



City of Lake Stevens

HOUSING ACTION PLAN



Executive Summary

The city of Lake Stevens has developed this Housing Action Plan (HAP) to ensure it can provide housing that meets the needs for all its residents, both in the present and the future. The HAP builds on work the city has already done by incorporating input from the community and providing ideas for new regulations and programs.

The HAP informs and guides the city's next phase of work to improve housing options and availability in Lake Stevens. The HAP includes strategies and implementing actions to promote greater housing opportunities for residents and workers across all economic segments of the community. The HAP will be incorporated into the upcoming updates to the Housing Element of the Comprehensive Plan.

This document includes the following sections:

- A description of the **housing needs in Lake Stevens** provides a summary of the Housing Needs Assessment and provides supporting information for policy development.
- A **summary of public engagement** is provided to outline the outreach events and activities conducted as part of this project, and to summarize the feedback received from these events.
- **Policy recommendations** are provided, based on a review of current city policies and identified needs. Note that these recommendations are attached after this summary.
- **Recommendations for implementation** provide a general timeline for implementation by city staff, partners, and supporting consultants as needed.

This document also contains three appendices:

- **Appendix A** provides a glossary of common terms used in this report for reference.
- **Appendix B** includes the full Housing Needs Assessment as of December 2022.
- **Appendix C** includes a more detailed summary of public engagement activities.

Major findings from this report include the following:

- **State mandates for accommodating low-income housing will require the city to broaden its strategies with respect to affordable housing.** New requirements under HB 1220 that mandate housing targets allocated by household income will result in a significant shift in focus for housing policy. Higher targets at low incomes, combined with limited buildable lands capacity, will mean that a greater proportion of the city will need to be developed as multifamily projects.
- **Considerations of racially disparate impacts in Lake Stevens are important and will need to take a regional approach.** There is evidence of racial disparities with respect to cost burden and housing affordability, both locally and in the region. Additionally, regional market pressures may result in people being priced out of their homes in the city, or not being able to access affordable options in the community.

- **Infill and redevelopment will be necessary to meet Lake Stevens' obligation to accommodate its share of the expected regional population and housing growth.** As Lake Stevens' development capacity for new housing consists of sites that support infill or redevelopment projects, future policies will need to consider the particular challenges in achieving sustained housing yields on these types of building sites.
- **Previous actions by the city have already addressed changes in requirements for the housing element.** Actions taken by the city since 2018 have already worked to address some of the considerations included in HB 1110. As these requirements may demonstrate substantive compliance, the city may be able to fulfill them through consideration from the state Department of Commerce.
- **While the general amount of developable land should be sufficient to support future growth, upzoning will be needed.** Although there is likely to be sufficient land area to meet overall housing needs, the focus of housing targets on lower-income households and the need to accommodate these households with smaller, less expensive units suggests that there will need to be a significant shift towards more multifamily development in the community.
- **Overall, residents recognize how affordable housing is a challenge.** At every event, people have said that housing problems in the region are a major concern. Even people that already own their own homes know that it can be hard for other households to find a place to live.
- **Focusing on developing high-quality, high-amenity neighborhoods to meet perceived housing needs will be essential to address concerns with the impacts of growth.** A major sentiment expressed in engagement was the idea that Lake Stevens is a community with strong local amenities and a “small-town feel”. However, despite concerns expressed about perceived challenges to local character, many respondents indicated the importance of a sustainable and welcoming community that can be accessible to seniors and new homebuyers. Supporting these types of neighborhoods and their supporting amenities. will be essential to consider in future policy development and implementation.

Policy Recommendations

1. Addressing Needs for Local Capacity

1.1. Revise plans for the city's subareas. Given the need for higher-density housing in Lake Stevens, in addition to concerns about impacts of growth, the city's subarea plans should be updated to accommodate additional mixed-use and residential development.

- 1.1.1 *Coordinate an update to the Downtown subarea plan.*
- 1.1.2 *Update the 20th St SE Corridor subarea plan.*
- 1.1.3 *Provide updates to the Lake Stevens Center subarea plan.*
- 1.1.4 *Identify additional areas for subarea planning.*

1.2. Implement strategic upzoning to address housing capacity needs. While subarea planning will be essential, the city should also look to pursue separate efforts to upzone across the city, especially in strategic areas that should be denser over time.

- 1.2.1 *Provide short-term upzoning in key locations.*
- 1.2.2 *Approve initial criteria for long-term residential upzoning.*
- 1.2.3 *Update zoning regularly to maintain necessary capacity.*
- 1.2.4 *Coordinate upzoning with affordable housing opportunities.*

1.3. Encourage different housing types. Recent changes to state statutes have placed more of a focus on middle housing and accessory dwelling units (ADU). The city should work to encourage these housing types and provide a broader set of housing options to meet local needs.

- 1.3.1 *Update the Municipal Code to address changes in requirements for ADUs on a site.*
- 1.3.2 *Allow additional middle housing types in residential zones.*
- 1.3.3 *Provide standardized, preapproved ADU plans for use.*

1.4. Ensure that previous efforts are considered under new state requirements.

Previous efforts in revising zoning regulations and designations in the city will put Lake Stevens in compliance with recent changes to the Growth Management Act. The city should pursue options that will allow these changes to be treated as “substantially similar”.

- 1.4.1 *Coordinate documentation for substantial compliance with HB 1110.*
- 1.4.2 *Monitor requirements for title review.*

1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets.

With changes in planning requirements providing more of a focus on housing targets, the city should work to provide more detailed information on a regular basis regarding housing yields and remaining development capacity.

- 1.5.1 *Manage internal data sources to monitor housing development yield and capacity.*
- 1.5.2 *Provide regular internal reporting and review on housing targets.*

2. Meeting Additional State Requirements

2.1. Integrate considerations of special needs housing into the Code. Changes to requirements for zoning made by the state have mandated that certain uses such as emergency shelters and transitional housing be allowed in areas consistent with those uses, and supportive housing cannot be treated differently than comparable family housing.

- 2.1.1 *Reorganize land use requirements for “Health and Social Service Facilities”.*
- 2.1.2 *Align outdoor emergency shelter regulations with state mandates.*

2.2. Clarify impact fees for emergency housing and ADUs. Recent statutory changes require that the city’s policies regarding impact fees for specific housing types be adjusted to align with requirements.

- 2.2.1 *Adjust impact fees for ADUs.*
- 2.2.2 *Specify that emergency housing is exempt from impact fees.*

2.3. Implement anti-displacement policies to increase housing stability. Given increasing pressures on housing costs and the availability of suitable affordable housing options, many households are facing greater housing instability and the potential that they will be “priced out” of the community. This trend is often faced even more strongly by different groups that have experienced structural racism. These policies work to address specific issues with potential displacement from the community.

- 2.3.1 *Coordinate strategies for manufactured home preservation.*
- 2.3.2 *Provide emergency homeowner assistance programs.*
- 2.3.3 *Support low-income homeownership programs.*
- 2.3.4 *Expand local tenant protections.*

3. Additional Strategies to Achieve Housing Goals

3.1. Refine the Multifamily Housing Property Tax Exemption (MFTE).

The MFTE program is an important incentive that can provide a partial exemption from property taxes in exchange for public goods, including affordable housing. These recommendations highlight potential changes to the program in Lake Stevens to allow it to better meet city housing goals.

- 3.1.1. *Change project size threshold to incentivize larger projects.*
- 3.1.2. *Provide resale restrictions in 12-year owner-occupied MFTE units.*
- 3.1.3. *Add a 20-year owner-occupied MFTE option to the program.*
- 3.1.4. *Add an option for a 12-year MFTE extension.*
- 3.1.5. *Consider future adjustments to required household incomes and restricted rent levels.*
- 3.1.6. *Include provisions in the code that maintain housing stability with increased income.*
- 3.1.7. *Consider expanding residential targeted areas.*

3.2. Revise the provisions for Planned Residential Developments (PRDs).

PRDs are developments that can be afforded flexibility with development and platting requirements in exchange for commitments of public benefits. Changes to this section of the Code can also explicitly reinforce that it can be used to support affordable housing as well.

- 3.2.1 *Incorporate multifamily housing into allowable PRD housing types.*
- 3.2.2 *Consider affordable housing as a public benefit under PRD provisions.*
- 3.2.3 *Revise density bonusing provisions for PRDs.*

3.3. Provide additional incentives to encourage affordable housing development.

In addition to PRDs and MFTE, communities can also provide incentives for affordable housing through impact fee waivers and inclusionary zoning. While some bonus height is permitted in exchange for affordable housing in the mixed-use subareas, allowing broader incentives could provide additional incentives for affordable units.

- 3.3.1 *Explore impact fee waivers or reductions to provide an incentive for affordable units.*
- 3.3.2 *Widen voluntary inclusionary zoning provisions.*
- 3.3.3 *Coordinate long-term review and monitoring of affordable units.*

3.4. Explore the local use of community land trusts (CLTs) and comparable models.

New models of property ownership can provide more affordable options for housing, such CLTs, which remove the value of land from the cost of housing. This may be a future option to encourage more affordable housing options.

- 3.4.1 *Explore partnerships with CLTs in the region.*
- 3.4.2 *Encourage other alternate ownership models for affordability where possible.*

3.5. Cooperate with area organizations for affordable and emergency housing.

Affordable housing in the region includes a significant number of organizations, including housing authorities, nonprofit and religious affordable housing providers, and other jurisdictions. Providing effective solutions to manage affordable housing needs can be more efficient if the city can coordinate its efforts with these organizations.

- 3.5.1 *Recruit nonprofit housing partners to develop affordable housing in the city.*
- 3.5.2 *Coordinate with service providers to secure emergency housing options.*
- 3.5.3 *Continue to coordinate with partners on affordable housing issues.*

3.6. Use surplus properties for affordable housing. Vacant and underutilized properties owned by nonprofits and public agencies pose an opportunity for affordable housing. Coordinating with other organizations to develop a consistent approach to manage these properties can help them to be put into use for affordable housing options.

- 3.6.1 *Provide updated policies for surplus property.*
- 3.6.2 *Identify and facilitate opportunities for housing development with partners on surplus properties.*

3.7. Coordinate the permitting and approvals process. While the permit approval process in Lake Stevens is seen as efficient, approvals from other jurisdictions such as utility districts may pose delays and obstacles to housing development. The city should work to evaluate whether these delays can be addressed to improve the responsiveness of the process.

- 3.7.1 *Coordinate ongoing oversight of permitting timelines.*
- 3.7.2 *Coordinate with other agencies to determine approaches for reducing approval times.*

3.8. Secure additional funding for programs to support housing affordability and stability. The city will not have sufficient funding to provide all the subsidies necessary to address the lower-income housing targets in the community. While coordinating with partners has potential to provide some investment, the city should work to pursue additional grant funding from supporting agencies.

- 3.8.1 *Identify and secure potential sources of funding.*
- 3.8.2 *Consider long-term options for more reliable internal funding.*

3.9. Distribute information about local housing development options. Providing information to developers working in the community about changes in development regulations and incentives will be essential in ensuring that both developers become motivated to develop housing in Lake Stevens, and that incentives and other programs are used in the most efficient and effective ways possible.

- 3.9.1 *Maintain a guidebook for local housing programs.*
- 3.9.2 *Provide regular communication with the development community.*

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Introduction

Overview

The city of Lake Stevens has grown rapidly over the past two decades through a series of annexations and increased residential development. Under the Countywide Planning Policies in Snohomish County, the city's population is expected to grow by almost 25% by 2044. While the city has taken steps to increase building capacity, there is a need for a more comprehensive approach to ensure housing opportunities are available for all in the community.

The city developed this Housing Action Plan (HAP) to ensure it can provide housing that meets the needs of all its residents, both in the present and the future. The HAP builds on work the city has already done by incorporating input from the community and providing ideas for new regulations and programs.

The HAP informs and guides the city's next phase of work to improve housing options and availability in Lake Stevens. The HAP includes strategies and implementing actions to promote greater housing opportunities for residents and workers across all economic segments of the community. The HAP will be incorporated into the upcoming updates to the Housing Element of the Comprehensive Plan.

The Housing Action Plan is intended to include the following elements:

- An assessment of **local and regional population and employment trends** to understand changes in housing demand in the community.
- A review of the **current supply of housing** and the **adequacy of existing stock** to meet current and future demands, including both broad needs for housing units and specific needs for different populations.
- An evaluation of **community perspectives** on housing needs and goals.
- An assessment of **existing and recently amended policies, programs, ordinances**.
- **Housing strategies and policies** necessary to address current and future needs.
- **Anti-displacement policies** to ensure that current and future members of the community are not excluded from Lake Stevens by a lack of accessible or appropriate housing.
- **Recommendations for implementation** that consider the timing of specific actions to carry out housing strategies, including consideration of city staff capacity.

Development of the HAP was supported by a Washington Department of Commerce grant designed to increase housing options in Washington's communities.

Outline of the Plan

This Plan is organized into several sections:

- **Housing Needs in Lake Stevens.** This section provides a summary of the material from the Housing Needs Assessment to highlight the major needs for housing in Lake Stevens, both today and over the next 20 years. This includes a discussion of recent housing targets updated by Snohomish County to fulfill state requirements under [HB 1220](#).
- **Summary of Public Engagement.** In this section, an outline of major engagement activities conducted for this project is provided, based on the Engagement Summary provided in Appendix C. This also includes the major takeaways regarding public and stakeholder perspectives on growth and housing development that would be relevant for policy.
- **Policy Recommendations.** This component of the Housing Action Plan provides a broad set of recommendations for city housing policy based on the findings of the Housing Needs Assessment, public engagement, and a review of short- and long-term policy options. These are included under three categories relevant to implementation:
 - Addressing needs for housing capacity to meet new state and county targets.
 - Meeting other new housing policy requirements.
 - Additional strategies to achieve local housing goals.
- **Recommendations for Implementation.** From the policy recommendations provided, this section reviews the steps that the city could take, to implement the recommendations, over the short-term (within the next 2–3 years), moderate-term (3–5 years), and long-term (6 years or more). This includes not only actions for the city to take, but also areas of cooperation with other organizations and jurisdictions that could help to meet local housing goals.
- **Appendices.** There are three appendices included with this plan:
 - **Appendix A** provides a glossary of common terms used in this report for reference.
 - **Appendix B** includes the full Housing Needs Assessment as of December 2022.
 - **Appendix C** includes a more detailed summary of public engagement activities.

Housing Needs in Lake Stevens

Introduction

This section highlights key elements regarding housing in Lake Stevens across five major categories:

- **Overall demographics**, including basic characteristics of the population and households across the city.
- **Housing stock and production** in the city, detailing both existing housing and trends in new housing that has been developed recently in Lake Stevens.
- **Residential real estate markets**, including trends with rents, home sale prices, and other market indicators.
- **Housing affordability** considerations, including discussions of housing burdens.
- An assessment of **equity** in housing to highlight issues of access.

This assessment addresses the housing market and inventory found within the boundaries of the city of Lake Stevens, as shown in Exhibit 1. This map also highlights the three major mixed-use subareas in the city: Downtown, Lake Stevens Center, and the 20th St. SE Corridor.

Note that this represents a summary of the full Housing Needs Assessment report, which is included in Appendix B.

