



## City of Monroe Housing Action Plan

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

**FINAL – June 2021**

Prepared by:

City of Monroe and LDC, Inc.

## Mayor's Message

*Shelter. It's one of the basic human needs. And in our region especially, it is a human need that is far out of the reach of many. The reason shelter is far out of reach is because of the lack of supply of housing that people in our region can afford. It is a moral imperative that people in positions leadership identify and remove the cultural, financial, and legal barriers that limit the supply of more affordable housing for all.*

*The City of Monroe has taken on a Housing Action Plan. The intent of this work was to engage people in our community of a variety of different lived experiences to listen and understand about how we could better ensure that barriers to affordable housing were not the result of City policies, programs, and other decision-making. In addition to following our usual public notice procedures, we engaged an Affordable Housing Committee that included people from the Monroe community. We also met with and listened to our Community Human Services Advisory Board, which is tasked with developing ways to enter people into housing from emergency shelters to lower cost housing for our more vulnerable residents, including people on the margin of becoming unsheltered.*

*The plan recognizes that increasing the supply of affordable housing means that we need to question and change the laws we have to help developers and builders in private, non-profit, and partnership sectors to build the housing our community needs. It also means that we need to question and change our own experiences and perspectives about what it means to actually deliver housing choices, including more affordable housing, for all of our residents.*

*I thank our City Council for supporting this much needed work. And I thank the volunteers, staff, residents, industry experts, and others who have commented on and helped shape the plan that we have today. It is my hope that we will learn as we implement this plan and be flexible and humble enough to admit any shortcomings and make adjustments to ensure housing choices for all.*

Geoffrey Thomas, Mayor

# Acknowledgements

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## Executive Summary

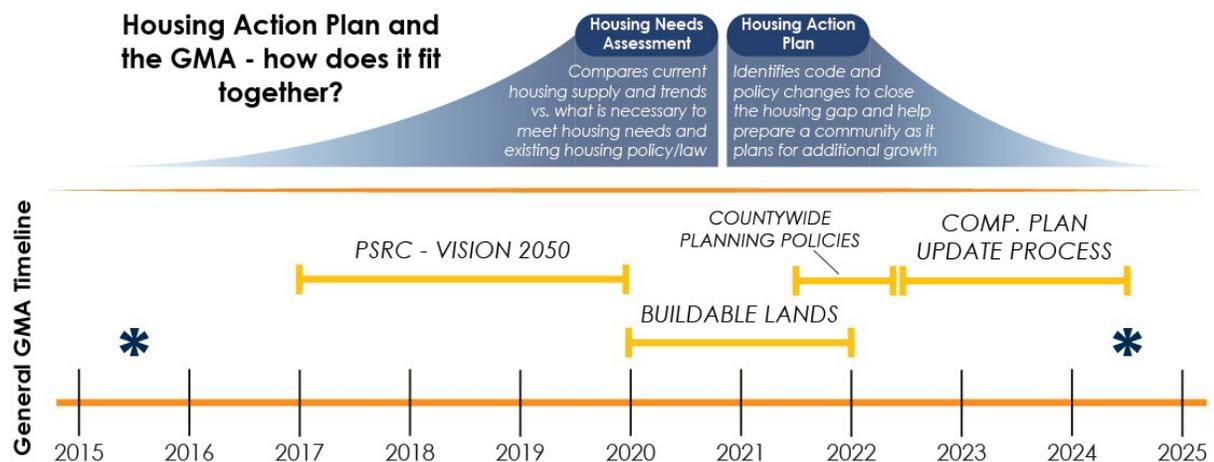
The Washington State Department of Commerce ("Commerce") received \$5 million in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP).

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).

