

Chapter 5

HOUSING ELEMENT

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5.04

HOUSING UNDER THE GROWTH MANAGEMENT ACT

For all cities which fall under the requirements of the Growth Management Act (GMA), the provision of adequate and safe housing is one of the thirteen major goals. The housing goal of the GMA is stated as follows:

Housing: Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities, and housing types, and encourage preservation of existing housing stock.

The housing element must address the current and projected housing needs of resident households with a full range of incomes. Specifically, the requirements of the housing element are as follows:

The housing element recognizes the vitality and character of established residential neighborhoods that: (a) includes an inventory and analysis of existing and projected housing needs; (b) includes a statement of goals, policies and objectives for the preservation, improvement, and development of housing; (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.

In addition, the GMA requires the cities within a county to jointly develop county-wide housing policies which consider the county-wide need for housing affordable to all economic segments of the population and how the housing will be distributed.

This housing element for the city of Sedro-Woolley will present a discussion of the GMA requirements and the innovative ways in which Sedro-Woolley will accomplish its housing tasks in a manner complimentary to the overall comprehensive plan. As set forth, this element will demonstrate Sedro-Woolley's commitment to all types of housing over a broad economic strata, but most especially to affordable housing.

First, an inventory and analysis of existing and projected housing will be presented. Second, a summary of an inventory of sufficient land for housing, including but not limited to government-assisted housing, multi-family housing, group homes and foster care facilities will be presented, which includes adequate provision for existing and projected needs of all economic segments of the community. Third, a discussion will be presented as to how Sedro-Woolley's land use classifications and zoning will create the opportunity for the development of a variety of housing types for residents of various economic strata. Finally, a statement of the city's goals, policies and objectives for the preservation, improvement, and development of housing will be documented.

5.08

INVENTORY AND ANALYSIS OF HOUSING IN SEDRO-WOOLLEY AND THE URBAN GROWTH AREA

In 1999, the city of Sedro-Woolley Housing Needs Assessment Report was conducted. That assessment has been summarized in this subsection and the data has been updated for the 2016 Comprehensive Plan update. The following is a summary of the results of a comprehensive review of demographic, housing, economic, and land use data for the city of Sedro-Woolley. The assessment was intended to be a tool to help local officials, planners and citizens formulate policies and appropriate local approaches to address the housing goals of the GMA, including “making adequate provisions for the existing and projected needs of all economic segments of the community.”

POPULATION AND HOUSING CHARACTERISTICS

Population Demographics

The size and composition of the population is an important factor in the determinant of housing demand. The size of the housing units needed, location design desired and required by residents, and population rate of increase all influence what the housing market should supply.

According to the 2010 Census data, the population of Skagit County increased from 102,979 persons in 1990 to 111,901 persons in 2010, an increase of 13.52 percent. The April 1, 2013 Washington State Office of Financial Management (OFM) figures show the county population at 118,600, representing an increase of 15.17 percent since 2000. The 2010 Census showed that the population of Sedro-Woolley increased from 8,658 persons to 10,540 persons, an increase of 21.74 percent from 2000 to 2010. The April 1, 2013 OFM update shows this figure as

10,610. This represents an increase in population of 22.55 percent from 2000 to 2013.

The 2010 Census figures indicate Sedro-Woolley has nine percent of the population distribution of Skagit County by jurisdiction (both cities and unincorporated area). This is up from 8 percent in 2000. In 2005, based on OFM projections, Skagit County adopted a projected population growth figure of 149,080 by the year 2025. Of this figure, Skagit County has designated an additional population of 5,260 to the Sedro-Woolley UGA over a period of twenty (20) years for a total population of approximately fifteen thousand (15,000) residents (in the existing city limits and presently unincorporated Urban Growth Area).

According to the 2010 census, the average household size in Sedro-Woolley is 2.59 persons per household; slightly more than the Skagit County rate of 2.53 persons per household. The largest age group in Skagit County is between 50 to 54 years of age. The 2010 census ranks Skagit County as eleventh out of 39 Washington counties in total population. With a total population of 10,610 in 2010, Sedro-Woolley is ranked 77th out of 281 Washington cities.