Policy Context

Zoning

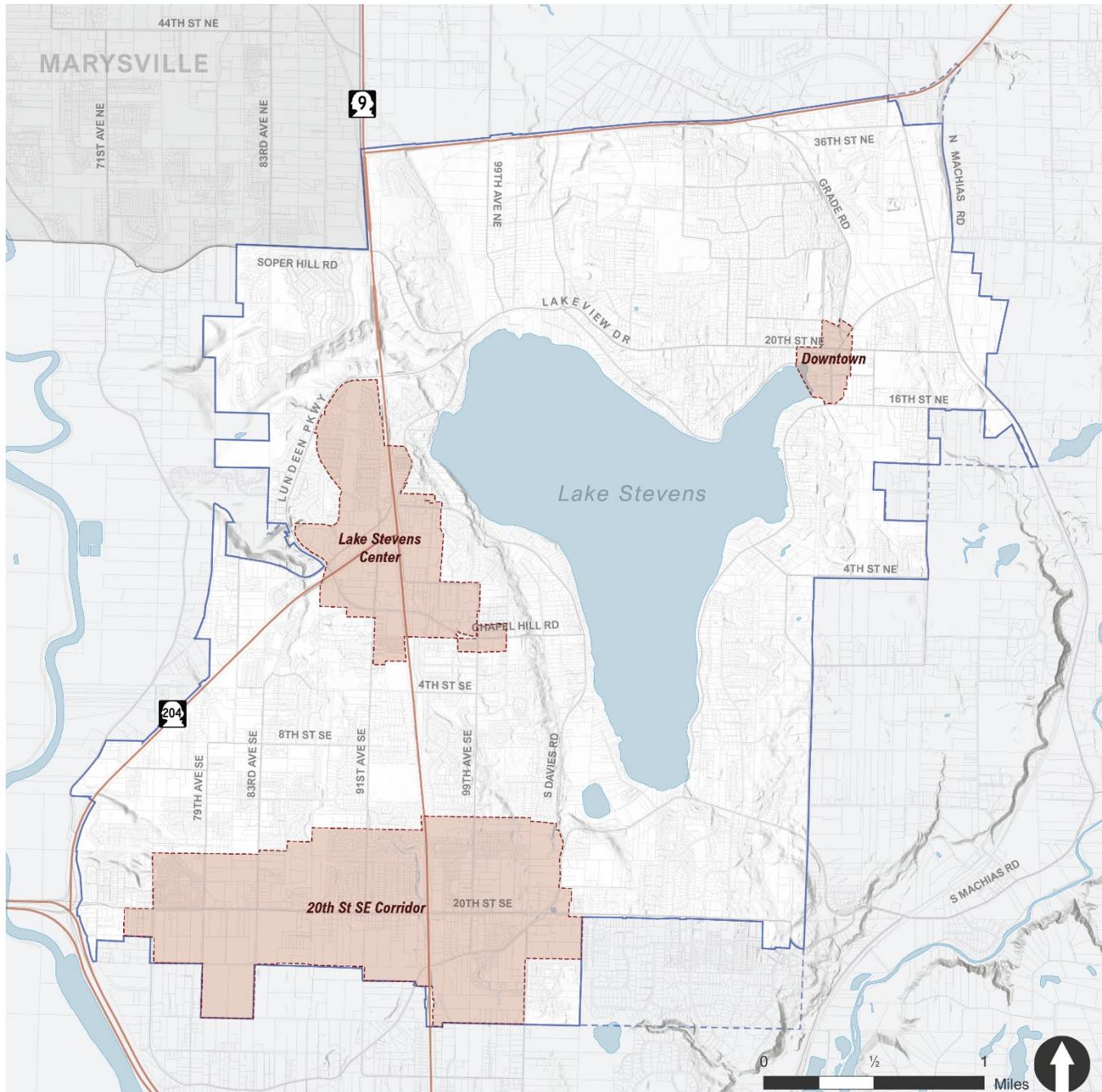
Current zoning is provided in Exhibit 2, with a table showing the total areas in each zoning district in Exhibit 3. Note that residential development is technically permitted as of right in all districts except the Business District (BD) and Public / Semi-Public (P/SP) zoning districts, although commercial and mixed-use areas aside from the Planned Business District only allow apartments built mostly over permitted nonresidential uses.¹

Across the city, the largest zoning districts include the R4, R6, and R8-12 districts, which comprise much of the low- to moderate-density residential development in the city. These districts allow cottage developments and up to fourplexes as of right. The R8-12 district permits townhomes and rowhouses. The Waterfront Residential (WR) zone, which includes much of the land directly abutting the lake, allows for cottages and duplexes, but duplexes can only be accommodated on parcels that are 25% larger than the minimum lot size permitted (12,000 square feet, versus 9,600 square feet for single-family homes).²

¹ See Table 14.40-I, [LSMC 14.40.070](#). Also note that under [LSMC 14.44.065](#), there are constraints to accessory apartments allowed in industrial districts.

² See "Duplexes in Single-Family Zones", [LSMC 14.48.020](#).

Exhibit 1. Overview, Lake Stevens and Surrounding Areas.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water

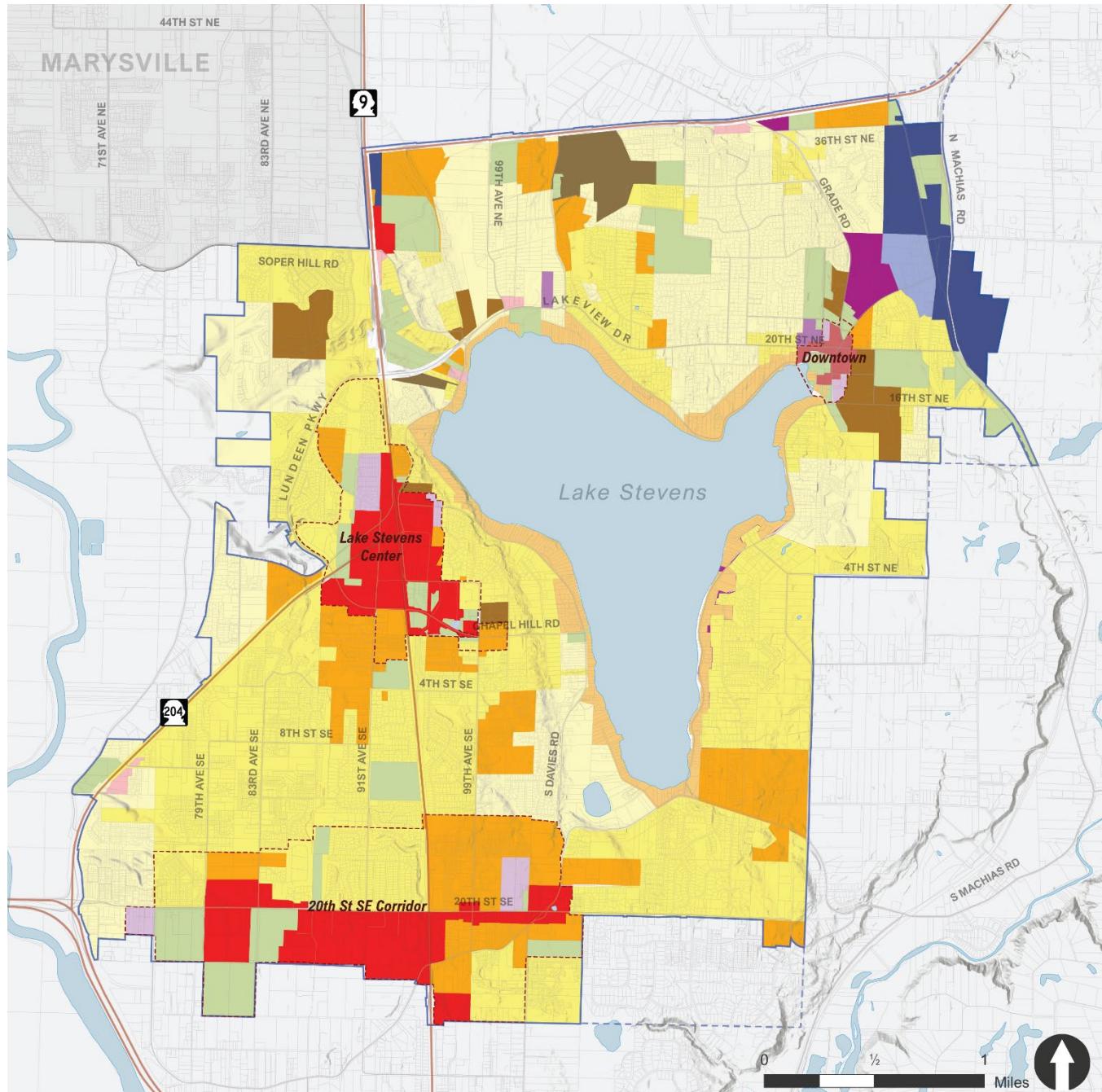
- Highways
- Arterials
- Roads

BERK

Map Date: December 2022

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Exhibit 2. Zoning, Lake Stevens.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water
- Highways
- Arterials
- Roads

Zoning

 Business District (BD)	 Mixed Use (MU)
 Central Business District (CBD)	 Mixed-Use Neighborhood (MUN)
 Commercial District (CD)	 Public/Semi-Public (P/SP)
 General Industrial (GI)	 Planned Business District (PBD)
 GI Development Agreement (GIDA)	 R4 Residential
 Local Business (LB)	 R6 Residential
 Light Industrial (LI)	 R8-12 Residential
 MF Development Agreement (MFDA)	 Waterfront Residential (WR)
 Multi-Family Residential (MFR)	

BERK

Map Date: December 2022

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Exhibit 3. Total Area by Zoning District, Lake Stevens.

Zoning District		Area (acres)	% of Total
BD	Business District	0.9	0.02%
CBD	Central Business District	16.3	0.3%
CD	Commercial District	327.3	5.6%
GI	General Industrial	148.0	2.5%
GIDA	GI Development Agreement	7.0	0.1%
LB	Local Business	17.3	0.3%
LI	Light Industrial	35.4	0.6%
MFDA	MF Development Agreement	64.0	1.1%
MFR	Multi-Family Residential	124.5	2.1%
MU	Mixed Use	10.7	0.2%
MUN	Mixed-Use Neighborhood	49.3	0.8%
P/SP	Public / Semi-Public	448.0	7.7%
PBD	Planned Business District	41.4	0.7%
R4	R4 Residential	1,282.5	21.9%
R6	R6 Residential	2,319.5	39.6%
R8-12	R8-12 Residential	642.2	11.0%
WR	Waterfront Residential	316.3	5.4%

Source: City of Lake Stevens, 2022.

Recent City Policy Actions

The city has made several recent changes relevant to housing development in Lake Stevens:

- [Ordinance 1030](#) in 2018 provided new regulations for Accessory Dwelling Units (ADU), included in the code under [LSMC 14.44.045](#). This was presented to comply with [RCW 43.63A.215](#), which required cities with populations greater than 20,000 to allow ADUs within the community, and amended the previous code which managed these uses similar to duplexes.
- [Ordinance 1068](#) (2019) eliminated the volunteer Design Review Board and shifted these responsibilities to city staff to streamline the development process.

- [Ordinances 1080](#) and [1081](#) in 2020 provided for several changes resulting from consultation with an advisory committee. These included:
 - Overall adjustments to zoning district designations.
 - Reduced minimum lot sizes.
 - Provisions for lot size averaging ([LSMC 14.48.085](#)).
 - Additional defined housing types and revisions to existing definitions.
 - Expanded housing types allowed in residential districts.
 - Expanded infill regulations under [Part III of Chapter 14.46 LSMC](#).
- [Ordinance 1082](#) in 2020 allowed for the receipt of the sales and use tax credit permitted under [RCW 82.14.540](#) for affordable housing.
- [Ordinance 1103](#) (2020) created a Multifamily Housing Tax Exemption (MFTE) program under [Chapter 3.27 LSMC](#) for the city as per [Chapter 84.14 RCW](#). This provides 12 years of exemption from property taxes on the value of residential improvement on a site in exchange for 20% of housing units being reserved for low- or moderate-income households (up to 80% of AMI for Snohomish County). Eligible “residential targeted areas” are designated as per [Resolution 2020-23](#).
- [Ordinance 1118](#) (2020) increased thresholds for projects receiving categorical exemptions as minor new construction to up to 30 single-family housing units and 60 units in multifamily residential projects.

Several of these changes have been instituted, per state legislative amendments under [HB 1923](#) in 2019, which provided cities with exemptions from review under the State Environmental Policy Act (SEPA) for key actions related to promoting moderate-density, “missing middle” housing types.

Local Housing Assessment

Overview

As part of the assessment of the Lake Stevens context relevant to current and future housing needs, this section provides an evaluation of key statistics in several areas:

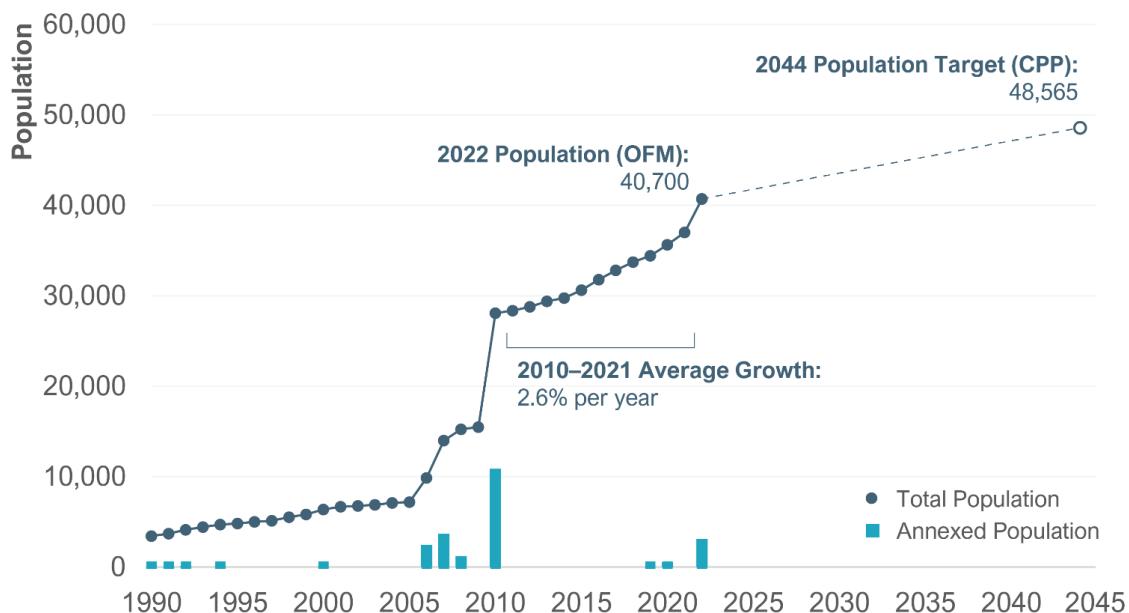
- City demographics of population and households
- Housing stock and production in the city
- Residential real estate market statistics
- Housing affordability
- Equity in housing

Through an evaluation of these indicators, this assessment will highlight important considerations that should be made going forward with respect to the policies and actions included in the Housing Action Plan.

Demographics

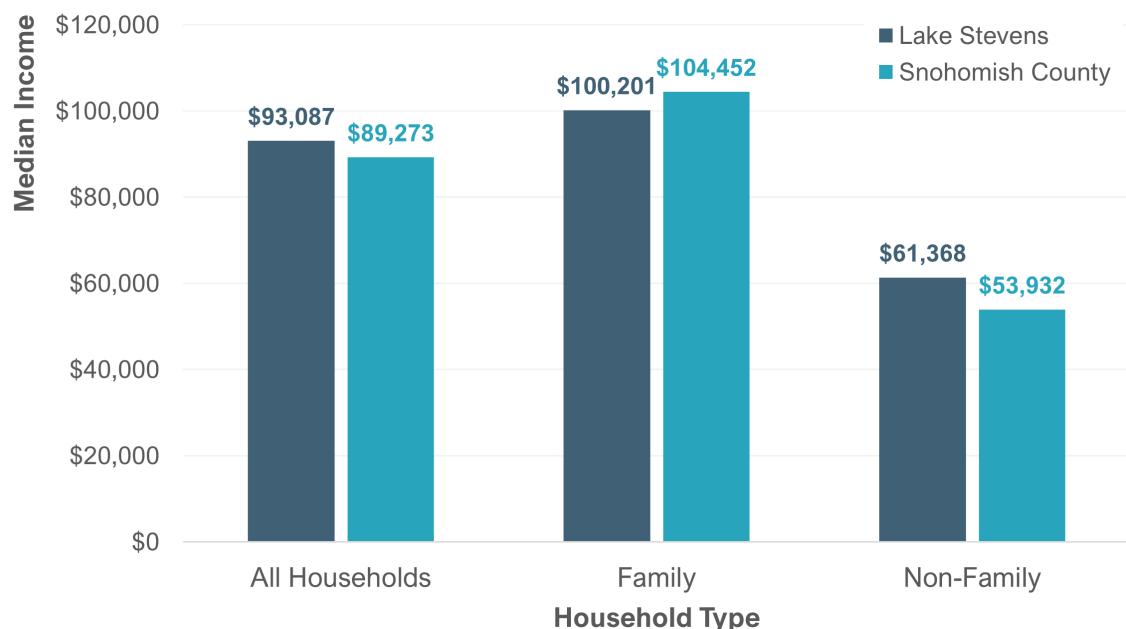
- **Lake Stevens has experienced significant growth over the past several years.** Due to new development and annexation, Lake Stevens has grown significantly, from 28,342 people in 2011 to 40,700 in 2022 (Exhibit 4). This represents a growth rate of 3.2% per year, double the Snohomish County average of 1.6% per year. Expected targets for the city under the Countywide Planning Policies project more modest growth over the long term, increasing to 48,565 people for the city by 2044.
- **Local incomes are generally around the county average and have a narrower distribution.** Overall, Lake Stevens households had a median income of \$93,087 in 2020, higher than the County median of \$89,273 (Exhibit 5). Compared to the County, family households are slightly lower, while non-family (typically people living alone) have slightly higher incomes. Lake Stevens also has a narrower distribution of household incomes (see Exhibit 5), with higher proportions of households with incomes between \$75,000 and \$200,000 than the County.
- **People of color represent a smaller proportion of the population than in the County.** In Lake Stevens, there are a greater proportion of white individuals than people of color than in the County. This is shown in the breakdown in Exhibit 6. Only 15% of residents identify as people of color, with 9% identifying as Hispanic/Latino. In contrast, 27% of the County population identifies as a person of color.

Exhibit 4. Historical Population, Annexations, and Future Targets, Lake Stevens, 2000–2044.