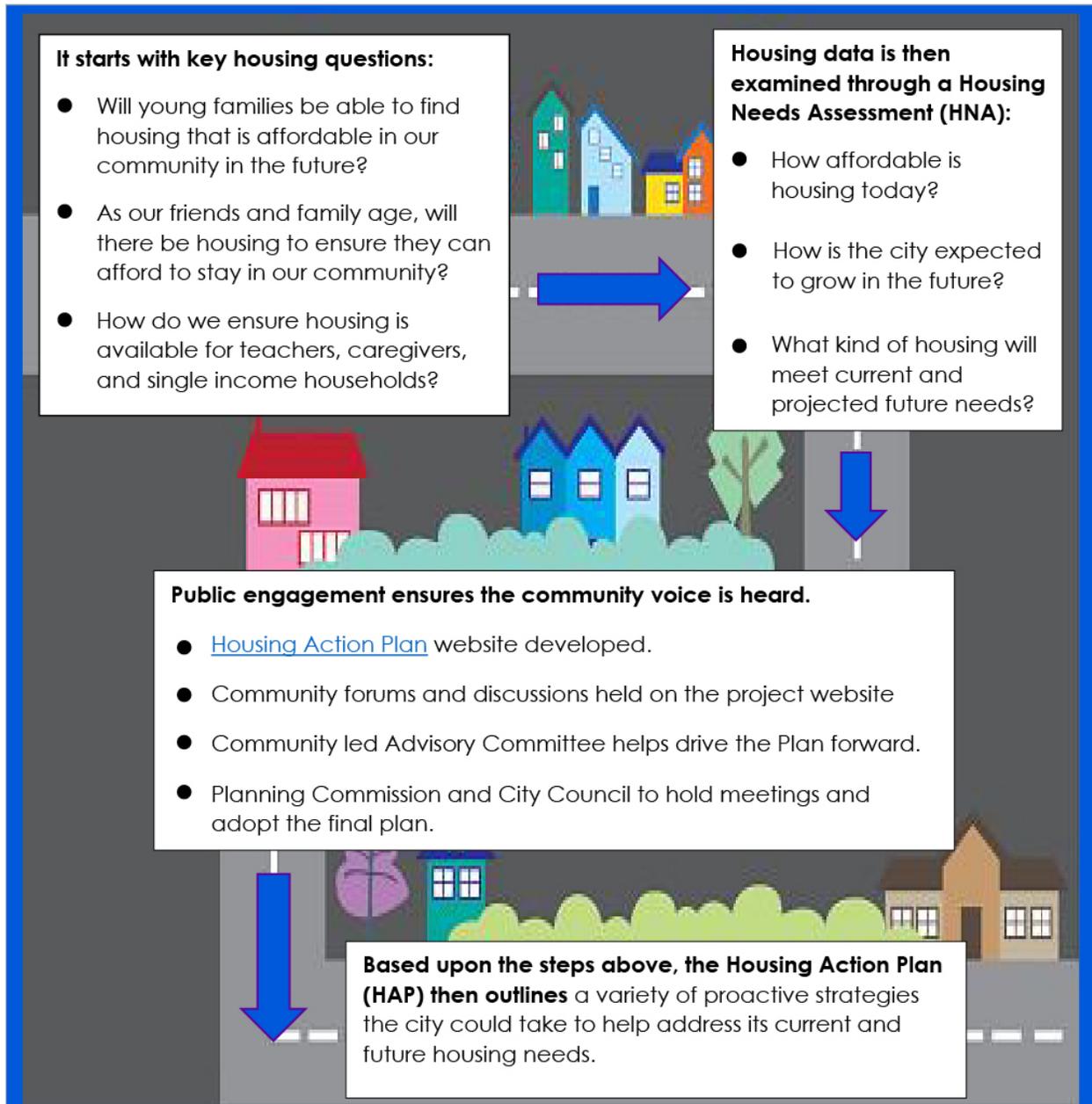
**Figure 1: HAP and GMA Timeline**



\* 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.

# The Roadmap to Housing Affordability – How a Housing Action Plan (HAP) Works



## **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. 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.

Sources: <sup>1</sup>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

Missing middle housing describes a range of multi-family or clustered housing types that are compatible in scale with single-family or transitional neighborhoods. Missing middle housing is intended to meet the demand for walkable neighborhoods, respond to changing demographics, and provide housing at different price points.<sup>1</sup> The term "missing middle" is meant to describe housing types that were common in the pre-WWII United States such as duplexes, rowhomes, and courtyard apartments but are now less common and, therefore, "missing". Rather than focusing on the number of units in a structure, missing middle housing emphasizes scale and heights that are appropriate for single-family neighborhoods or transitional neighborhoods.<sup>2</sup>

Missing middle housing offers housing options that can blend in with existing single-family residential neighborhoods. With design standards, these developments can achieve the single-family residential "look" while providing a stock of attainable housing.