Housing Stock

In 2000, 42,681 housing units in Skagit County, comprised of 30,731 single-family units, 5,655 multi-family units and 5,022 mobile home units. In 2010 there were 51,473 total housing units in Skagit County; 37,115 single family units, 7,913 multi-family units and 6,445 mobile homes. Between 1990 and 2000, 11,004 new housing units were constructed in Skagit County. Another 8,792 units were constructed in Skagit County between 2000 and 2010.

1,033 new units were constructed in Sedro-Woolley between 2000 and 2010. As of 2000, there were 3,270 residential units in Sedro-Woolley, of which 2,257 units were single-family, 660 were multi-family and 353 were mobile home units. In 2010 there were 4,303 total housing units; 2,874 single

family units, 1,025 multi-family units and 404 mobile homes.

Per the 2010 Census, Sedro-Woolley has 8.35 percent of the total housing stock in Skagit County. As a percentage of the various types of housing units in the county, Sedro-Woolley has 7.74 percent of the single-family units, 12.95 percent of the multi-family units and 6.23 percent of the mobile home units.

Housing Quality

The 1999 Housing Needs Assessment Report found that in six of the eight Skagit County cities, ten (10) percent or more of the single family housing stock were ranked as low quality construction or below, with 286 (or 13 percent) of Sedro-Woolley’s housing ranked in this category. Of the remainder of the single-family residential units, under the category of construction quality, 965 (46 percent) of the units

were ranked fair, 814 (38 percent) of the units were ranked average, and 54 (three percent of the units were ranked good, very good, special or excellent. Within Sedro-Woolley, 68 percent of the housing units were built prior to 1980.

The adequacy of housing can also be gauged by types of facilities in residential units and the extent of overcrowding. Between 1980 and 1990, Skagit County experienced a decline in the number of units which lacked complete plumbing facilities, from six hundred fifty-seven (657) units to six hundred ten (610) units. Overcrowded units, defined as more than one person per room, has increased, however, by thirty-nine (39) percent from seven hundred twenty-three (723) units to one thousand four (1,004) units. Current data is not available for this metric. Overcrowding increases when households are having difficulty affording or finding housing.

Types of Housing Units in Sedro-Woolley

	Total	1 Unit	2 + Units	Mh/Tr
1990	2,530	2,019	384	104
2000	3,270	2,257	660	353
2010	4,303	2,874	1,025	404

OCCUPANT CHARACTERISTICS

Ownership Characteristics

According to the US Census’s 2007-2011 American Community Survey 5-Year Estimates, there were 2,566 owner-occupied units in Sedro-Woolley. The median value of those units was \$219,800.

Information from the Economic Development Association of Skagit County shows the number of homes sold in 2004, the average price, and the number of days the homes were listed for sale. Homes in Sedro-Woolley were the fastest selling homes and sold for, on average, 79 percent of the overall Skagit County average home price. 2013 housing sales data and rental data were not accessible.

2004 Housing Sales Data – Skagit County (data from EDASC)

Area	Houses & Condos Sold	Average Price	Days on Market
Anacortes	535	\$320,806	88
Burlington	284	\$218,558	74
Concrete & East	78	\$140,482	112
La Conner	105	\$304,811	91
Lyman/Hamilton	14	\$171,596	112
Mount Vernon	718	\$215,272	86
Sedro-Woolley	410	\$174,085	69
Total Sales	2,144	\$220,080	90

According to the 2010 Census, the total number of occupied housing units was 3,995 which is approximately 92.8 percent of the total number of housing units

Rental Unit Characteristics

According to information available from the Economic Development Association of Skagit County, the typical price range for rental property in Skagit County is as follows:

2004 Average Housing Rentals

0-1 Bedroom	\$400.00-600.00
2 Bedroom	\$600.00-850.00
3 Bedroom	\$850.00-1100.00
4+ Bedroom	\$900.00-1200.00

2004 Average Apartment Rental

0-Studio	\$350.00-500.00
1 Bedroom	\$450.00-600.00
2 Bedroom	\$600.00-800.00
3 Bedroom	\$750.00-1200.00

Sedro-Woolley rents are usually lower than Mount Vernon and Burlington, but are catching up because of increased consumer desire to live in the Sedro-

Woolley area. Some single family rentals are changing to owner-occupied units.