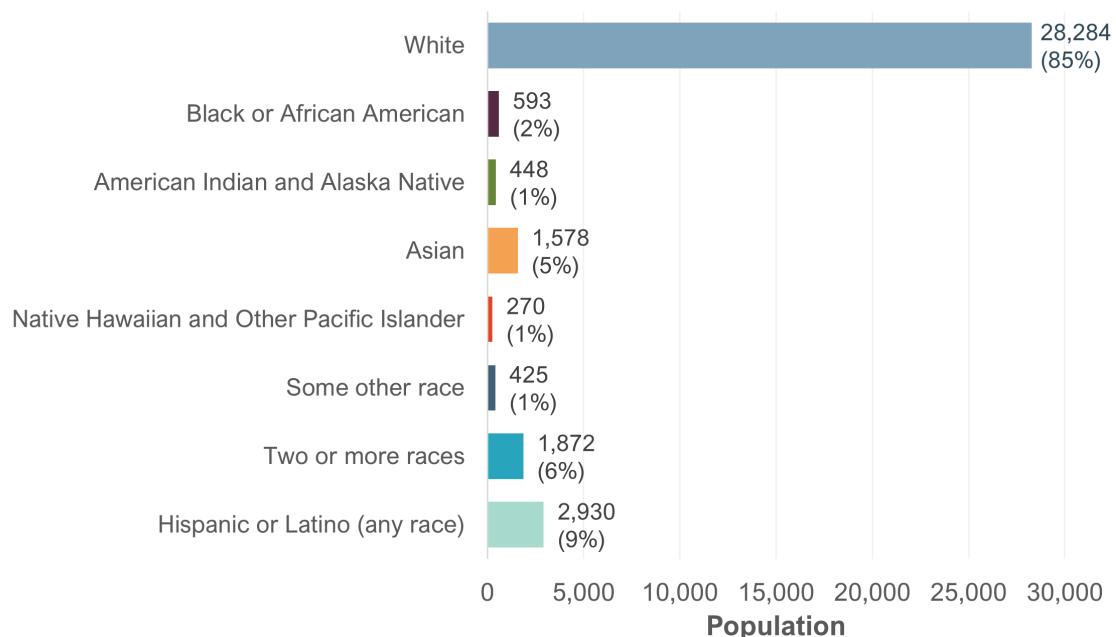
Sources: WA Office of Financial Management, 2022; Snohomish County, 2022.

Exhibit 5. Median Income of Household Types, Lake Stevens and Snohomish County, 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 6. Distribution of Population by Race/Ethnicity, Lake Stevens, 2020.

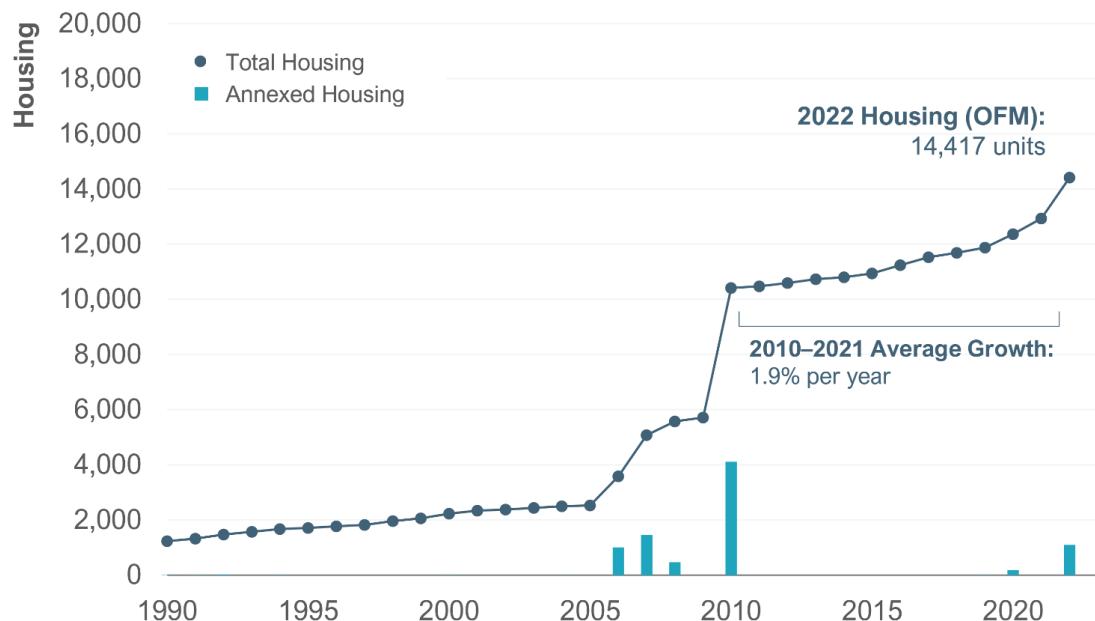


Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Housing Stock and Production

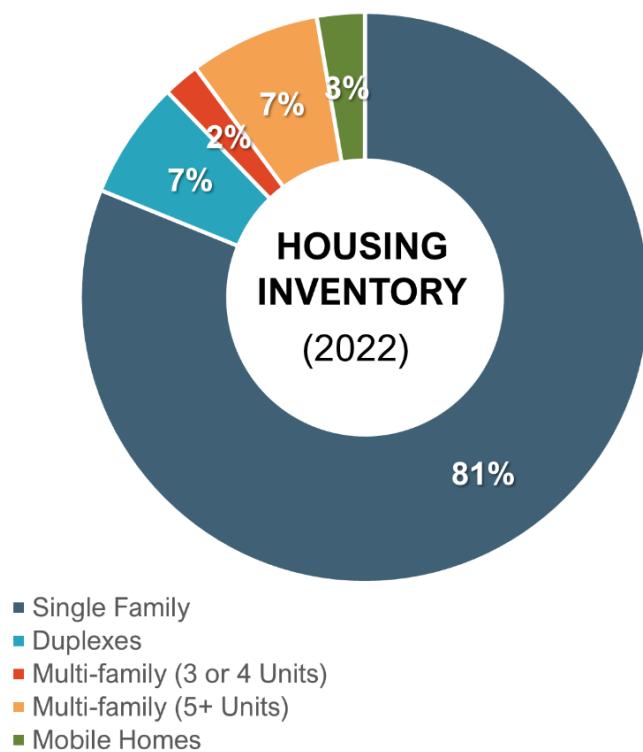
- **Single-family housing dominates Lake Stevens' housing stock and recent production.** As of April 2022, Lake Stevens had 14,417 housing units (Exhibit 7). About 81% of housing in Lake Stevens is single-family detached housing, with an additional 3% being manufactured or manufactured homes (Exhibit 8). Since 2012, single-family homes have dominated housing production, outpacing production of all other types (Exhibit 9). This housing composition is common for a community lacking transit options and urban centers but is notably different than other communities in the county.
- **Recent housing production favored larger multifamily projects.** In recent housing production, multifamily development has been skewed more toward larger multifamily projects with five or more units (Exhibits 9 and 10). This represented about 16% of total production between 2012 and 2022, with most of this stock coming online in 2021 and 2022.
- **Future development will need to be accommodated redevelopable and infill sites.** Estimates of future growth capacity in Lake Stevens suggest that long-term growth can be accommodated within the UGA, with the [2021 Buildable Lands Report](#) indicating that up to 4,311 housing units can be accommodated in the city and UGA, about 2,080 units of which is in pending projects within the development pipeline. However, only 8% of this capacity consists of vacant lands, meaning that a large proportion of the remaining capacity is in redevelopable (28%) and infill (17%) sites, as shown in Exhibit 11.

Exhibit 7. Total Housing Units and Annexed Housing, Lake Stevens, 1990–2022.



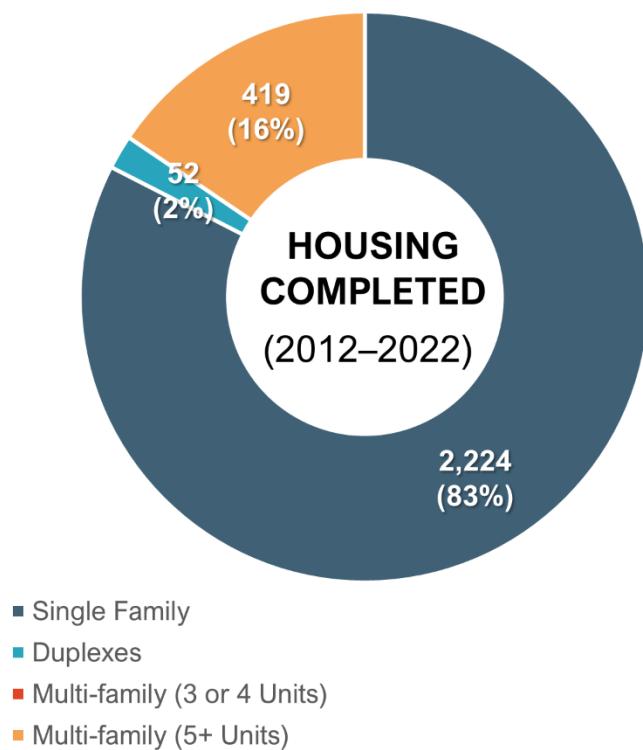
Source: Washington Office of Financial Management, 2022.

Exhibit 8. Housing Inventory, Lake Stevens, 2022.



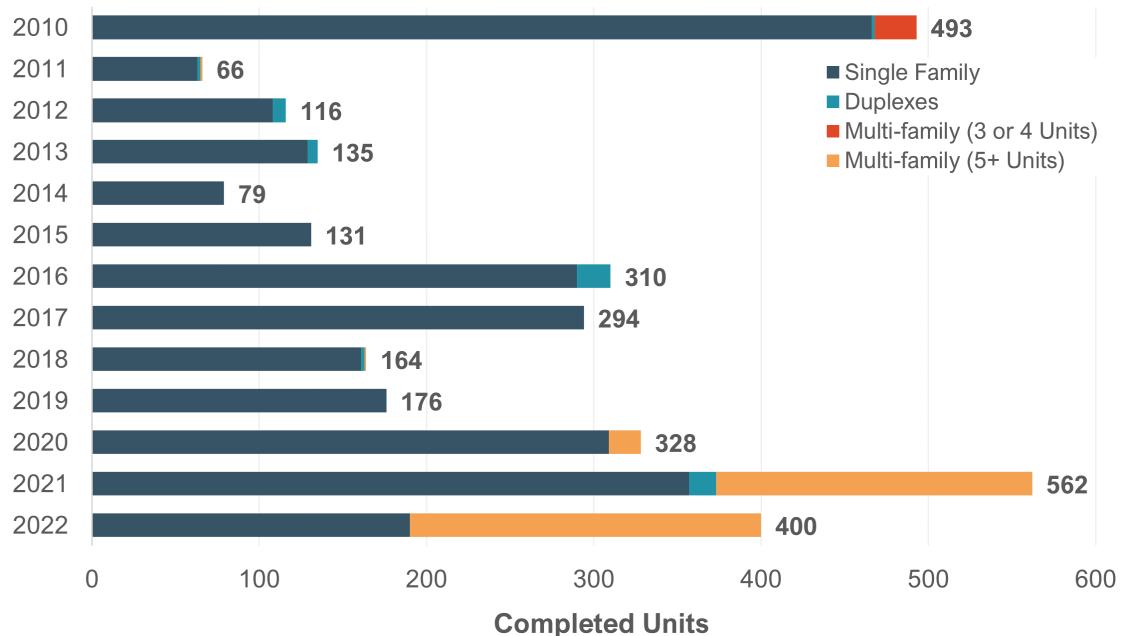
Source: Washington Office of Financial Management, 2022.

Exhibit 9. Total Housing Completed by Type, Lake Stevens, 2010–2022.



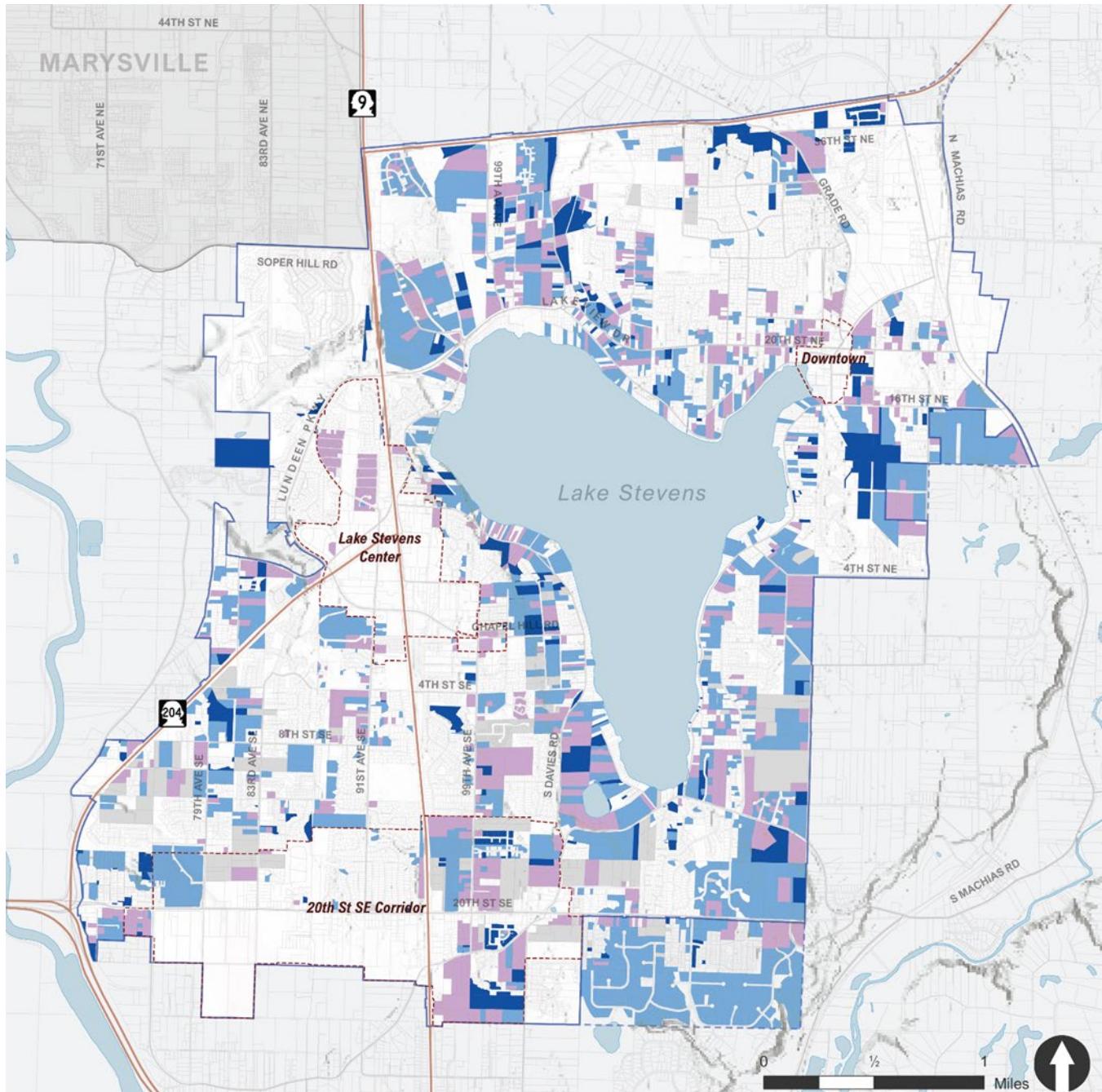
Source: Washington Office of Financial Management, 2022.

Exhibit 10. Housing Completed by Year and Type, Lake Stevens, 2010–2022.



Source: Washington Office of Financial Management, 2022.