The need for missing middle housing in Monroe is great. As the Housing Needs Assessment shows, Monroe's trends indicate high demand for "missing middle" housing. 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.

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 usually targets those professions such as teachers, firefighters, police officers, nurses, medical personnel, and other essential workers. The goal is to provide housing options for those who work in Monroe to also live in Monroe.

Missing middle housing can also meet the needs of first-time homeowners, smaller families, and seniors that want to downsize.



Sources: <sup>1</sup>Parolek, Daniel (2020). Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis. Washington DC: Island Press. pp. 7-8.

<sup>2</sup>Parolek, Daniel (2020). Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis. Washington DC: Island Press. p. 15.

## 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

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

### 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
<b>Duplexes</b>	Permitted in R4 and R7	Allow in R15, M25, MN, MG
<b>Height Limits</b>	45' in R25	Increase to 55'
<b>Parking</b>	Multifamily: 1.5 parking spaces per unit	Reduce the parking requirement to 1 parking space per unit
<b>SEPA Thresholds</b>	Residential units: up to 9 units	Single-family up to 30 units, Multifamily up to 60 units
<b>Commercial Zones</b>	Residential permitted in the North Kelsey/Tjerne 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 ADU's, duplexes, cottage housing, triplexes/fourplexes, townhomes, and mixed-use.

#### Accessory Dwelling Units (ADU's)



An Accessory Dwelling Unit (ADU) is a small separate living unit attached to or contained within the structure of the primary dwelling unit or detached from the primary dwelling unit but located on the same lot.

Currently, ADU's are permitted in all single-family residential zoning districts in the City of Monroe.

Benefits of ADU's:

- Makes it possible for adult children to provide care and support to a parent or other relative in need of assistance.
- Provides increased security and companionship for homeowners.
- Provides the opportunity for homeowners to gain extra income to help meet the rising costs of homeownership.
- Provides for the care of disabled persons within their own homes.

#### Policy Considerations:

Fast-track new ADU's by offering pre-approved plans to homeowners.

Streamline the ADU permitting process by changing the type of land use permit from a Type II to a Type I therefore not needing the noticing requirement.

Look at amending the current ADU code.

Actively promote ADU's as an option for multigenerational housing.

## 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.

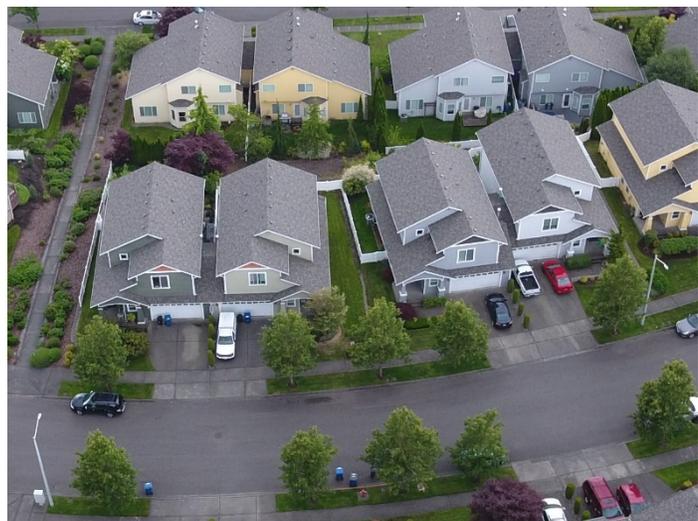
Duplexes are building code friendly in the sense that they can be built under the residential building code versus the international building code which has tougher building requirements.

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.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## 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 by allowing these projects to be approved administratively.