Subsidized rental housing is provided through permanent housing complexes which are either privately or publicly-owned and through the Section 8 Certificate/Voucher Program. Future funding for such housing appears limited with funding for new projects favoring other counties. Under the classification of publicly-owned housing, Sedro-Woolley has one of three public housing authorities in Skagit County.

Households with incomes below fifty (50) percent of the county median income are eligible for certificates and/or vouchers to subsidize the cost of renting privately-owned units. The majority of households on the list are families, followed by disabled households and elderly households. Statistically, elderly households are better served by subsidized housing than families, which are the least well served.

Special Needs Populations

The special housing needs of the homeless, persons with disabilities, victims of domestic violence, youth, the aged and farmworkers has increased within Skagit County. In early 1997, a forty-two (42) room special needs facility opened within the city. It is anticipated that Sedro-Woolley will absorb a percentage of these special needs populations, however,

more likely, these populations will tend to locate in higher population areas with better transportation capabilities or closer to the larger farms (in the case of farmworkers). Sedro-Woolley can, however, make itself more amenable to the special needs populations through the development of regulations which encourage the use of special needs projects, group homes, accessory housing and in the encouragement of developer participation in the construction of units which meet the requirements of the Americans with Disabilities Act.

HOUSEHOLD INCOME

Household Income

According to the US Census's 2007-2011 American Community Survey 5-Year Estimates, the median household income was \$52,228 in Sedro-Woolley and \$55,555 in Skagit County. Within Skagit County, 12.0 percent of families are classified as below the poverty level. The same figure for Sedro-Woolley is 10.1 percent.

Relationship of Types of Employment to Housing Costs

As the data will indicate, a large number of Skagit County residents already experience an affordability problem. A question related to projections of future housing affordability is whether the type of job growth is going to contribute to higher incomes and improved housing affordability or lower incomes and lower affordability. If employment trends hold steady, much of the job growth will occur in service sector and in food service occupations which generally have lower paying jobs. Many of these households will not be able to afford home ownership or market rate rental housing.

HOUSING AFFORDABILITY

Housing Cost as a Percentage of Income

According to the US Census's 2007-2011 American Community Survey 5-Year Estimates, 43.5 per-

cent of property owners with a mortgage (estimated 755 households) in Sedro-Woolley paid more than 30 percent of their income on housing. In Skagit County 46.8 percent of property owners with a mortgage (estimated 9,800 households) paid more than 30 percent of their income on housing.

Within Sedro-Woolley, 39.1 percent of all renters paid more than 30 percent of their incomes for gross rent (estimated 571 households). Within Skagit County, 51.0 percent of renters paid more than 30 percent of their incomes for gross rent (estimated 6,812 households). Data identifying the number of households earning less than eighty (80) percent of the median income and paying more than thirty (30) percent of income for household costs has not yet been identified, however, it can be presumed that many household paying more than thirty (30) percent of their income for housing are likely to be identified as households in need of housing assistance.

In Skagit County, resources are available to assist first-time homebuyers with home purchase and to assist existing homeowners with the cost of weatherization and home repair. Funding for all three types of assistance is severely limited and demand is high. The US Department of Agriculture Rural Development provides loan and grant assistance to income eligible households.

Single-Family Market

Regarding new construction of single family housing, developers are currently building for two housing markets—the “starter”/“step-up” buyers and the “custom” buyer. Sedro-Woolley is one of the most affordable markets for “starter” homes. These homes are marketed to families already owning a home and looking to transfer their equity to a new home and to step up in the market place. The home is also marketed to “commuter” households.

Multi-family Market

There are no significant multi-family development opportunities in East Skagit County due to the lack of infrastructure, especially sewer. Historically, the

strongest markets for such housing are in Mount Vernon and Burlington. Land costs for multi-family development vary throughout the county, with the price of the land dependent on the availability of services, zoning, existing permits and the cost of the impact fees. If sufficient land is available and developable, and if financing is available at acceptable terms, existing private developers have the capacity to provide market-rate rental and ownership development in amounts sufficient to meet expected demand.