Exhibit 11. Buildable Lands Inventory, Lake Stevens, 2021.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water

Residential Buildable Lands

- Vacant
- Partially-Used
- Redevelopable
- Pending

BERK

Map Date: September 2022

- Highways
- Arterials
- Roads

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Residential Real Estate Markets

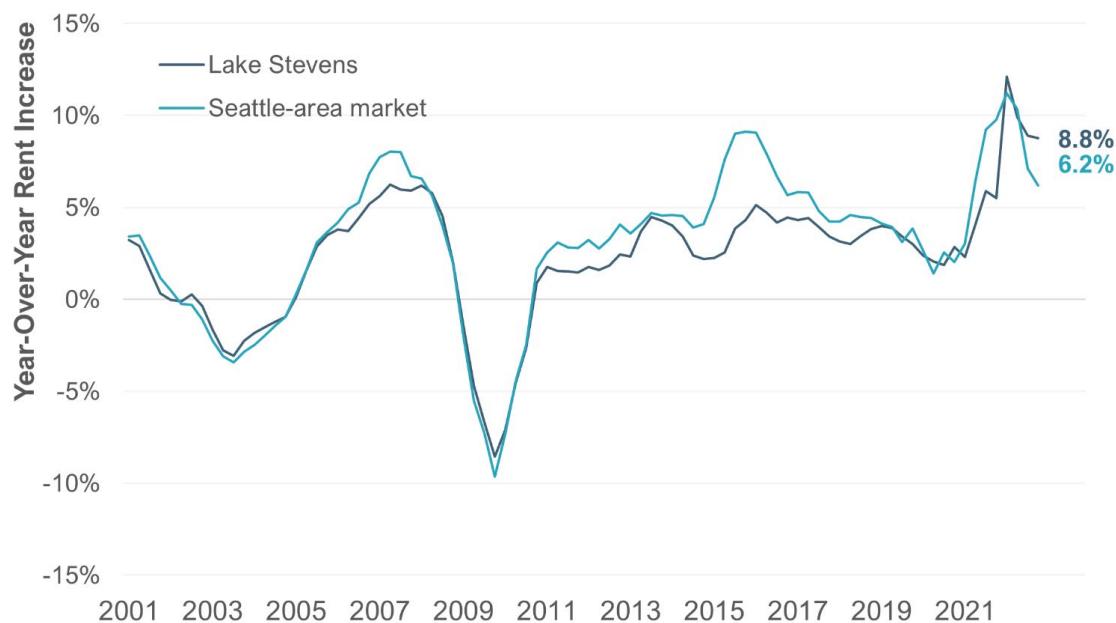
- **Rents for Lake Stevens have largely kept pace with local incomes.** Although rents in Lake Stevens have increased steadily since 2010, this has grown at a rate comparable to local median incomes (Exhibit 12). One-bedroom apartments are projected to be affordable to households at around 76% of the city's median family income. Two- and three-bedroom apartments are affordable at 62% and 58% of the median income, respectively. This has not experienced drastic changes recently; note that all these values peaked in 2016.
- **However, recent rent growth suggests that affordability could become more of an issue.** Current rents as of October 2022 have increased by 8.8% from Q4 2021 (Exhibit 13). This represents a significant post-pandemic increase in rents and outpaced the increases in Snohomish County for Q4 (6.2% YOY). Higher short-term increases may reflect additional short-term challenges with affordability that would not be reflected in the affordability measures discussed previously.
- **Owner-occupied housing has experienced significant increases in sales prices.** Unlike rental housing in Lake Stevens, which has been stable in comparison to median family income, owner-occupied housing prices have been increasing notably faster than incomes, a trend also reflected in regional and national markets. Housing prices have increased from about 2.86 times median income to an estimated 6.23 times income (Exhibit 14) since 2012. While a correction has been noted in the most recent data available, it is not likely to result in significant increases in affordability given increases in mortgage interest rates.

Exhibit 12. Affordability of Effective Rent in % Local Median Income, Lake Stevens, 2010–2022.



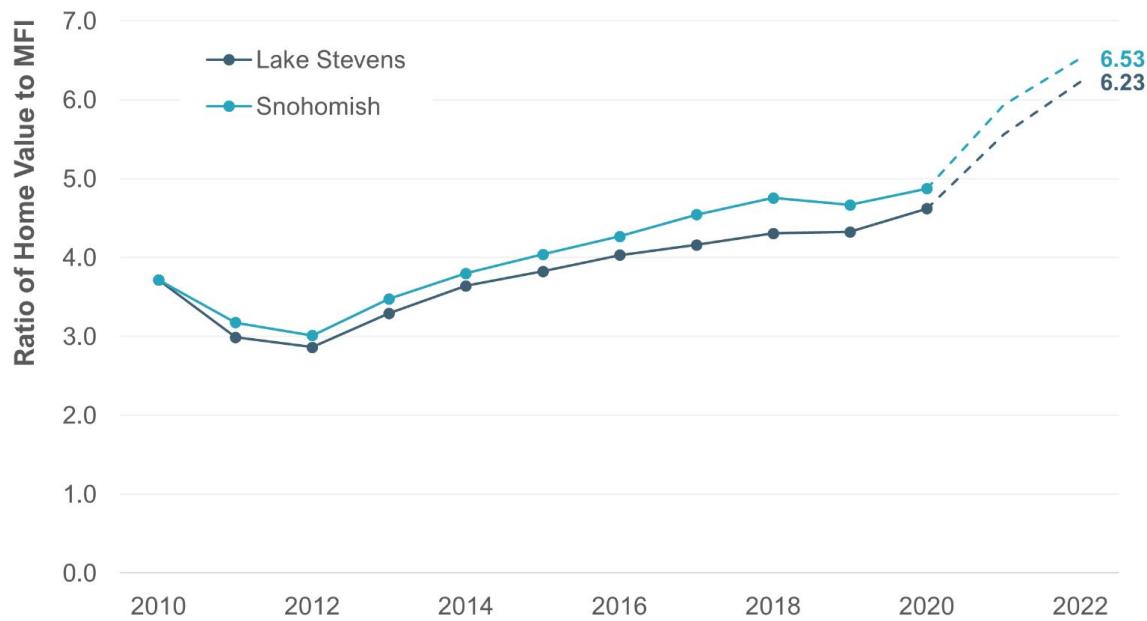
Source: US Census Bureau, American Community Survey 5-Year Estimates, 2010–2020.

Exhibit 13. Year-Over-Year Rent Changes, Lake Stevens and Seattle Metro Area, 2001–2022.



Source: CoStar, 2022.

Exhibit 14. Ratio of Housing Price Index to Median Family Income, Lake Stevens, 2010–2022.

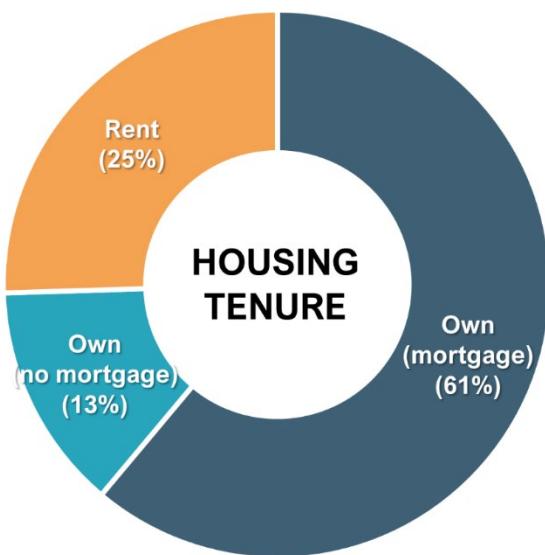


Source: Zillow, 2022; US Census Bureau, American Community Survey 5-Year Estimates, 2010–2020.

Housing Affordability

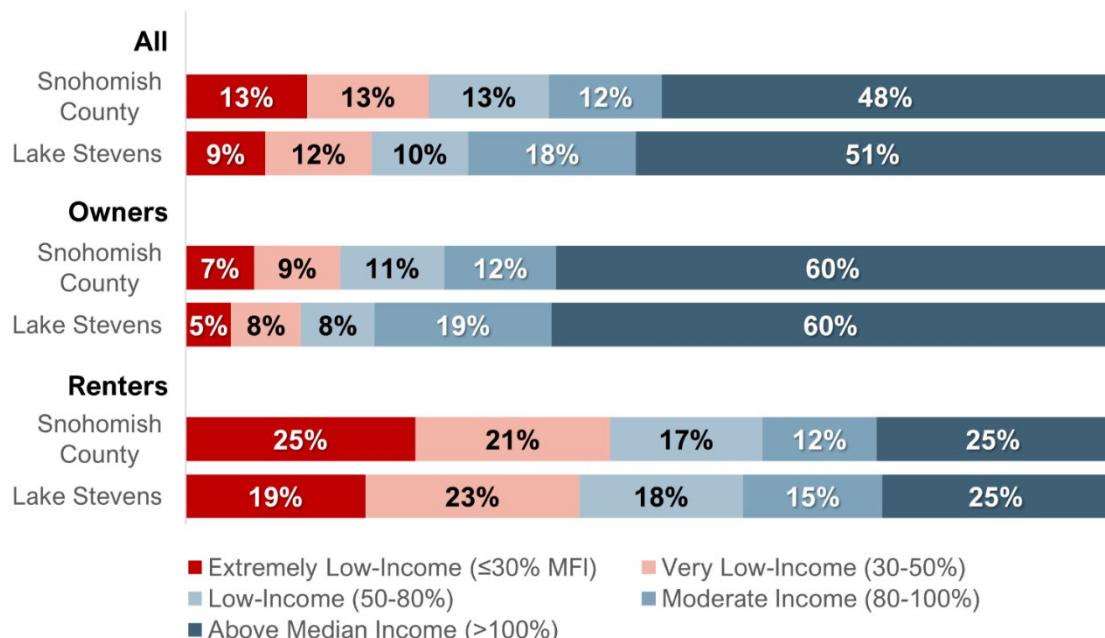
- **About three-quarters of households in Lake Stevens own their homes.** For Lake Stevens, about 61% of households own their home and have a mortgage, while 13% own their home with no mortgage (Exhibit 15). Compared to the County overall, a smaller proportion rent (33% in the county versus 25% in Lake Stevens) and a smaller proportion own their home outright (17% versus 13%).
- **A greater proportion of renters have lower household income.** In 2019, about 31% of Lake Stevens households could be considered to have low income (less than 80% of the area median income), as shown in Exhibit 16. This is a lower average than the County. However, renters form a disproportionate amount of these households, with 60% of households as low-income or lower.
- **This means a greater proportion of renters face increased housing burdens.** For Lake Stevens, over half of renters face some type of cost burden, with 36% considered “cost burdened” in 2019 and paying 30 to 50% of their income on housing, and 16% “severely cost burdened” and paying over half their income on housing (Exhibit 17). Overall, about 53% of local renters face cost burdens of some kind, which is higher than the county average of 45%. Most cost burdened households make 80% of area median income or less.
- **There are shortfalls in the availability of affordable rental units at both the high and low ends of the market.** When comparing household incomes with the affordability of local rents, there are gaps at the market’s high and low ends. While 19% of households are extremely low income, only about 10% of available units are affordable at this income range, meaning that many will need to “uprent” and spend a greater proportion of their income on housing (Exhibit 18). On the other end of the distribution, while 40% of households are making greater than area median income, only 19% of units have comparable rents. This means that at the higher end of the distribution, some wealthier households may be “downrenting,” and occupying housing that would otherwise be affordable for lower-income households.

Exhibit 15. Housing Tenure, Lake Stevens, 2019.



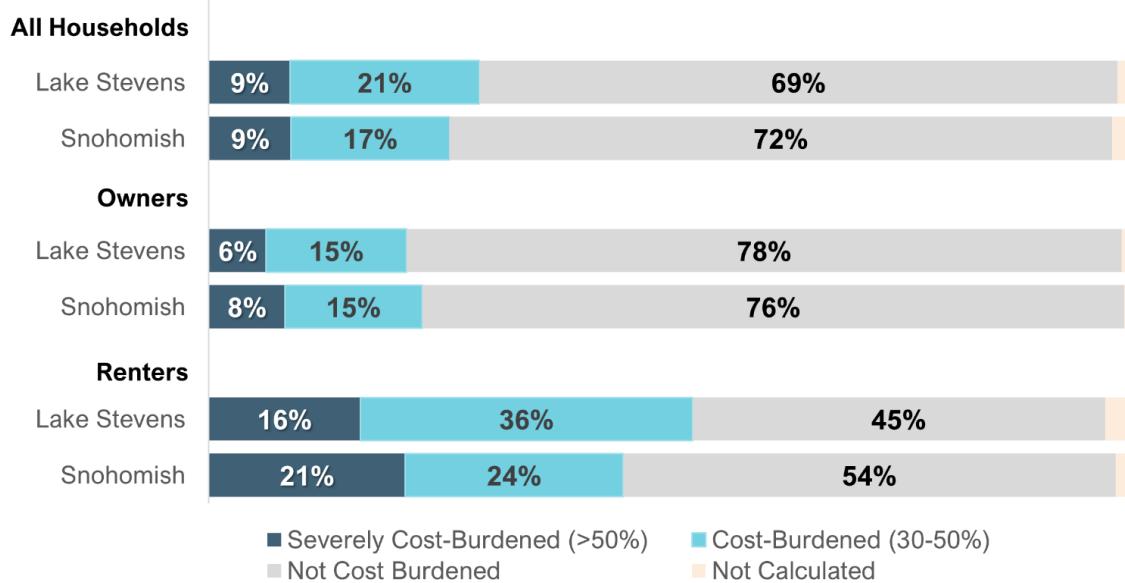
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 16. Proportion of Households, Tenure & Income, Lake Stevens and Snohomish Co, 2019.



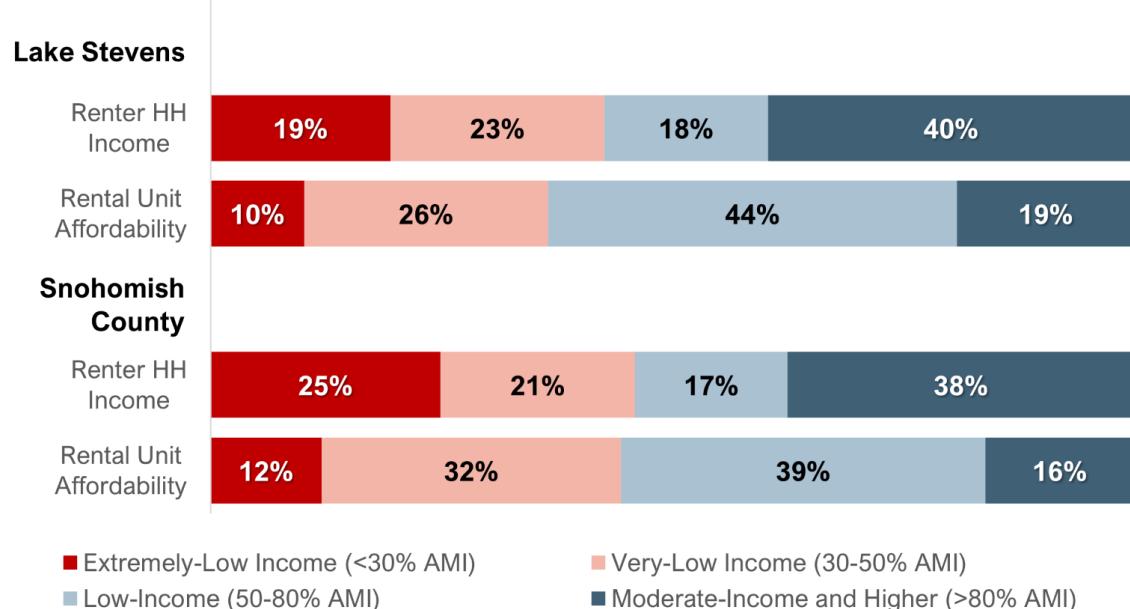
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 17. Prop. of HHs by Tenure & Housing Burden, Lake Stevens & Snohomish Co, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 18. Proportion of Households, Tenure and Affordability, Lake Stevens and County, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Housing Equity

One final element of this assessment is to determine whether differences in housing cost burdens are faced by various groups in the community. This focuses on issues related to race and ethnicity and housing access, but this section also includes a discussion of how certain disabilities may also need to be considered as part of this type of equity assessment. This work can help to support the new requirements in the *Growth Management Act* to address racially disparate impacts in housing.

Because of the size of the community, it can be difficult to access information that provides fine-grained estimates of specific neighborhoods or locations where traditionally disadvantaged groups may be located. In this circumstance it is important to reinforce the idea that Lake Stevens still has a role to support housing equity across the region and can help address broader issues of access to housing.

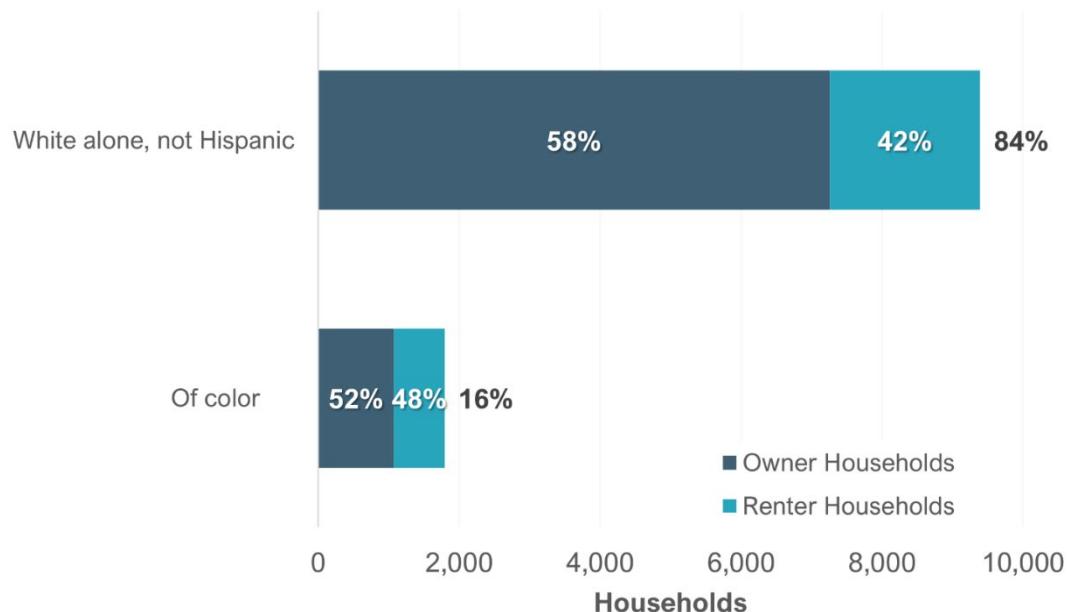
Exhibits 19 through 21 provide relevant information, including the following:

- Exhibit 19 highlights the differences between the tenure of households with householders (the person who owns the housing unit or holds the rental contract) that identify as white or persons of color.
- Exhibit 20 provides the distribution of household incomes by race and ethnicity and compares the proportional income distribution for households, aggregated to broad categories of race/ethnicity.
- Exhibit 21 presents rental cost burdens by household race/ethnicity and highlights proportional differences in rental cost burdens, aggregated to broad categories of race/ethnicity.

