/Fourplexes



Triplexes and fourplexes are attached dwelling units that are relatively low-cost development projects which in turn creates an affordable housing option. These are ideal for infill development and can be sited on smaller lots.

Existing single-family residences and duplexes can be converted to triplexes or fourplexes if zoning allows.

### Policy Considerations:

Relaxing setback requirements.

Reducing parking requirements.

Promote this type of small development through incentives.



## Townhomes



A townhouse or townhome is a building containing a group of three or more attached dwelling units in which each unit extends from foundation to roof and with open space on at least two sides. A townhome development can be sited on one lot or subdivided to create fee-simple lots.

Townhome developments allow multiple units on a property, require smaller lot sizes if subdivided, and cost less to construct than detached single-family homes.

With good design, townhomes create an aesthetically pleasing neighborhood landscape. They are compact and provide open space recreation areas.

Townhomes provide an affordable housing option for families. They are also a good option for residents transitioning from multi-family residential.

### Policy Considerations:

Review current regulations and determine if code changes are needed to encourage townhome developments.

Allow townhomes in all single-family residential zones.



## Mixed-Use



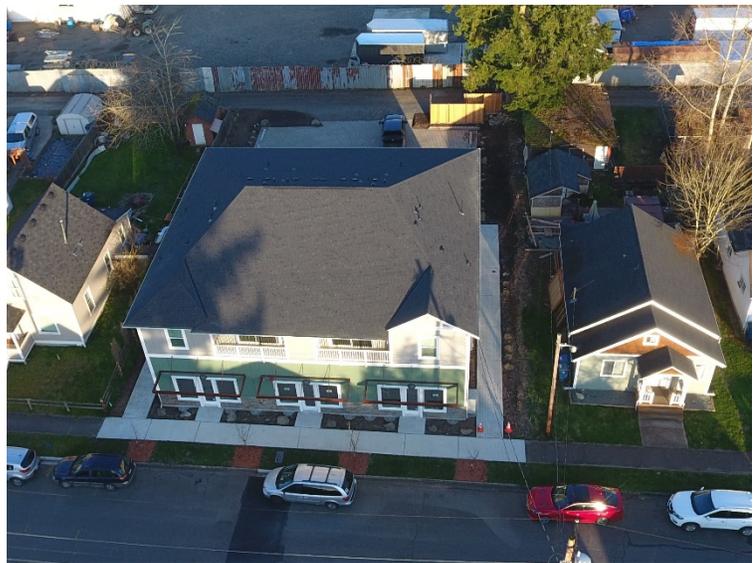
A mixed-use building is a building that contains a combination of residential and one or more different land uses, which may include office, commercial/retail, restaurant and/or public uses.

Mixed-use developments create an opportunity for a more walkable community and the potential for live/work units.

### Policy Considerations:

Reduce parking requirements for mixed-use developments.

Increase residential density in the Mixed Use – Neighborhood zone.



# Strategy #3

## Workforce Housing

According to the Urban Land Institute (ULI), Workforce Housing is defined as housing affordable to households earning between 60 and 120 percent of area median income (AMI). Workforce housing targets middle-income workers which include professions such as police officers, firefighters, teachers, health care workers, and retail workers.

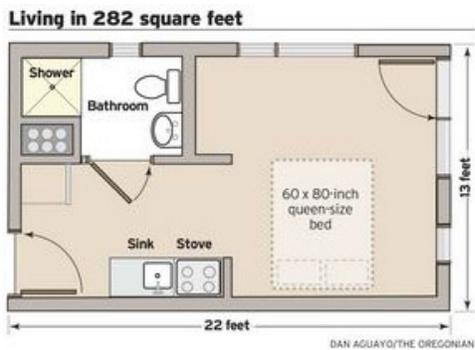
An emphasis for workforce housing in Monroe is geared toward single persons working in the retail and restaurant industry. A housing option to consider is microhousing.

Microhousing is less expensive, compact, and is a flexible housing option that allows workers to live and work in Monroe.

Microhousing or microapartments are small single-occupancy units that contains a sleeping area, kitchenette, and bathroom. Microapartments can be new construction or be installed in renovated buildings such as shopping centers, office buildings, or school buildings.

Policy Considerations:

- Allow workforce housing in multi-family zones, mixed-use zones, and commercial zones.
- Create standards and regulations that make workforce housing feasible and attractive to developers.



## Strategy #4

### Minimize Displacement

Displacement: occurs when a city grows and needs to make room for new residents, usually achieved through redevelopment or infill development. As a result, older housing units are demolished resulting in residents moving someplace less desirable.

Three types of displacement:

- Physical Displacement
- Economic Displacement
- Cultural Displacement

#### Displacement Index

Physical displacement is the result of eviction, acquisition, rehabilitation, or demolition of property, or the expiration of covenants on rent or income-restricted housing.

Economic displacement occurs when residents and businesses can no longer afford escalating rents or property taxes.

Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses have left the area.

Source: City of Seattle

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#### Strategies to Minimize Displacement of Low-Income Residents:

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- Proactively address displacement.
  - Create a database of potentially affected areas.
  - Set goals and monitor progress.
  - Capture benefits of new development.
  - Community land trusts.
  - Tenant relocation assistance.
-

## Strategy #5

### Multi-Family Development Incentives

The housing market dictates housing prices and rent. It comes down to supply and demand. Building more housing units regulates the housing market and keeps prices affordable. Construction of multi-family units stabilizes the renter vacancy rate and provides for lower rents.

To encourage developers to build new apartments or convert existing buildings to rental units, the city needs to provide a number of tax, economic, financial, and regulatory incentives.

This can be accomplished by adopting the Multifamily Property Tax Exemption (MFTE) Program. The MFTE Program provides a tax exemption on eligible multifamily housing in exchange for income- and rent-restricted units. By supporting mixed-income residential development, the MFTE program ensures affordability as the community grows.

Per the Alliance for Housing Affordable (AHA), under a Multifamily Tax Exemption, cities define residential target areas with insufficient housing opportunities where development is eligible for MFTE. State law sets specific standards as to what can qualify as a target area. In these areas, approved multifamily projects are exempt from ad valorem property taxes for a period of eight or 12 years, per RCW 84.14. To secure the longer exemption period, the property must meet a minimum affordable housing standard. The required public benefit to obtain the eight year exemption is left to the city's discretion, and affordable housing is not required, though a city may choose to do so.

Other incentives include:

- Reduction in utility fees
- Permit fee waivers
- Density bonus for providing affordable housing units
- Height bonuses
- Parking reductions

# Implementation Plan

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