Allow for cottage housing subdivisions.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## 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.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## 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.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## Mixed-Use



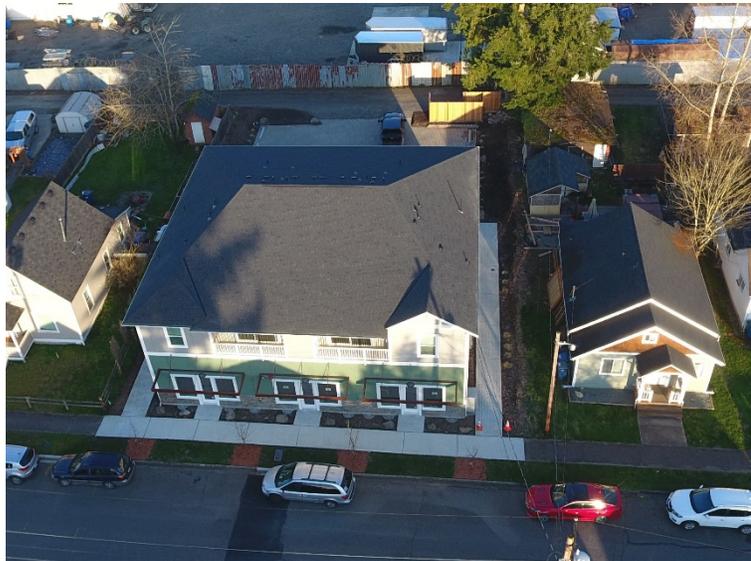
A mixed-use building is a building that contains a combination of residential and one or more different land uses, which may include office, commercial/retail, restaurant and/or public uses.

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.



Monroe Neighborhood | Photo Credit: LDC, Inc.

## Strategy #3

### Expanding the Supply of Attainable Housing for Low-Wage Workers

Housing is needed for low-wage workers, which includes those working in the retail, hospitality, and restaurant industries, and students. Siting housing near transit options and businesses is key to allowing workers to live and work in Monroe.

A type of housing to consider is microhousing or small efficiency dwelling units (SEDU). These types of units are less expensive, compact, and are generally easier to acquire construction loans.

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

#### Policy Considerations:

Allow microhousing or small efficiency dwelling units in multi-family zones, mixed-use zones, and commercial zones.

Create standards and regulations that make microhousing or small efficiency dwelling units feasible and attractive to developers.

Living in 282 square feet



Monroe Neighborhood | Photo Credit: LDC, Inc.

## 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

Policy Considerations:

Create a rental registration program to track available units in the city and rental costs.

Partner with affordable housing providers and services.

Join the Alliance for Affordable Housing (AHA).

Create a list of available public lands and explore the possibility of land donation to affordable housing developers.

Support and/or partner with Community Land Trusts (CLTs). Consider dedicating City-owned land to CLTs.

Create a housing program with HB 1406 funds.

#### 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

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

- **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.**

# Community Land Trusts

Community Land Trusts (CLTs) offer a form of affordable home ownership. Under the CLT model, the land trust buys land, builds or renovates housing, and then sells the structures while leasing the land. The houses are sold with deed restrictions, which combined with the commonly held land allow for residents to build equity while keeping costs affordable. The CLT model helps keep land affordable for future generations to meet the needs of the community.

Some other benefits of CLTs include wealth building, stabilizing home prices, housing stability, and security during crisis periods.

The City should look at partnering with Land Trust organizations to discuss the possibility of establishing a CLT on City-owned property.

Another possibility would be for the City to sell or lease City-owned property, zoned for residential housing, to for-profit or non-profit developers with a deed restriction that states that the new owner is obligated to sell or rent at least 20% of the housing units to low-income households.



Source: How a Community Land Trust Works," graphic by NYCCLI

## 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 (SB 5287 was recently passed and allows a 12-year extension for existing units that would otherwise revert to market rent). 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 to encourage multi-family development include:

- Reduction in utility fees (sewer and water connection fees)
- Exemptions from school and park impact fees for affordable housing units
- Create an inclusionary zoning ordinance
- Permit fee waivers
- Density bonus for providing affordable housing units
- Height bonuses
- Parking reductions
- Expedited permit processing
- Setback reductions

## Strategy #6

### Master-Planned Communities

A Master-Planned Community (MPC) is a large-scale residential development located in urban or suburban areas and includes a variety of housing options and styles and recreation amenities such as tennis courts, community centers, parks, playgrounds, and sometimes commercial uses.