This information provides the following findings:

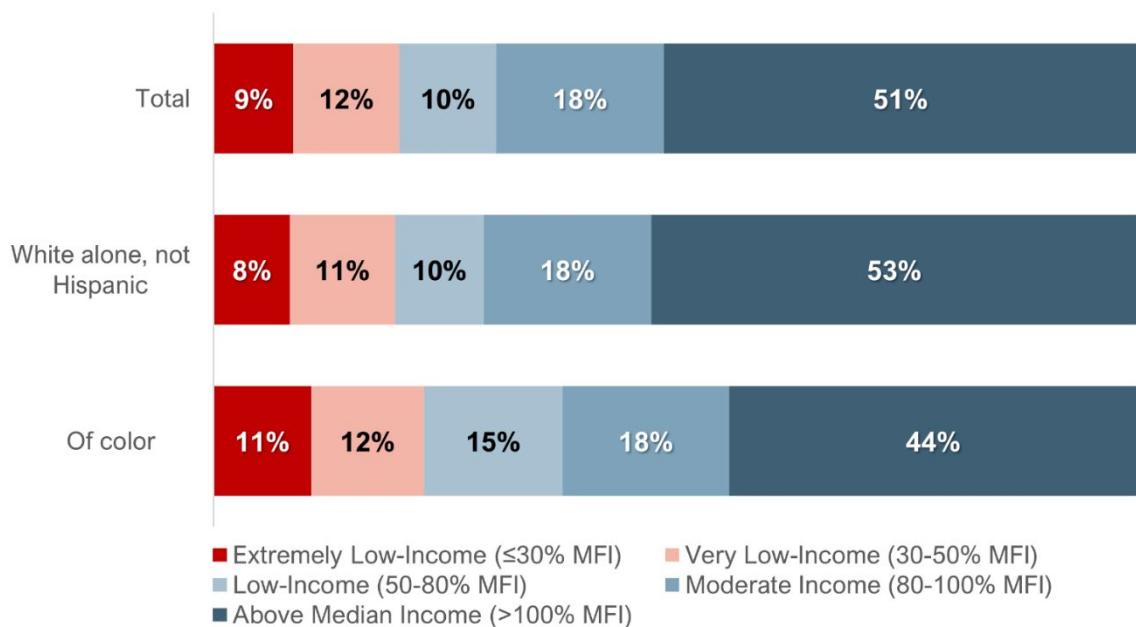
- **Households of color represent a higher proportion of renters and lower-income households in Lake Stevens.** In Lake Stevens, an estimated 16% of households have a householder that identifies as a person of color (including Hispanic/Latino households), as shown in Exhibit 19. However, these households represent a slightly higher proportion of renters, with 48% renting in Lake Stevens versus 42% of white households. Additionally, the data shows 38% of households of color have low income or lower incomes (less than 80% of the area median income) versus 29% of white households.
- **Households of color do face higher cost burdens as renters in the community.** With respect to potential disparities, a greater proportion of households of color also face housing cost burdens. While about 53% of renters are facing cost burdens in Lake Stevens, this number is higher for renters of color, where about 64% are facing some type of housing cost burden (Exhibit 20).

Exhibit 19. Households by Race/Ethnicity and Tenure, Lake Stevens, 2019.



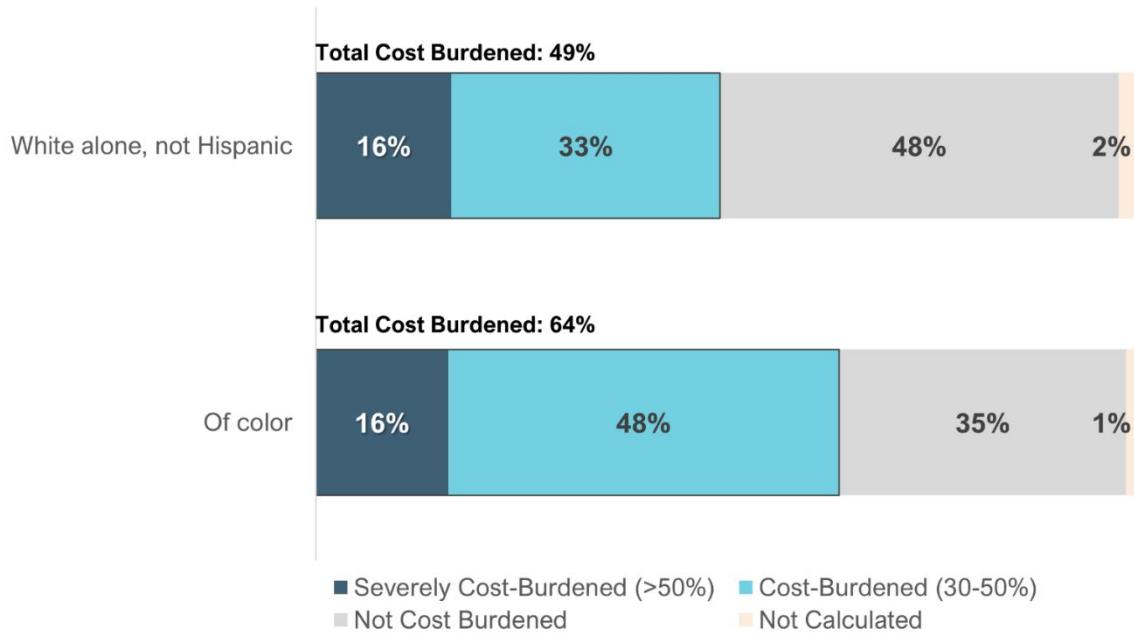
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 20. Proportion of Households by Race/Ethnicity and Income, Lake Stevens, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 21. Proportion of Households by Race/Ethnicity and Cost Burden, Lake Stevens, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Revised Housing Targets Under HB 1220

One of the major recent changes in housing policy in Washington State has been [HB 1220](#), which has included new requirements under the Growth Management Act that counties must plan to meet the housing goals set by the Washington State Department of Commerce and the Office of Financial Management. In addition to goals for the overall housing units necessary to meet needs by 2044, this update also requires cities to identify sufficient capacity and plan to accommodate specific targets for:

- Units for **moderate** (80–100% AMI), **low** (50–80% AMI), **very low** (30–50% AMI), and **extremely low-income** (0–30% AMI) households.
- **Emergency housing, emergency shelters**, and **permanent supportive housing**.

Based on the requirements from the Department of Commerce, Snohomish County Tomorrow (SCT) has provided revised HO-5 targets for all cities in the county.³ For Lake Stevens, these targets indicate **4,915 housing units** will need to be built between 2020 and 2044, targeted to the following income categories (as shown in Exhibit 23):

- **1,168 units** for households at 0–30% of AMI, including **456 units** of permanent supportive housing.
- **820 units** of very low-income housing affordable at 30–50% AMI.
- **549 units** of low-income housing affordable at 50–80% AMI.
- **458 units** affordable to moderate income households at 80–100% AMI.
- **1,920 additional units** at market rate (affordable at 120% AMI or more)⁴

The city will also need to coordinate **304 units of emergency housing** by 2044, which may include shelters, temporary housing, and other types of accommodations for the unhoused.

These targets are based on a percent of median family income (MFI) or area median income (AMI) measure, as per state definitions.

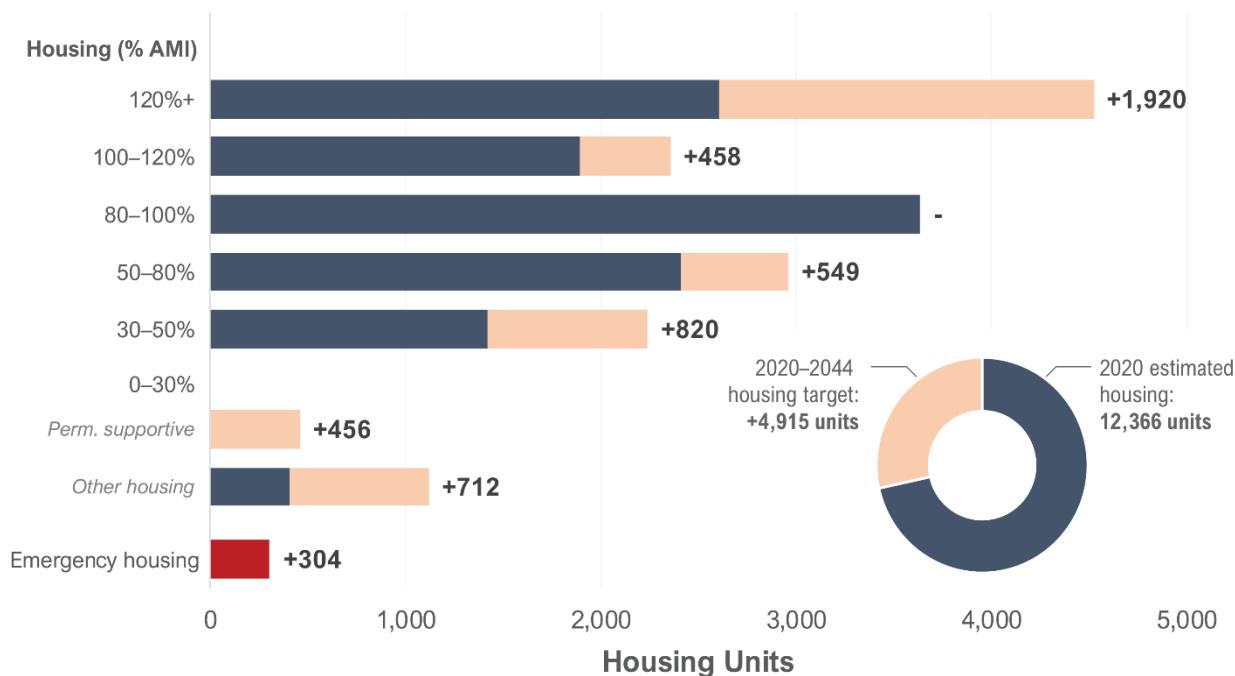
For comparison, Exhibit 24 provides a comparison between the housing targets by type (e.g., single-family, multi-family) and the 2019 buildable capacity provided in the 2021 Snohomish County Buildable Lands Report. This highlights that the total capacity available in 2019 provides enough capacity to accommodate expected 20-year housing needs.⁵

³ See Snohomish County Tomorrow [2023 HO-5 Report](#) and [Appendix G](#).

⁴ Note that while targets are provided for 120% AMI and above, the policy consensus is that any market-rate housing can fulfill this requirement since there are no provisions for including targets at this income level under 100% AMI. For Lake Stevens, there are also no provisions for housing at the 100–120% AMI level.

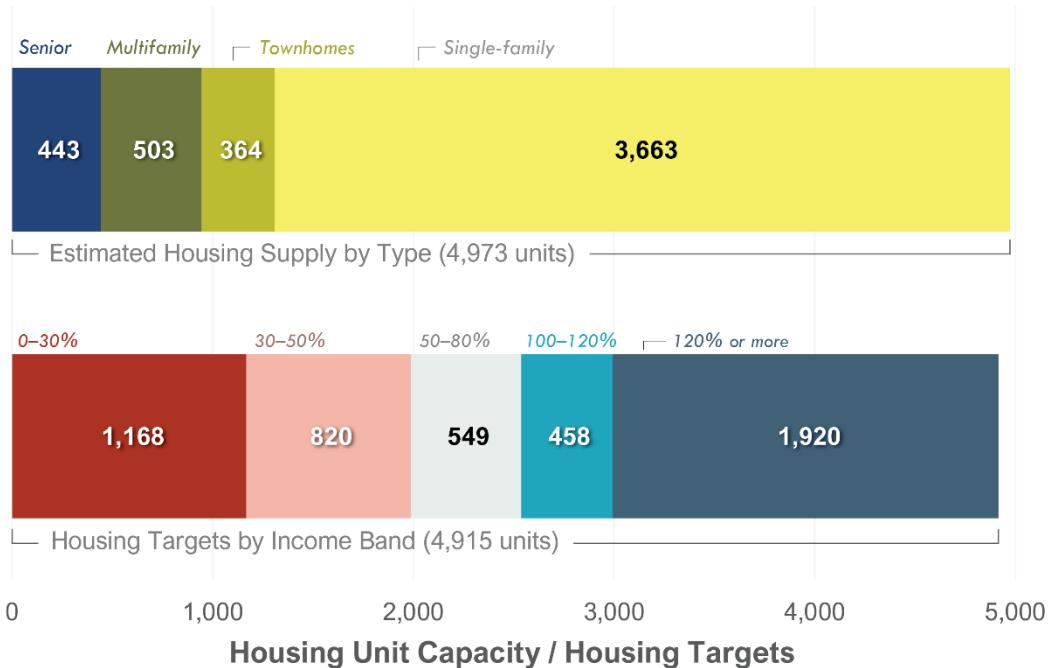
⁵ Note that this estimate of capacity does not include considerations of ADUs, which may present additional effective capacity beyond what is discussed here.

Exhibit 23. Revised 2020–2044 Lake Stevens Housing Targets, HO-5.



Source: Snohomish County Tomorrow, 2023.

Exhibit 24. Comparison of 2019 BLR Capacity to 2020–2044 Lake Stevens Housing Targets.



Source: Snohomish County, 2021; Snohomish County Tomorrow, 2023.

However, this also indicates that the housing types assumed in this calculation heavily favor “single-family residential” type. When examining the breakdown of available capacity, only 867 units are attached or multifamily units, which are more likely to be the types necessary to meet the needs of lower-income households in the community. This imbalance will be the most likely need for adjustment in capacity in the community to meet the 20-year targets.

Translating these figures into meaningful targets in real-world terms can be complicated to consider. When examining the actual housing costs that would be expected under each category, three main calculation steps are required:

- **Household incomes** at each level based on King and Snohomish County MFI and adjusted for household size are provided in Exhibit 25. This assumes that median family income is for a household of four people, with adjustments made by household size.⁶
- Exhibit 26 provides **gross affordable housing payments**, which represent the total amount that a household should be able to pay for all household expenditures. This is assumed to be 30% of household income. When aligning households with the size of the unit (by number of bedrooms) to get expected rents, it is typically assumed that each bedroom can accommodate 1.5 household members (with studios accommodating one person per unit).
- **Net affordable housing payments** are also provided in Exhibit 27, which accounts for utility costs that would also be considered in the cost of housing. For Lake Stevens, these values are drawn from general utility estimates for affordable housing from the Everett Housing Authority’s [Utility Allowance Schedule](#).⁷

The net housing payments shown in Exhibit 27 indicate that current and future market-rate housing, especially newly constructed or refurbished units, will not be able to meet all of these price points without additional action. Achieving these targets requires significant effort to coordinate incentives and funding options, as well as revisions to current development regulations to ensure that more affordable types of housing can be accommodated in the community.

⁶ Note that these calculations are based specifically on median family income projected to 2023 by the US Department of Housing and Urban Development. HUD and affordable housing agencies may also use other measures that adjusted to account for fair market rent (FMR) and year-to-year price changes.

⁷ Note that this assumes all heating in these housing units is electric, and that tenants are responsible for all utilities. Actual rents may vary in practice.

Exhibit 22. Household Income Thresholds by %MFI / Household Size, Snohomish County, 2023.

Household Size	% of Median Family Income				
	30%	50%	80%	100%	120%
1	\$28,250	\$47,100	\$75,400	\$94,200	\$113,050
2	\$32,300	\$53,850	\$86,150	\$107,700	\$129,200
3	\$36,350	\$60,550	\$96,900	\$121,150	\$145,350
4	\$40,400	\$67,300	\$107,700	\$134,600	\$161,500
5	\$43,600	\$72,700	\$116,300	\$145,350	\$174,450
6	\$46,850	\$78,050	\$124,900	\$156,150	\$187,350

Source: US HUD Office of Policy Development and Research, 2023.

Exhibit 23. Gross Housing Payments by %MFI / Unit Size, Snohomish County, 2023.