SUMMARY OF THE ANALYSIS AND INVENTORY

The analysis and inventory performed in the Skagit County Housing Needs Assessment illustrates that while the housing needs and availability, especially those of affordable housing, may not be as critical as other areas of the county, housing concerns still exist within the Sedro-Woolley urban growth area.

The ability to address these needs is vital to the social and economic vitality of the community. Shortages in the amount of housing may cause a potential employer not to locate to the community. Shortages of quality, affordable housing causes distress to the individual and ultimately to the community.

5.12

INVENTORY OF LANDS

The projected population of Sedro-Woolley inside the city limits and within the UGA by the year 2025 is fifteen thousand (15,000).

There are roughly 1,995 acres of residentially zoned land (not excluding right-of-ways) in the city and its urban growth area. The approximate acreage in each of the three residential zones – Residential 15 (R15), Residential 7 (R7) and Residential 5 (R5) – is as follows:

R15	R7	R5
90	745	1,160

The following densities are allowed in these zones:

R5: minimum lot size of 8,400 square feet – roughly 5 dwelling units per acre

R7: minimum lot size of 6,000 square feet for single family residences, 9,000 square feet for duplexes – roughly 7 dwelling units per acre

R15: maximum 15 dwelling units per acre

Sufficient acreage has been set aside for residential development even with the discounting of developed property and minus infrastructure and critical area allowances. The city should continue to update the land use data in order to more accurately track and record land availability data for housing development. This data should be incorporated into the comprehensive plan during annual amendments.

5.16

OPTIONAL AND AFFORDABLE HOUSING

Through its housing element goals and policies, the city of Sedro-Woolley hopes to address both the provision of optional housing and affordable housing. Optional housing allows for a wide variety of housing types which are affordable to individuals in the community. Affordable housing is housing that is affordable to individuals in all economic sectors of the community.

Optional Housing

The housing element recognizes that different households prefer various types of housing. While the majority of property owners prefer direct ownership of a single-family dwelling on a parcel of property, some households prefer housing which requires little upkeep or maintenance. In addition, some households prefer, or due to economic necessity, must rent a dwelling unit as opposed to outright ownership. Therefore, the Sedro-Woolley housing element encourages the following housing policies:

1. Parcels of property which support single-family homes (permitted uses in the R5, R7 and R15 zones, conditional uses in other zones).
2. Zoning which supports development for townhouses and condominiums.
3. Zoning which allows for the conversion of second floors in the CBD zone into residential dwellings.
4. Zoning which allows for a variety of multi-family housing which can be blended into the community (duplex units as a permitted use in the R7 zone on lots over nine thousand (9,000) square feet, planned residential developments, mixed commercial zoning which allows limited residential development, and live/work units in the industrial zone).

Affordable Housing

As indicated earlier in the housing element, the provision of affordable housing across all of the economic sectors may be difficult especially for the lower income economic sectors of the population. Therefore, the Sedro-Woolley housing element encourages the following housing practices:

1. Lot sizes which support various types of single-family housing (minimum six thousand (6,000) square foot lots in the R7 zone, minimum eight thousand four hundred (8,400) square foot lots in the R5 zone.
2. Zoning which allows for a variety of multi-family housing (duplex units as a permitted use in the R7 zone on lots over nine thousand (9,000) square feet.
3. Work to achieve the city's fair share of affordable low-income housing within Skagit County.
4. Support of programs which provide low-income and special needs housing.
5. Support of programs which encourage rental and owner rehabilitation and weatherization of existing dwelling units.
6. On-going reevaluation of development regulations and impact fee alternatives which support the construction of affordable housing.

GOALS, POLICIES AND ACTIONS

The goals, policies, and strategies of this housing element describe how Sedro-Woolley proposes to address the identified needs for future housing development. These goals, policies and strategies articulate the city's priorities for allocation of resources, production of specific housing types, housing affordability, and the preservation of existing housing stock.

Goal H1: To provide sound, adequate housing for all current and future Sedro-Woolley residents.

Policy H1.1: Install supporting infrastructure in areas of higher density housing as a public, private, or public/private driven effort.

Policy H1.2: Secure federal and/or state funds to provide housing to special needs populations. (Including, but not limited to: disabled, low-income, homeless.)