The idea for MPC's in the City would be on a smaller scale but the concept of having a variety of housing options in a neighborhood would meet the demand for more affordable housing units. These would be sited close to transit options and commercial areas.

#### Policy Considerations:

Consider rezoning the school district property to allow a master-planned community.

Consider other public-owned land and rezone to allow master-planned communities.

Allow master-planned communities under development agreements.

Draft a MPC code section.



## Strategy #7

### Housing for Special Needs Groups

As the HAP's goal is to develop and implement equitable community solutions to housing needs, it is important to recognize that there are special needs groups that are also in need of affordable housing.

The Housing Needs Assessment shows cost-burdened households disproportionately affects lower-income renters, young families looking to buy, and senior households.

The groups to consider include:

- Seniors
- Disabled Residents
- People experiencing homelessness

These are specialized types of housing and one that the city will need to explore further. Collaborations with organizations and agencies that are knowledgeable in these types of developments will be key in successfully implementing the policy considerations.

#### Policy Considerations:

Engage with affordable senior housing proponents and developers on how to make developing these types of units in the city more feasible.

Add housing choices for seniors and disabled residents.

Explore innovative and low-cost housing solutions to serve people experiencing homelessness.



Source: Olivera Senior Affordable Housing Apartments in Pomona, CA  
<https://www.integrityhousing.org/portfolio/olivera-senior-apartments/>

## Implementation Plan

The Housing Action Plan provides strategies that can be implemented within a five-year time frame. The matrix below shows the implementation plan for each strategy which includes priority, timeline, type of action needed, and investment/cost.

The implementation plan's actions serve as a guide to direct budgets and workplans for the City's Community Development Department. Implementation depends on available funding and staff time.

<b>Strategy</b>	<b>Priority</b>	<b>Timeline</b>	<b>Type of Action</b>	<b>Investment/Cost</b>
<b>Zoning Regulations:</b> <ul style="list-style-type: none"> <li>• Allowing duplexes in all single-family zoning districts.</li> <li>• Allowing duplexes in multifamily zoning districts.</li> <li>• Allowing duplexes in mixed-use zoning districts.</li> <li>• Increasing height limits in multifamily zoning districts.</li> <li>• Relaxing parking restrictions.</li> <li>• Increasing SEPA Threshold Exemptions.</li> </ul>	Medium to High	2021-2022	Code Amendments	Low, staff time
<b>Zoning Regulations:</b> Allowing residential in commercial zoning districts.	Medium	2022-2023	Comprehensive Plan Amendment/Code Amendment	Medium, staff time
<b>Middle-Income Housing: ADU's</b> <ul style="list-style-type: none"> <li>• Fast-track new ADU's by offering pre-approved plans to homeowners.</li> </ul>	Low	2022-2023	Administrative	High, funding source needed to cover the cost of the plans.

<ul style="list-style-type: none"> <li>Streamline the ADU permitting process.</li> <li>Look at amending the current ADU code.</li> <li>Actively promote ADU's as an option for multigenerational housing.</li> </ul>	High	2021-2022	Code Amendment	Low, staff time
	Medium	2021-2022	Code Amendment	Low, staff time
	High	2021-2022	Community Outreach	Low, staff time
<p><b>Middle-Income Housing: Duplexes</b></p> <ul style="list-style-type: none"> <li>Expanding where duplexes are permitted.</li> <li>Create an inventory of existing duplexes in the city to determine where best to allow new development.</li> </ul>	High	2022-2023	Code Amendment	Low, staff time
	High	2022-2023	Data Collection	Low, staff time
<p><b>Middle-Income Housing: Cottage Housing</b></p> <ul style="list-style-type: none"> <li>Develop cottage housing regulations.</li> <li>Streamline the permitting process.</li> <li>Allow for cottage housing subdivisions.</li> </ul>	Medium	2022-2023	Code Amendments	Medium, staff time
<p><b>Middle-Income Housing: Triplexes/Fourplexes</b></p> <ul style="list-style-type: none"> <li>Relaxing setback requirements.</li> <li>Reducing parking requirements.</li> </ul>	Medium	2022-2023	Code Amendments	Low, staff time