Housing Unit Size	Affordable to % of Median Family Income				
	30%	50%	80%	100%	120%
Studio	\$706	\$1,178	\$1,885	\$2,355	\$2,826
1-bedroom	\$757	\$1,262	\$2,019	\$2,524	\$3,028
2-bedroom	\$909	\$1,514	\$2,423	\$3,029	\$3,634
3-bedroom	\$1,050	\$1,750	\$2,800	\$3,499	\$4,199
4-bedroom	\$1,171	\$1,951	\$3,123	\$3,904	\$4,684

Source: US HUD Office of Policy Development and Research, 2023.

Exhibit 27. Estimated Net Housing Payments by %MFI / Unit Size, Snohomish County, 2023.

Housing Unit Size	Affordable to % of Median Family Income				
	30%	50%	80%	100%	120%
Studio	\$526	\$998	\$1,705	\$2,175	\$2,646
1-bedroom	\$568	\$1,073	\$1,830	\$2,335	\$2,839
2-bedroom	\$688	\$1,293	\$2,202	\$2,808	\$3,413
3-bedroom	\$797	\$1,497	\$2,547	\$3,246	\$3,946
4-bedroom	\$887	\$1,667	\$2,839	\$3,620	\$4,400

Sources: US HUD Office of Policy Development and Research, 2023; Everett Housing Authority, 2023.

Conclusions

Based on the information reviewed as part of this Housing Needs Assessment, the following points should be considered as the Housing Action Plan is being developed:

- **State mandates for accommodating low-income housing will likely require the city to broaden its strategies with respect to affordable housing.** Under the new housing targets mandated by recent amendments to the *Growth Management Act*, Lake Stevens will need to promote new housing policies to accommodate more affordable to lower-income households. While the exact housing targets by income band are still pending negotiations within Snohomish County, these obligations will need further policy attention to identify and leverage available resources to meet these needs.
- **Considerations of racially disparate impacts in Lake Stevens are important and will need to take a regional approach.** In addition to changes regarding housing accessible at a range of incomes, the revised GMA also mandates that cities identify and address local policies and regulations that result in racially disparate impacts. There is evidence of racial disparities with respect to cost burden and housing affordability but given the size and demographic composition of the city, these considerations require a regional approach as well as a local one.
- **Previous actions by the city have already addressed changes in requirements for the housing element.** Actions taken by the city since 2018 have addressed some of the considerations included in the revisions to the GMA under HB 1110. Recent adjustments that permit small multi-plex development, widely across the residential areas of the city, have effectively addressed many of the “missing middle” goals identified. Changes to the ADU ordinances provide a system that supports the use of ADUs to help meet housing needs. While revisions to the policies in the Housing Element may be necessary to clarify policy goals and intentions, the city’s current framework already largely meets these needs.
- **Small families with two to four members form the largest group of households in the city, and these households will need to be accommodated in future development.** Ensuring that Lake Stevens remains sustainable over the longer term and can maintain its role as a community affordable to younger families will require encouraging housing access and expanding rental options with larger units. This is reinforced by the findings that suggest that the largest proportion of downrenting and uprenting households are larger families. Addressing these housing needs across the range of household incomes will be critical in supporting overall demand.
- **Infill and redevelopment will be necessary to meet Lake Stevens’ obligation to accommodate its share of the expected regional population and housing growth.** Lake Stevens’ development capacity for new housing consists largely of sites that support infill or redevelopment projects. Ensuring that city regulations support such projects will be an important component of the Housing Action Plan and the upcoming Housing Element update, especially with respect to accommodating housing accessible to lower-income households.

- **While the general amount of developable land should be sufficient to support future growth, upzoning will be needed.** Although there is likely to be sufficient land area to meet overall housing needs, the focus of housing targets on lower-income households and the need to accommodate these households with smaller, less expensive units suggests that there will need to be a significant shift towards more multifamily development in the community. This would involve targeted upzoning to allow for more effective density in certain areas.

Summary of Public Engagement

Introduction

As part of the Housing Action Plan process, the city of Lake Stevens supported by BERK Consulting conducted a community engagement program. The specific engagement goals for this effort were to:

1. **Engage a broad range of stakeholders** that represent the community's housing needs (renters, single-family homeowners, first-time owners, younger people establishing new households, retirees, households from across the household income spectrum, the local workforce, employers).
2. Identify unmet housing needs and disparate impacts related to housing in the community.
 - Who is experiencing the need?
 - What are the barriers or obstacles to meeting those needs?
3. **Build a collective** understanding of community housing needs using narratives, charts, graphics, and maps.
4. **Increase the community awareness and understanding** of the city's recent efforts to increase housing options and housing choice including recent regulation updates and changes in the housing types allowed in certain areas.

To meet these goals, the city and BERK coordinated a public engagement plan with a clear set of engagement and outreach activities. Outcomes from this engagement were considered as part of the overall development of policies for the Housing Action Plan and recommendations for future Comprehensive Plan updates due in 2024.

Overview of Engagement Activities

City staff and BERK provided the following activities and opportunities for community members:

Lake Stevens Aquafest 2002

Aquafest in Lake Stevens is billed as one of the largest summer festivals in the Pacific Northwest, with attendance between 20,000–30,000 per year. As part of the regular activities at the festival, city staff typically maintain a booth for information about current city programs and initiatives and remain on hand to answer any questions necessary.

For this project, we provided display boards (see Exhibit 28 for an example of the content) intended to introduce the project to the public, provide some high-level statistics on housing , and give members of the public an opportunity to discuss any concerns with staff. Additionally, a handout provided a link to the project page for ongoing project information.

Exhibit 28. Aquafest Engagement Board.



Lake Stevens Housing Action Plan

What is the Housing Action Plan?

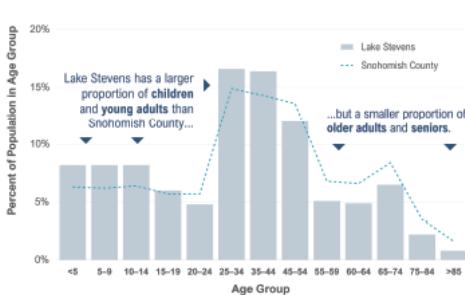
The Housing Action Plan is a strategic work plan that reviews the city's housing policies, programs and regulations and identifies additional strategies and actions to help meet current and future housing needs. It is being funded by a grant from the Washington State Department of Commerce and will inform the 2024 update to the Comprehensive Plan, the city's primary land use planning document.

Our Community Today

Lake Stevens has grown quickly.

The population of Lake Stevens has **grown 45% between 2010 to 2022**. This is faster than Snohomish County, and included an annexation in 2021. Regional population growth is driving strong demand for housing.

Lake Stevens is expected to continue to grow. The city must plan for a potential population of **48,565 residents by 2044**, a 19% increase from 2022. This is a higher rate of growth than many other Snohomish County communities.



Lake Stevens has a larger share of young families than Snohomish County as a whole.

Compared to the rest of the county, Lake Stevens has a population that is younger, with **more residents under 15 years old and between 25 to 44 years old** than the county average.

How are housing needs changing in Lake Stevens?



The Housing Action Plan will:

- Assess today's housing needs.
- Estimate future housing demand.
- Evaluate local supply and recent development patterns.
- Identify strategies to best ensure housing options meet Lake Stevens' future needs.

Community Story Map and Housing Survey

As part of an initial effort to compile community feedback on housing issues, we created a story map with an embedded survey. The story map included several key statistics about housing in the city and highlighted the needs for the Housing Action Plan. I

We collected 357 responses from this survey between October 23 and December 19, 2022, and publicized the availability of the survey through the city newsletter and meetings attended.

Community Advisory Council Presentation

The Lake Stevens Community Advisory Council works to identify issues, prioritize support, and ensure varied perspectives of the community are represented in decision-making processes regarding diversity and inclusion. Committee members reflect the racial, ethnic, and socioeconomic diversity of the Lake Stevens area.

At a regular meeting of the Council, staff from BERK Consulting provided a handout about the housing needs in Lake Stevens and moderated a discussion about several housing-related questions. Major points from the discussion included the following:

- How are housing needs changing?
- What housing options does Lake Stevens need more of?
- Where should new housing go?

Community Workshop with the Lake Stevens Planning Commission

At a regular meeting of the Lake Stevens Planning Commission on November 29, 2022, BERK staff provided a short presentation about housing needs and coordinated a table mapping exercise. As part of this exercise, participants were asked to provide feedback on a large map of the city and identify considerations about growth and where they believed new housing in the community could be included.

Group Interview

To provide insight from local and regional experts and representatives of organizations working in the area, we coordinated a focus group meeting to discuss major considerations for housing policy in Lake Stevens.

As part of initial outreach, we provided an RSVP to participants that included a priming question to prepare for the meeting: *“What is the one issue with housing in Lake Stevens that is the most important to cover as part of a citywide housing strategy?”*

The group interview was held on March 20, 2023, with four representatives from local development interests, the chamber of commerce, and nonprofit housing development.

Discussion with Community Transit

Given the importance of transit to the potential for intensification in Lake Stevens, we worked with Community Transit staff to understand their long-term strategy regarding different transportation options in Lake Stevens.

As part of this meeting (conducted on March 21, 2023), we discussed resource constraints to system expansion, expected planning for new lines, new service delivery models, and future options for revisiting levels of service with increases in local demand.

Other Activities

In addition to these activities, other information was provided through city staff as part of regular city newsletters, discussions at City Council and Planning Commission, and informal discussions with community members and other stakeholders.

Findings

Based on the information received from the different engagement activities, there are several key lessons to consider as part of future housing policy in Lake Stevens, summarized below.

- **At different events, people have talked about how affordable housing is a problem in the region and how more homes are needed.** At every event, people have suggested housing problems in the region are a major concern. Even current homeowners know it can be hard for other households to find a place to live. This highlights that many people understand the general need for more housing, although there can be some strong differences about how to address the problem locally.
- **Concerns have been raised about the form and types of recent development which could affect future city housing initiatives.** Based on the results of the survey, it seems that some residents have been concerned about issues related to growth in the community. Some of the effects, like "overcrowding," could simply be related to any new development that might occur. However, comments about sidewalks, green space, and infrastructure suggest that people are feeling local systems may not be keeping up with development. Some of these problems are being managed by the city through investment in new sidewalks and other initiatives, but this may be an ongoing concern raised with future housing initiatives.
- **The local focus on owner-occupied housing will need to shift to address state-mandated housing targets.** The focus on owner-occupied housing in the community has been clear from the comments and feedback, and new housing development should consider a range of options for housing available for purchase. However, owner-occupied housing alone will not meet the income-based housing goals for future growth. The city will need to keep engaging with the community as policies to implement these requirements are developed.
- **Addressing transportation issues will be a necessary component to accommodating new growth.** Lake Stevens residents are concerned about traffic, and many people have said that new, denser development should be supported by transit in part as a response to these concerns. Efforts to build multi-unit housing to accommodate new growth should be coordinated with plans for future transit and walkable communities to reduce car trips.
- **Focusing on high-quality, high-amenity neighborhoods to meet perceived housing needs will be essential for policy.** A major sentiment expressed in engagement was the idea that Lake Stevens is a community with strong local amenities and a "small-town feel".

Despite concerns expressed about perceived challenges to local character, many respondents indicated the importance of a sustainable and welcoming community that can be accessible to seniors and new homebuyers. Encouraging housing solutions that can consider and support local amenities and be seen as assets to the community at large will be more favored by residents.

Policy Recommendations

Overview

This section recommends how the city can meet its housing goals. These include a wide range of actions that the city could take in the short term as part of the upcoming update to the Comprehensive Plan for 2024, as well as longer-term housing initiatives that can help build the homes needed to meet local needs over the next 20 years.

To this end, a clear strategy to achieve the city's housing targets requires:

- Ensuring **sufficient developable land** that can be feasibly developed to provide the types of necessary housing.
- Providing **regulatory changes** to reduce costs and encourage additional housing development of needed types.
- Implementing **incentive programs** that promote housing development, especially for lower-income housing.
- Coordinating **direct funding** for affordable housing options for lower-income households, especially those that would require significant subsidies.

To meet these considerations, the strategic recommendations in this section can be divided into three categories, based on the nature of these changes:

1. **Addressing needs for housing capacity.** While the most recent Buildable Lands Assessment shows the city can meet long-term housing growth with its current supply of land; however, the city still needs to consider available capacity for specific housing types. Recent state-level changes require the city to make clear plans to accommodate housing for people with lower incomes. These housing options will require appropriately zoned capacity for new construction.
2. **Meeting additional state requirements.** Since the last time the Comprehensive Plan was updated, there have been many changes at the state level related to how cities must plan for housing. This section lists recommended changes to the Comprehensive Plan and Municipal Code, to help the city meet these new and revised requirements.
3. **Additional strategies to achieve housing goals.** Aside from the above categories, there are other things the city can do to help meet its short- and long-term housing needs. These strategies can help the city achieve these housing goals in a way that is tailored to the needs of the community.

Note anti-displacement strategies are incorporated across all three of these elements. For each category, clear action items are provided for the city and its partners described in the following Recommendations for Implementation section at the end of this Plan.

When developing these recommendations, there were also several considerations drawn from the assessment of the context and consultation with the public:

- **Funding options for affordable housing.** Even though meeting goals for affordable housing in the city will be hard in general, it may be especially challenging to find new local

funding. While several cities have explored the use of an additional sales tax or a special property tax levy to support new affordable projects, the recent narrow margin of success (52.1% yes/47.9% no) for Proposition 1 in the 2022 General Election⁸ suggests that in the short term a housing levy would be a challenging proposition. Alternative opportunities are highlighted to support new affordable housing.

- **Role of transit in housing development.** Transit can help meet some future transportation needs in Lake Stevens, mostly for regular commutes during peak hours. Community Transit is also looking into other ways of getting around with transit services that could help local transportation needs. However, denser, transit-oriented housing with less parking will not be as practical until more regular transit service is available.
- **Previous efforts to address housing needs.** Lake Stevens pursued significant changes to housing policy between 2018 and 2020, which provided substantial rewrites to residential zoning in the Municipal Code. These amendments resulted from considerable local deliberation. Recent state action through [HB 1110](#) and [HB 1337](#) have presented additional mandatory changes to development regulations. Because of this context, it would likely be very difficult to make considerable additional changes in local zoning regulations. Efforts to encourage more dense development will need to focus on targeted, “right-sized” options.
- **Incorporating amenities into growth planning.** As noted from the review of engagement activities, many respondents expressed concern about the pressures that additional growth would place on local amenities. This included impacts on traffic, open space and recreation facilities, and the natural environment. While for some residents any new growth would be undesirable, there may be opportunities where additional housing can also support local amenities and healthy businesses in neighborhood centers.

⁸ [Official Results: Nov. 8, 2022 General Election, Snohomish County.](#)

1. Addressing Needs for Local Capacity

Introduction

As indicated in the Housing Needs section of the report, housing targets approved by the County will require that Lake Stevens accommodate the following additional housing by 2044:

- **1,168 units** for households at 0–30% of AMI, which includes **456 units** of permanent supportive housing.
- **820 units** of very low-income housing affordable at 30–50% AMI.
- **549 units** of low-income housing affordable at 50–80% AMI.
- **458 units** affordable to moderate income households at 80–100% AMI.
- **1,920 additional units** at market rate (affordable at 120% AMI or more)
- **304 units** of emergency housing (e.g., shelters and other temporary housing options)

While the overall housing targets are achievable with respect to developable land, per the Snohomish County Buildable Lands Report, there are concerns about achieving these housing targets:

- **Single- versus multifamily housing capacity.** Overall capacity calculated by the Buildable Lands Report could address the total required housing counts. However, the report also indicates that the capacity estimated in 2020 for the city and UGA can only accommodate 707 total units in townhomes and multifamily buildings. For housing affordable to low-, very low-, and extremely low-income households, these housing types are also going to be needed, especially as affordable alternatives to single-family units.
- **Mixed-income neighborhoods as a policy goal.** While capacity for an additional 1,830 multifamily and townhome units will be necessary simply to meet the requirements listed above, it can also be important to support a mix of incomes within projects and neighborhoods. Additional townhome and multifamily capacity should be provided to support higher-income households and promote a mix of incomes in multifamily neighborhoods.
- **A future focus on redevelopment in growth management.** In addition to concerns about the lack of capacity in multifamily housing, much of the development capacity of the city includes sites where infill or redevelopment will be required, instead of new subdivisions on undeveloped land. These projects may be more complicated than new developments on vacant sites, especially as many would occur in existing neighborhoods.
- **Accommodating emergency housing in the city.** There are limitations to siting emergency shelters and other comparable housing types in the code that do not align with current state requirements and complicate meeting defined targets.

In this section, there are four overall recommendations to address compliance with these goals with respect to securing appropriate capacity:

- 1.1. Revise plans for the city's subareas.
- 1.2. Implement strategic upzoning to address housing capacity needs.
- 1.3. Encourage different housing types.
- 1.4. Ensure that previous efforts are considered under new state requirements.
- 1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets.

1.1. Revise plans for the city's subareas

Rationale

There is a clear need for housing across the region, and the city has agreed to allocations of the County's 20-year growth targets to help address expected demand. However, there is also local concern regarding the impacts of future growth on local quality of life, community amenities, and transportation access.