Policy H1.3: Protect historically significant housing sites and structures.

Policy H1.4: Establish joint home conservation programs and campaigns with Puget Power. Provide support for weatherization and home repair programs.

Policy H1.5: Work to develop an incentive-based city-wide home improvement program.

Policy H1.6: Encourage sustainable housing practices to provide energy efficiency and environmentally responsive design.

Goal H2: To provide affordable housing for all current and future Sedro-Woolley residents.

Policy H2.1: Encourage affordable housing for the elderly. As an alternative, the elderly should be ac-

commodated in safe, well-maintained multiple-unit structures.

Policy H2.2: Encourage affordable housing for those with special needs. (Including, but not limited to: disabled, low-income, homeless).

Policy H2.3: Encourage affordable housing for all household types, including seasonal workers, single parents, extended families, and group homes.

Policy H2.4: Encourage affordable housing types units and revitalization of unused residential spaces above the retail buildings in the historic downtown area.

Policy H2.5: Together with appropriate agencies, encourage the development of housing for low-income and first-time homebuyers. Encourage public, private and non-profit associations efforts (i.e. Habitat for Humanity, Self-Help Housing) within the low- and moderate-income housing market.

Policy H2.6: Evaluate local development regulations for effects on housing costs. Change development regulations that unnecessarily add to housing costs.

Policy H2.7: Maintain easy access to the permitting process.

Policy H2.8: Strive to have constructed the city's fair share of affordable housing.

Goal H3: To benefit social well-being and health through housing design.

Policy H3.1: Require usable outdoor recreation space as part of all residential developments.

Policy H3.2: Require semi-public indoor space accessible to community groups as part of multi-family residential developments.

Policy H3.3: Coordinate common recreation space consistent with surrounding residential density. Over-

allocate common recreation space in densely populated areas.

Policy H3.4: Coordinate common areas of linked open space between multi-family developments. Maintain these spaces through a public-private partnership.

Policy H3.5: Require clearly mark access for fire protection, parking, and solid waste collection. Use a universal design for these markings.

Policy H3.6: Encourage “cluster” single-family residential development within the R7 and R5 land use designations. Cluster developments are characterized by areas of common open space shared and maintained by residents of the development.

Policy H3.7: Allow planned residential developments (PRD’s) within the R7 and R5 land use designation as a conditional use. PRD developments are characterized by a variety of housing products and provide indoor and outdoor common space for residents.

Policy H3.8: Work to develop multi-family and single-family residential design recommendations based on a participatory design process with community residents.

Policy H3.9: Encourage the development of housing which meets certification standards such as Leadership in Energy and Environmental Design (LEED) or Green Builders Association.

Policy H3.10: Encourage the use of sustainable, alternative housing designs within the city.

Policy H3.11: Promote and encourage community gardens in residential developments.

Policy H3.12: Prioritize the development of new community garden sites in low-income and underserved neighborhoods.

Goal H4: To conserve the social characteristics of existing residential development and maintain a natural balance with the environment.

Policy H4.1: Develop a mix of multi-family residential units and single-family units throughout the community.

Policy H4.2: Encourage retail-compatible mixed uses (including residences) on the second floor in the central business district.

Policy H4.3: Encourage the development of residential structures that respect existing view of the natural features, and the right of everyone to enjoy them.

Policy H4.4: Explore the adoption of a city-wide incentive program for residential maintenance.

Policy H4.5: Require that developed and designed residential structures comply with the critical areas ordinances such as wetlands, frequently flooded areas, drainage, steep slopes, aquifer recharge areas, migratory routes and natural wildlife habitat.

Goal H5: To create and approve processes that allow for bold innovation and diversity.

Policy H5.1: Explore a design review process in the residential land use designations.

Policy H5.2: Allow permits for home businesses that have little impact on surrounding developments.

Policy H5.3: Create non-discriminatory zoning regulations for group homes, consistent with the Federal Fair Housing Act.

Policy H5.4: Establish standards for factory-built homes within single-family land use areas, consistent with WAC 296-150B. (Design standards and inspection procedures for mobile homes.)

Policy H5.5: Encourage the development of diverse housing for a variety of families throughout the community.