<ul style="list-style-type: none"> <li>Promote this type of small development through incentives.</li> </ul>				
<p><b>Middle-Income Housing: Townhomes</b></p> <ul style="list-style-type: none"> <li>Review current regulations and determine if code changes are needed to encourage townhome developments.</li> <li>Allow townhomes in all single-family residential zones.</li> </ul>	Medium	2022-2023	Code Amendments	Low, staff time
<p><b>Middle-Income Housing: Mixed-Use</b></p> <ul style="list-style-type: none"> <li>Reduce parking requirements for mixed-use developments.</li> <li>Increase residential density in the Mixed Use – Neighborhood zone.</li> </ul>	Medium	2022-2023	Code Amendment	Low, staff time
	High	2022-2023	Comprehensive Plan Amendment/Code Amendment	Low, staff time
<p><b>Expanding the Supply of Attainable Housing for Low-Wage Workers</b></p> <ul style="list-style-type: none"> <li>Allow microhousing or small efficient dwelling units in multi-family zones, mixed-use zones, and commercial zones.</li> </ul>	High	2023-2024	Code Amendments	Medium, staff time and consultant services

<ul style="list-style-type: none"> <li>• Create standards and regulations that make microhousing or small efficient dwelling units feasible and attractive to developers.</li> </ul>				
<p><b>Minimize Displacement:</b></p> <ul style="list-style-type: none"> <li>• Create a rental registration program to track available units in the city and rental costs.</li> <li>• Partner with affordable housing providers and services.</li> <li>• Create a housing program to use HB 1406 funds.</li> <li>• Join the Affordable Housing Alliance (AHA).</li> <li>• Support Community land trusts and consider dedicating City-owned land to CLTs.</li> </ul>	Medium	2022-2023	Administrative	Medium, staff time
	High	2022-2024	Community Outreach	Medium, staff time
	High	2022-2024	Administrative	Medium, staff time and consultant services
	High	2021-2022	Administrative	Low, staff time
	Medium	2022-0224	Administrative	High, staff time and consultant services
<p><b>Multi-Family Development Incentives:</b></p> <ul style="list-style-type: none"> <li>• Draft and adopt a MFTE Program and code.</li> <li>• Provide other incentives for</li> </ul>	High	2021-2022	Code Amendment	Low, staff time
	Medium	2022-2023	Code Amendment	

multi-family development.				Medium, funding source needed
<b>Master-Planned Communities:</b>				
<ul style="list-style-type: none"> <li>Consider rezoning the school district property to allow a master-planned community.</li> </ul>	Medium	2022-2023	Comprehensive Plan Amendment/Code Amendment	Medium, staff time
<ul style="list-style-type: none"> <li>Consider other public-owned land and rezone to allow master-planned communities.</li> </ul>	Medium	2022-2023	Comprehensive Plan Amendment/Code Amendment	Medium, staff time
<ul style="list-style-type: none"> <li>Allow master-planned communities under development agreements.</li> </ul>	Medium	2022-2023	Code Amendment	Medium, staff time and consultant services
<ul style="list-style-type: none"> <li>Draft a MPC code section.</li> </ul>	Medium	2022-2023	Code Amendment	Medium, staff time and consultant services
<b>Housing for Special Needs Groups:</b>				
<ul style="list-style-type: none"> <li>Engage with affordable senior housing proponents and developers on how to make developing these types of units in the city more feasible.</li> </ul>	High	2022-2024	Community Outreach	Medium, staff time
<ul style="list-style-type: none"> <li>Add housing choices for seniors and disabled residents.</li> </ul>	High	2022-2024	Code Amendment	Medium, staff time

<ul style="list-style-type: none"><li>Explore innovative and low-cost housing solutions to serve people experiencing homelessness.</li></ul>	High	2022-2024	Collaboration	High, staff time and consultant services
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