Ensuring that community concerns about the costs and impacts of growth are heard and considered in planning is an essential component going forward. Highlighting more detailed, neighborhood level visions for how growth can be accommodated can help to address many of these questions and involve the community in more detailed planning about how this growth should occur.

The city's three mixed-use subareas are natural locations to accommodate more density, especially given their transportation and transit accessibility, proximity to retail and services, and existing intensity of development. Providing upzoning in these areas, especially in the shorter term, will be essential to achieve the city's housing targets. While they may have different roles to play in accommodating growth, these locations are likely to be important nodes for more intensive residential development in the near term.

Recommended Actions

- 1.1.1 Coordinate an update to the downtown subarea plan.** Between the three subareas of particular interest for future development of housing, the downtown presents the most important opportunities for intensification. Aside from the availability of sites for more intensive future development, this area has pedestrian access to local parks, restaurants, and shopping that can support a walkable neighborhood. Revisions should focus on expanding the designated area of the downtown and considering upzones in these expanded areas, with continued and improved access to downtown amenities.⁹
- 1.1.2 Update the 20th St SE Corridor subarea plan.** Second to the downtown, the 20th St SE Corridor subarea presents the strongest opportunities to support additional housing development, especially given the presence of available land for development. While site conditions may limit the ability for certain parts of the subarea to be developed, there may be sufficient areas that can be used for cohesive multifamily and mixed-use neighborhoods.¹⁰
- 1.1.3 Provide updates to the Lake Stevens Center subarea plan.** The Lake Stevens Center subarea presents the strongest connections with regional transit, given the location of the Transit Center close to 4th St NE and Highway 9. The dominance of highway-oriented retail in this neighborhood makes walkability a greater challenge, but the presence of higher-density residential development and the potential for long-term

⁹ See the [Lake Stevens Downtown Subarea Plan](#) (2018).

¹⁰ See the [Lake Stevens 20th Street SE Corridor Subarea Plan](#) (2012).

redevelopment of some parts of the subarea could support longer-term efforts to meet the city's housing targets.

1.1.4. Identify additional areas for subarea planning. Over the longer term, as redevelopment of other areas into higher density, higher amenity mixed-use centers will become more feasible as a prospect, the city may look to expand neighborhood-level planning to locations such as Soper Hill and the Lundeen area. Other areas, particularly those anchored by existing retail and service nodes, may also be of interest.

1.2. Implement strategic upzoning to address housing capacity needs

Rationale

While comprehensive, neighborhood-scale planning will be essential in coordinating the housing growth envisioned while supporting local amenities and quality of life, the city should also look to pursue separate efforts to upzone, including immediate efforts in the short term. This can be important for different reasons:

- Given the lead time necessary with development and the need to achieve a higher yearly yield for multifamily housing, providing more immediate opportunities for development can be essential.
- While building up housing opportunities in key centers will be important, mixed-income housing development should be dispersed where possible to prevent overconcentration in specific areas.
- Achieving significant multifamily housing development overall, especially with the reliance on infill and redevelopment projects, will require more developable land than would be available only in the centers without considerable local upzoning.

To this end, the city should pursue additional actions to upzone areas outside of subarea planning. With respect to short-term upzoning, providing capacity for at least 500 to 1,000 new units should provide the additional opportunities necessary for reaching future housing targets.

Recommended Actions

1.2.1 Provide short-term upzoning in key locations. To ensure that short-term opportunities in the city's mixed-use subareas can be used in the most effective way, the city should upzone developable areas in these subareas that could be developed before revised subarea plans are developed. Priority areas for upzoning should include sites that have:

- Depreciated improvements and/or vacant areas with significant potential capacity that could be developed in a shorter timeframe.
- The ability to be serviced without additional infrastructure investment.
- High local walkability, including connected sidewalks (or the potential for sidewalk improvements).
- Proximity to retail and service opportunities.
- A location within ½ mile of a transit stop.

- A location within ½ mile of public amenities, such as schools, parks, or public lake access.

As noted, short-term upzoning should work to increase local capacity by 500–1,000 housing units, preferably before the completion of (but consistent with) the Comprehensive Plan in 2024.

1.2.2 Approve initial criteria for long-term residential upzoning. In addition to short-term upzoning to ensure that development opportunities are not lost in the subareas, the city should also establish a set of comparable criteria for upzoning residential areas outside of the subareas. These criteria would be comparable to the list provided above, which would be used to target guided upzones across the city.

1.2.3 Update zoning regularly to maintain necessary capacity. Over time, new development may take up building capacity in ways that may not help the city achieve its housing goals, either by overall count or meeting needs at different income levels. In conjunction with ongoing monitoring (see 1.5 below), the city should review and reapply these criteria on a regular basis (e.g., every 3–5 years) to adjust available supplies of developable land and help reach the identified targets.

1.2.4 Coordinate upzoning with affordable housing opportunities. Where possible, the city should also provide a general policy to explore increases in developable capacity for sites that include affordable housing. While this may be covered in part under development incentives (see 3.3 below), coordinating with nonprofit organizations and other housing providers can also help to increase the density of affordable projects sited in the community.¹¹

1.3. Encourage different housing types

Rationale

The changes provided as part of [HB 1110](#) and [HB 1337](#) mandate additional housing types that can be used by cities to achieve their housing goals. While many of these considerations were explored by the city as part of earlier housing work between 2018 and 2020, the new requirements go further in certain cases.

Aside from mandated changes, however, there are other considerations that can be included in city strategies to help different housing types become more feasible options for development. For example, efforts in other cities to provide standardized, pre-approved plans for ADUs can help promote the construction of these units as another housing option to meet community needs.

Recommended Actions

1.3.1 Update the Municipal Code to address changes in requirements for ADUs on a site. Under the requirements provided in [HB 1337](#), there are several elements of the city's

¹¹ Note that this may also be coordinated with surplus land policies, noted below in 3.6.

current ADU ordinance (LSMC [14.44.045](#)) that must be addressed, including the following under Section 3(6):

- Two ADUs in any configuration (attached or detached) must be allowed on any site with a primary residence, if the minimum lot size of the primary residence and other development requirements are met ((b)(2) and (5)).
- ADUs may be allowed in any detached structure, not only detached garages ((b)(1)).
- The maximum size of an ADU can be no less than 1,000 square feet ((b)(3)).
- Impact fees must be limited to half of the fees that would be charged to the primary residence ((b)(11)).
- The individual ADUs can be conveyed separately as condominium units ((b)(6)).

Note that these requirements for ADUs are mandated, with the only exception for critical areas.¹²

1.3.2 Allow additional middle housing types in residential zones. Under the requirements of [HB 1110](#), cities are required to allow at least six of the following nine types of attached or multifamily housing on all residential lots:

- duplexes
- triplexes
- four-plexes
- five-plexes
- six-plexes
- townhouses
- stacked flats
- courtyard apartments
- cottage housing

At present, Lake Stevens allows for duplexes, triplexes, four-plexes, and cottage housing across residential lots.¹³ While strict compliance may not be required for these requirements (see 1.4 below), the city may look to allow for stacked flats and townhouses more widely to comply with these requirements and provide additional flexibility with respect to residential development.

1.3.3 Provide standardized, preapproved ADU plans for use. One approach that cities have used to facilitate the development of ADUs has been with the creation of pre-

¹² See [HB 1337](#) Sec.3(4).

¹³ Excepting Waterfront Residential lots, which should be addressed as per 1.4.

approved plans for detached units.¹⁴ By providing base plans for ADUs and requiring only a nominal review process and fee to receive a permit for construction, the cost and time required to design and permit these units can be reduced.¹⁵

1.4. Ensure that previous efforts are considered under new state requirements

Rationale

Although this HAP provides recommendations for action with respect to Lake Stevens housing policy, this has been an ongoing effort by the city. In particular, [Ordinances 1080](#) and [1081](#) provided several changes resulting from consultation with an advisory committee. These included:

- Overall adjustments to zoning district designations.
- Reduced minimum lot sizes.
- Provisions for lot size averaging ([LSMC 14.48.085](#)).
- Additional defined housing types and revisions to existing definitions.
- Expanded housing types allowed in residential districts.
- Expanded infill regulations under [Part III](#) of [Chapter 14.46 LSMC](#).

While the requirements under [HB 1110](#) have mandated sweeping changes to zoning in other communities, this earlier effort largely matches or exceeds the requirements under these state-level changes. Notable differences include:

- Waterfront Residential zoning only allowing up to duplexes, with up to four units allowed in other formerly single-family zones ([LSMC Table 14.40-I](#)). (Note that the provisions of [HB 1110](#) do not apply to properties in critical areas, which include a majority of these parcels.)
- As fourplexes are allowed as of right, requirements for affordable units are not possible as per [HB 1110](#).
- Under duplex regulations ([LSMC 14.48.020](#)) and infill requirements ([Chapter 14.46](#), Part III LSMC), minimum lot sizes are between 125% and 175% of the base for the zone if multiple units are included on the site, with some additional design requirements.

As the city is largely compliant under the requirements of [HB 1110](#), it may be eligible to demonstrate that elements of the current Comprehensive Plan and development regulations are substantially similar to these requirements.¹⁶ This can minimize the challenges that would

¹⁴ See, for example, the City of Seattle's [The ABCs of ADUs](#), or the City of Renton [Permit Ready ADU \(PRADU\) Program](#).

¹⁵ It is also an important consideration in implementation to make sure that these units are inexpensive for homeowners to construct. This should be managed as part of the plan development process.

¹⁶ This is permitted under [HB 1110](#) Sec.4(3).

be associated with community outreach for broad zoning changes soon after previous amendments, and can allow the city to focus efforts on the other initiatives in this HAP and the upcoming Comprehensive Plan.

Recommended Actions

1.4.1 Coordinate documentation for substantial compliance with HB 1110. As per [HB 1110](#) Sec.4(3), previous actions coordinated by the city should be presented for alternate compliance with the conditions of [HB 1110](#). Documentation should be presented to the Department of Commerce as per future processes issued under the statute to provide evidence of compliance.¹⁷

1.4.2 Monitor requirements for title review. As per [HB 1110](#) Sec.3(4), communities that seek to exempt some of their residential lots from consideration under the [HB 1110](#) requirements need to demonstrate that any areas excluded from consideration cannot have been “historically covered by a covenant or deed restriction excluding racial minorities from owning property or living in the area”. The city should review future guidance from the Department of Commerce on this topic and processes to confirm alternate compliance to ensure that additional changes will not be required under [HB 1110](#).

1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets

Rationale

Under provisions of the [Growth Management Act](#), cities with a population of at least 6,000 are required to submit an implementation progress report to the Department of Commerce detailing the progress they have achieved in implementing their Comprehensive Plan five years after a full review of the Plan.¹⁸ This is, in part, intended to review compliance with housing target requirements by income level allocated to Lake Stevens.

Addressing the requirements for these reports will need ongoing data collection by the city. The progress report will require information regarding affordable, transitional, and emergency housing yields, available development capacity, and local housing costs. This should be coordinated with regular work conducted by Snohomish County Tomorrow with evaluating buildable lands, and it should provide regular internal processes for data collection and reporting.

¹⁷ Under [HB 1110](#) Sec.4(3)(b) and (c), this would involve demonstrating that housing yields would be at least 75% of what would be obtained without the required changes. As fourplex development allowed in the city would exceed the net density allowed as of right under [HB 1110](#) by 14%, and duplex development is allowed as of right in WR zones while exempted under [HB 1110](#) requirements, maximum zoned capacity will be higher than what is required by the state.

¹⁸ [RCW 36.70A.130](#)(9)(a)

Recommended Actions

1.5.1 Manage internal data sources to monitor housing development yield and capacity.

The city should work to maintain sources of information to monitor housing development. On a regular schedule, the city should compile records of subdivision and development permits to amend buildable lands data and evaluate:

- Remaining development capacity by general housing type.
- Recent housing yields by type and affordability.
- Achieved residential densities by zone.
- Income-restricted housing developed.
- Progress towards housing goals.

In addition to fulfilling requirements for progress reports, this information can be used to support future County buildable lands work and other efforts that may require demonstrating compliance with housing goals.

1.5.2 Provide regular internal reporting and review on housing targets. In addition to

relying on compiled development information to meet external requirements, the city should also develop regular reporting for internal use. Efforts such as strategic upzoning (1.2) and housing incentives (3.1, 3.2, and 3.3) can be readjusted as needed, with supporting information provided to internal stakeholders to provide guidance on changes to help meet housing goals.

2. Meeting Additional State Requirements

Introduction

In addition to the mandated changes to the city's housing targets provided by the Department of Commerce and Snohomish County noted in Section 1, other changes are necessary based on recent statutory changes from the State legislature. As noted previously, these are related to the following topics:

- Racially disparate impacts, displacement, and exclusion in the housing market
- Permanent supportive housing and transitional housing
- Emergency shelters and emergency housing.
- Supportive housing and group care for children.
- Outdoor encampments, safe parking efforts, indoor overnight shelters and temporary small houses.

Although many of these elements can help the city to achieve the goals identified in the previous category, others set additional requirements that will also need to be updated accordingly. The city may have some leeway in meeting these requirements and this section provides some guidance to maximize these benefits where possible, but many of these requirements are specific mandates from the state.

Under this category, there are several areas of focus for recommended actions:

- 2.1. Integrate considerations of special needs housing into the Code.
- 2.2. Clarify impact fees for emergency housing and ADUs.
- 2.3. Implement anti-displacement policies to increase housing stability.

2.1. Integrate considerations of special needs housing into the Code

Rationale

As indicated previously, the city has targets not only for market-rate and affordable housing, but also emergency housing options. Additionally, other recent amendments have provided new requirements about how special types of housing can be managed by the city.

- **Emergency housing locations.** Under changes from [HB 1220](#), indoor emergency shelters and emergency housing must be allowed where hotels are permitted.¹⁹
- **Permanent supportive and transitional housing locations.** Permanent supportive housing or transitional housing must also be allowed where residences and hotels are permitted in the city.²⁰
- **Supportive housing regulation.** Supportive housing for people with disabilities or group care for children must be regulated in the same way as other residential structures. No additional requirements can be provided beyond what would be imposed on a comparable dwelling.²¹
- **Shelters and encampments on religious property.** The state has provided new requirements as of 2020 that regulate the management of outdoor encampments, safe parking efforts, indoor overnight shelters and temporary small houses on property owned or controlled by a religious organization.²²

Recommended Actions

2.1.1 Reorganize land use requirements for “Health and Social Service Facilities”. Under [LSMC 14.08.010](#), several types of uses covered under special needs housing are included as “Health and Social Service Facilities” (HSSF). This includes uses such as assisted living facilities, group homes for disabled people, and homeless and transient shelters. These uses should be reorganized to consider [Tables 14.40-I](#) and [14.40-II](#) and the requirements noted above, with new categories as follows:

- All Level I HSSF uses, plus assisted living facilities, private adult treatment homes, veterans’ homes, residential alcohol treatment facilities, and comparable residential uses in Level II should be allowed in all areas where residential uses are permitted and managed accordingly.
- Permanent supportive and transitional housing, including uses in HSSF Levels I and II, should also be allowed where residences and hotels are permitted (BD zones, plus P/SP zones as an administrative conditional use).

¹⁹ See RCW [36.70A.390](#).

²⁰ See RCW [35A.21.430](#).

²¹ See RCW [36.70A.410](#)

²² See RCW [35A.21.360](#)

- Homeless and transient shelters under HSSF Level III should be allowed where hotels are permitted.

Remaining facilities in the HSSF category should consist of medical facilities, residential schools, and comparable uses. Note that residential treatment facilities for illegal drugs are not covered under the requirements above and can remain in the HSSF category. Additionally, correctional facilities and secure community transitional facilities are not impacted by these requirements.

2.1.2 Align outdoor emergency shelter regulations with state mandates. As per RCW [35A.21.360](#), regulations in LSMC [14.44.038](#) regarding outdoor encampments, safe parking efforts, indoor overnight shelters and temporary small houses on property owned by religious organizations should be adjusted as follows:

- The length of operation must be extended from 90 to 120 consecutive days at one time, and no fewer than 180 days per year with a 90-day separation.
- The restriction on only one temporary encampment in the city at one time must be removed if it conflicts with the previous provision regarding timing. However, a separation distance of at least 1,000 feet between temporary encampments can be provided in the Code.
- Any property owned by a religious organization in any zone must be allowed to provide shelter, meaning that the permitted uses defined by zone in [Table 14.40-I](#) cannot restrict “temporary encampments” and comparable uses in areas where religious organizations own property suitable for encampments.
- Additional requirements permitting small homes and safe parking facilities may need to be included. Note that as per RCW [35A.21.360](#)(3)(a), the city may determine that these additional uses should be managed through a memorandum of understanding with the religious organization.

2.2. Clarify impact fees for emergency housing and ADUs

Rationale

Although cities can waive or reduce impact fees and other charges as an incentive to promote affordable housing options (see 3.3), statutory requirements have mandated changes to how impact fees are charged. These adjustments are intended to broadly incentivize certain housing options across the state.