Objectives

As part of the ongoing process to update the comprehensive plan, the city will conduct an Affordable Housing Assessment to thoroughly evaluate the affordability of housing in the city.

— To promote a wide variety of residential densities and housing types to create an adequate choice of attractive living accommodations for persons desiring to reside in Sedro-Woolley.

— To promote fair and equal access to housing for all persons regardless of race, color, religion, gender, sexual orientation, age, national origin, family status, source of income, or disability.

— To promote strong residential neighborhoods through public investments in physical improvements intended to enhance neighborhood identity and through public policy decisions intended to protect and preserve existing neighborhoods.

— To encourage the availability of affordable housing to all economic segments of the population of the city.

— To encourage the maintenance and creation of healthy residential neighborhoods as well as the revitalization of those that are declining.

— Encourage small-scale multifamily (four units or less) within existing single family neighborhoods. Such structures should be designed to compliment existing neighborhoods.

— Encourage a high level of design and architectural amenities in all housing designs.

— Provide for a range of densities to ensure maximum choice in housing options for persons desiring to live in Sedro-Woolley.

— Promote single-family and multiple-family housing design, including subdivision, site and building design, which enhances the community image and ensures compatibility with surrounding development.

— Promote residential development in commercial areas where combining such uses would promote the vitality and economic viability of the area.

— Promote the development of live/work units in industrial areas where such uses would act as a transition with single-family uses and where the degree of industrial activity will not significantly impact the residents.

— Schedule regular infrastructure maintenance in residential areas to preserve the character and ensure the continued vitality of existing neighborhoods.

— Through the subarea planning process, consult with neighborhoods regarding desired improvements to enhance the identity of their area. Such improvements may include, but are not limited to: park facilities, transportation system improvements, special neighborhood signage, special lighting, and street furniture such as benches and information kiosks.

— Assist non-profit agencies and groups to plan and develop low- and moderate-income housing and support services.

— Explore the amendment of the zoning ordinance to provide density bonuses to those who will agree to build affordable housing.

— Identify future areas for high density housing in developed zones of the city consistent with the general neighborhood's land use characteristics.

— Explore the amendment of the zoning ordinance to prohibit construction of housing units that

would prohibit children unless the project is for defined target populations (e.g. the elderly).

— Coordinate with the Sedro-Woolley Housing Authority, Skagit County planning department, human services agencies, and other appropriate agencies to determine an equitable distribution of affordable housing and housing for special populations.

— Explore strategies to promote the development of non-assisted affordable housing in the private sector. Such strategies may include, but are not limited to the following:

- Requiring a certain percentage of dwelling units in a development to meet affordability criteria;
- Providing density incentives within a development if a certain percentage of affordable units are constructed;
- Rezoning land to allow higher densities;
- Eliminating any current occupancy restrictions on accessory dwelling units;
- Allowing residential uses in commercial and industrial zones;
- Providing for more flexible dimensional standards (such as street widths, setbacks, and lot coverage).

— Support development of government-assisted housing providing that it is dispersed throughout the community rather than concentrated, and adheres to high design standards within funding constraints.

— Undertake efforts to support maintenance and revitalization of older housing in the city in an effort to reduce long-term decline in Sedro-Woolley's older neighborhoods.

— Manufactured housing which meets the State Labor and Industries Code shall be permitted in any zoning districts in the city where single-family dwellings are allowed.

— In compliance with state regulations, group homes and foster care facilities should be permitted

in any zoning districts in the city which allows residential development, subject to conditions to ensure compatibility with surrounding development in terms of bulk and scale of buildings and operational aspects such as parking, noise, and light and glare generation.

— The city will explore development of site selection criteria for the location of housing for the elderly. In so doing, the city will encourage the provision of smaller units (with one or two bedrooms) and more compact housing types (cluster, town house, apartment, or condominiums). In siting development for the elderly, the city will also review the proximity to shopping, hospitals, public transportation routes, retail and service centers, and parks.

— The city will continue its primary role in the conservation of housing through public investment in the infrastructure servicing the area (storm drainage, sewer, street paving, recreation) and zoning to prevent incompatible land uses and depreciation of property value.

— The city will continue to implement its code enforcement program and will attempt to motivate owners to repair and improve maintenance of their structures.