Recommended Actions

2.2.1 Adjust impact fees for ADUs. As per [HB 1337](#) Sec. 4(1)(a), impact fees on ADUs cannot be more than 50% of the total impact fees that would be levied on the primary residence. This provision should be incorporated into LSMC [14.44.045](#)(b)(11), which currently sets impact fees for ADUs as an apartment unit.

2.2.2 Specify that emergency housing is exempt from impact fees. As per RCW [82.02.090](#)(1)(b), development activity for the purpose of impact fees does not include “buildings or structures constructed as shelters that provide emergency housing for

people experiencing homelessness, or emergency shelters for victims of domestic violence.” While this is covered under the definition for park impact fees under LSMC [14.120.040\(a\)\(1\)](#), this is not explicitly discussed under the definition of “development activity” for school impact fees (LSMC [14.100.030](#)), as well as the process for traffic impact mitigation fees under [Chapter 14.112](#) LSMC. This should be explicitly included as a requirement to ensure that this statutory requirement is met.

2.3. Implement anti-displacement policies to increase housing stability

Rationale

Increases in housing costs and growth in housing demands across the regional market have had widespread impacts on housing stability and security. There can be broad impacts on current and potential residents of Lake Stevens, such as:

- Renters being priced out of the local market because of increasing housing costs and limited alternatives.
- For first-time homebuyers, a lack of access to starter homes in the community excluding them from moving to Lake Stevens.
- With homebuyers that have limited incomes (e.g., retirees), falling behind with property taxes and maintenance and being forced to leave their homes.

Affordable options may exist in other communities, but there are challenges faced when people cannot access local housing options. People that work in Lake Stevens, such as teachers or local retail workers, may be forced to commute longer distances to find affordable housing, which can hamper employee retention efforts. Families interested in moving closer to friends or relatives to be part of the community are kept away, and others that are priced out may lose community social connections.

This concept is especially important with respect to acknowledging impacts that are disparate across different categories, such as racial, ethnic, or religious groups. While there may be differences with larger cities in the area, Lake Stevens is part of a region with a diverse population, and the impacts of housing policy in the city can contribute to these impacts.

Under the revisions to the [Growth Management Act](#) under [HB 1220](#), several provisions were added to accommodate concerns about displacement. This includes requirements under RCW [36.70A.070\(2\)](#) to provide anti-displacement policies and address racially disparate impacts, displacement, and exclusion in housing.²³

Although the policies outlined in other parts of the Housing Action Plan present broad options to manage housing affordability and access, these actions are specifically intended to manage the more specific and immediate effects of displacement.

²³ For more details about racially disparate impacts and policy considerations in housing, see the Department of Commerce [Guidance to Address Racially Disparate Impacts: Updating Your Housing Element to Address New Requirements](#) (2023).

Recommended Actions

2.3.1 Coordinate strategies for manufactured home preservation. Manufactured homes, including those provided in parks can be cheaper options for housing, especially for households that prefer detached housing (such as seniors). However, these units can be extremely vulnerable to redevelopment and displacement of existing residents. While efforts to prevent development completely would be challenging, the city can provide support and protections that can help tenants. This may include:

- Notification requirements to tenants regarding sale and closure/conversion to another use.
- Connections to state and private sources of relocation assistance in case of park closures.²⁴
- Information and connections for residents interested in purchasing their manufactured home park and managing it as a resident-owned cooperative.²⁵

2.3.2 Provide emergency homeowner assistance programs. Rehabilitation assistance and emergency housing aid can grant income-eligible owners funding to repair, renovate, or rebuild their homes. This need-based funding can provide opportunities to manage deferred maintenance on a home or provide upgrades for accessibility or energy efficiency. This can help keep people in their homes, especially those that may have limited income or other household financial instability. Implementation may depend on securing outside sources of funding (see 3.8).

2.3.3 Support low-income homeownership programs. There are several financial hurdles that community members can face when trying to access homeownership opportunities. Connecting potential low-income homeowners with support can be essential, and organizations such as the Washington State Housing Finance Commission²⁶ provides resources such as:

- Low-rate mortgage loan programs
- Mortgage Tax Credit Certificates
- Downpayment assistance
- Homebuyer education

Although the city will not likely have the budget resources available to coordinate broad homeowner assistance, connecting eligible households with these programs can help to address local affordability challenges.

²⁴ See for example, the lot coverage bonuses provided by the City of SeaTac in exchange for manufactured home relocation assistance under SMC [15.515.100\(H\)\(6\)](#). This would be provided beyond what would be available from the state [Manufactured/Mobile Home Relocation Assistance Program](#) under [Chapter 59.21](#) RCW.

²⁵ This may include support from the city and funders such as the Washington State Housing Finance Commission [Manufactured Home Community Investment Fund](#).

²⁶ See Washington State Housing Finance Commission [Homeownership](#) website for more information.

2.3.4 Expand local tenant protections. As efforts to accommodate more housing accessible to lower-income households continue, there will be a rise in the rental housing available in the community. Addressing potential challenges that tenants may face in the local rental market can help to prevent instability in housing that can put households at risk of displacement. Expanding tenant protections can include such elements as:

- Extending the lead time for notices of rent increases, demolition, or condo conversion beyond the requirements provided in RCW [59.18.200](#).
- Maintaining a rental unit registration program with inspections provided to confirm compliance of the unit with health and safety requirements through self-certification.²⁷

Other cities in the region have passed such protections, which work within the current local rental protections allowed by the state. Enforcement would be coordinated like other tenant protections in the city and would provide further recourse for tenants that submit complaints.

²⁷ See for example the City of Renton's Residential Rental Registration and Inspection Program (RMC [4-5-125](#)).

3. Additional Strategies to Achieve Housing Goals

Introduction

In the previous sections, changes have been focused on meeting expanded requirements provided by the state under the [Growth Management Act](#). However, while these policy and code adjustments will be necessary to meet these new requirements, there are other actions that the city can also take to help achieve more housing production, both generally and for the affordable housing targets in the community.

These recommendations incorporate certain broad types of strategies:

- **Housing incentives.** While the city may be limited in the direct financial support it can provide directly to support housing development, there are development and indirect financial incentives that it can provide in exchange for public benefits such as affordable housing.
- **Policy and process improvements.** Adjustments to housing development policy and associated programs can help to facilitate streamlined processes that are less expensive and time-consuming for developers to navigate.
- **Information distribution.** The city is in an important position to distribute information that can help to promote development in Lake Stevens. This can range from marketing materials to guidance about how local housing programs and policies will impact the development process, and these can be a crucial component in facilitating new housing construction.
- **Partnerships.** Local government is not the only stakeholder involved with the city's housing goals and coordinating with other organizations such as affordable housing providers can be effective in meeting common goals.

The specific strategies discussed in this section include:

- 3.1. Refine the Multifamily Housing Property Tax Exemption.
- 3.2. Revise the provisions for Planned Residential Developments.
- 3.3. Provide additional incentives to encourage affordable housing development.
- 3.4. Explore the local use of community land trusts.
- 3.5. Cooperate with area organizations for affordable and emergency housing.
- 3.6. Use surplus properties for affordable housing.
- 3.7. Coordinate the permitting and approvals process.
- 3.8. Secure additional funding for programs to support housing affordability and stability.
- 3.9. Distribute information about local housing development options.

3.1. Refine the Multifamily Housing Property Tax Exemption

Rationale

The city has implemented an MFTE program under [Chapter 3.27](#) LSMC. This program applies to five targeted areas, including Downtown, Lake Stevens Center, 20th Street, Lundein, and Soper Hill. It offers 12-year exemptions for owner-occupied and rental housing, which require that at least 20% of units are affordable at 80% of current median family income. This has been implemented recently as a new program through [Ordinance 1103](#) in 2020.

As implemented, this provision of the Code is a strong basis for providing incentives for new affordable housing in the community. However, there are several elements that should be considered as part of future updates:

- **Affordability targets and feasibility.** Although providing a property tax deduction can be a significant incentive for property owners, setting the rent thresholds can be challenging in practice. While current market rents are close to the current 80% AMI threshold under LSMC [3.27.050\(f\)\(1\)](#), it can be challenging to build denser affordable housing with smaller units even with the tax exemption given parking requirements and increasing land costs.
- **Housing stability for tenants.** Having a threshold of 80% AMI for rent-restricted units is important to ensure these units meet affordable housing needs. However, for some households, there can be a risk of losing access to affordable housing if they experience mild increases in income compared to changes in the broader market. In certain jurisdictions, MFTE programs allow for households to have their incomes increase beyond this threshold by some amount to ensure that they will not be penalized for success.
- **Provisions for other housing formats.** While the intent of the exemption is to support “multifamily housing”, revised definitions under RCW [84.14.010](#)(10) for “multiple unit housing” indicate that MFTE may apply to “a building or a *group of buildings* having four or more dwelling units” (emphasis added). This means that MFTE may apply to other, smaller formats of housing, such as townhomes and duplexes/triplexes.
- **Management of affordable owner-occupied units.** The 12-year MFTE option allows for MFTE units to be sold, but owner-occupied units may only represent available affordable housing for a single sale. While these units need to stay as permanent residential use, they can be resold at market-rate even within the period of the exemption under the regulations with appropriate protections.
- **Opportunities for longer-term affordability.** Provisions in the MFTE statute include two additional options that can provide options for affordability over a longer period. First, extensions allowed under RCW [84.14.021](#) allow the city to grant a 20-year exemption in exchange for permanently affordable housing that must be managed by a separate nonprofit or government organization. Second, extensions to the 12-year exemption are allowed under RCW [84.14.020](#)(6) to be extended for an additional 12 years.

Recommended Actions

Based on this rationale, there are several components that can be addressed:

3.1.1. Change project size threshold to incentivize larger projects. Under the statute, the city is allowed to adjust the requirements of projects that receive the exemption as per RCW [84.14.040](#)(8). To ensure that only larger, denser projects are promoted by this program, the city should set requirements that mandate a minimum of 20 units for participation in the program. This may be relaxed in situations where affordable units are accommodated in a project to provide an additional benefit.²⁸

3.1.2. Provide resale restrictions in 12-year owner-occupied MFTE units. The city should ensure that 12-year affordable MFTE units are not resold at market rate during the term of the tax exemption. This should be included as a provision in the Municipal Code, although it could be managed through development agreements or the MFTE contract as well.

3.1.3. Add a 20-year owner-occupied MFTE option to the program. Based on the provisions from RCW [84.14.021](#), the city should add a new 20-year option that can provide for permanently affordable owner-occupied housing. This would need to be coordinated in partnership with nonprofit housing agencies but would present an opportunity to provide long-term options for affordable homeownership. (Note that this will require any area under this option to be zoned to at least 25 units per acre.)

3.1.4. Add an option for a 12-year MFTE extension. As with the 20-year option for owner-occupied housing, the city should also provide the option for a 12-year MFTE extension for rental properties only. (Owner-occupied housing should not be included.) This can help to provide longer-term options for maintaining affordable rental housing through the program.

3.1.5. Consider future adjustments to required household incomes and restricted rent levels. To date there has not been uptake of the MFTE incentive with new development. While other options may make the incentive more attractive to developers and property owners, the city may need to explore different levels of affordability to promote the use of the program. This could include two different situations:

- If the exemption is not taken over the next few years, the city should increase allowable rents over a portion of the set aside, up to the amount allowed under the statute, to promote the use of the exemption. (For example, 10% of the units affordable to 80% AMI, 10% of the units affordable to 115% AMI).
- If the exemption becomes more popular and is regularly taken by developers, the city should lower the maximum rents allowed to qualify to ensure that the exemption is used the most efficiently. (For example, reduce the household income threshold from 80% AMI to 70% AMI for the 20% of affordable units under the exemption.)

3.1.6. Include provisions in the code that maintain housing stability with increased income. To ensure that households in MFTE units can retain their housing even if their income increases by a nominal amount, provide an additional requirement to

²⁸ As an example of this, see the Renton program requirements under RMC [4-1-220\(D\)\(2\)](#).

supplement the income restriction that allows existing low-income tenants to remain in their units even if their income reaches 90% AMI.

3.1.7. Consider expanding residential targeted areas. Given that state-mandated zoning changes will result in almost all residential areas to be permitted four housing units per lot, this tax exemption can be provided for a much broader range of sites. The city should examine whether the MFTE program could be expanded to other areas close to the existing targeted areas, especially in cases where infill or new development would be likely to occur, and in cases where upzoning would be pursued (as described under category 1 above).

3.2. Revise the provisions for Planned Residential Developments

Rationale

Under LSMC [14.18.300](#), “planned residential developments” (PRDs) are allowed as options for property owners to provide a higher-quality neighborhood with additional amenities in exchange for flexibility in meeting development regulations. Under the Code, a developer receives the following bonuses for a development on a site of one acre or higher:

- A 20% increase in density over the allowable density on the underlying lot.
- Flexibility with dimensional requirements, including lot sizes, widths, and setbacks.
- Aggregate calculations of maximum impervious surface areas.

In exchange, the city provides some additional requirements:

- At least 60% of the housing on the site must be single-family detached units.
- The project must meet the city’s design guidelines and shall be subject to a design review.
- At least 10% of the site must be improved with usable open space and amenities, landscaped entries to the project, or protection of unique natural site amenities (such as stands of trees or water features).

PRDs are typically used for projects under the Code that pursue more innovative site planning, often to manage specific challenges to development on the property. There are two main reasons to update this section to consider other aspects, however:

- Provisions in the current version focus on use for single-family detached housing and density bonuses, but new requirements from [HB 1110](#) can change how these provisions would be implemented. Although relaxations to dimensional requirements may still be applicable, the application of other benefits will need to be re-evaluated.
- Affordable housing could also be considered as a public amenity that under LSMC [14.18.300\(h\)](#) could be supported under this structure. This has been applied to comparable programs in other cities.²⁹ The flexibility with site design in combination with

²⁹ See, for example, provisions by the City of Kirkland to include bonus density for affordable housing under KKC [125.30](#).

other incentives could help to make market-rate projects with affordable housing more feasible to develop.

Recommended Actions

- 3.2.1 Incorporate multifamily housing into allowable PRD housing types.** Under the requirements for a PRD under LSMC [14.18.300](#)(c) and (d), the city should make allowances for a wider range of housing types. Larger individual building sizes should be permitted (six-unit multifamily buildings or more), and requirements for at least 60% single-family detached housing under (d)(1) should be reduced or eliminated.
- 3.2.2 Consider affordable housing under PRD provisions.** LSMC [14.18.300](#)(h) outlines a very specific set of amenities that can provide public benefits in exchange for regulatory flexibility. The city should examine the best way of incorporating some consideration for PRDs that accommodate affordable housing, either through tying density bonuses or lot size reductions to housing affordability, or by allowing affordable housing with a specific set aside (25% of units at 60–80% AMI) to fulfill the amenity requirement.
- 3.2.3 Revise density bonusing provisions for PRDs.** The current 20% bonus density allowed under LSMC [14.18.300](#)(b) could be expanded with provisions for minimum affordable housing set-asides of units on the property. This may be tiered and would provide an additional set of incentives that the city could use to support the feasibility of projects with affordable housing units.

3.3. Provide additional incentives to encourage affordable housing development

Rationale

While the MFTE program represents one of the most significant financial incentives that cities can provide to developers, and PRDs present significant flexibility for new development projects, there are additional incentives available to communities that can help to support desirable types of affordable housing. The primary tools available for use would include:

- **Impact fee waivers** (RCW [82.02.060](#)(4)) that provide waivers from payment or some or all of the transportation mitigation and park impact fees to support affordable housing.
- **Inclusionary zoning** (RCW [36.70A.540](#)), which provides other bonuses and flexibility with development requirements in exchange for a commitment of affordable housing in a project.

In practice, the value of these incentives will be somewhat lower than the property tax exemption under the MFTE program. However, layering these incentives, especially at income levels that align with identified housing needs, can help to build a package of incentives that can make affordable and even mixed-income projects more feasible.

Recommended Actions

3.3.1 Explore impact fee waivers or reductions to provide an incentive for affordable units.

Impact fee waivers for affordable housing provide an incentive specifically for low-income units. Recommended conditions for this incentive include the following:

- The waiver should cover park ([Chapter 14.120](#) LSMC) and transportation ([Chapter 14.112](#) LSMC) impact fees only, as school impact fees ([Chapter 14.100](#) LSMC) would require approval of the local school boards.
- A partial exemption of only 80% should be provided, as this would not trigger the “backfill” requirements under RCW [82.02.060](#)(4) that would require 20% of the impact fee to be paid from the General Fund.
- There is an option to set a maximum total exemption amount each year, with waivers received on a “first come, first serve” basis (or prioritized as necessary). This can limit the total impact on the respective funds from year to year.
- While affordable housing provided through waivers can be set as affordable at up to 80% of median income, this incentive should be targeted specifically at 50–60% of median income to be consistent with housing goals and other incentives in the long term.
- Affordability requirements should be mandated through a covenant for 50 years.

3.3.2 Widen voluntary inclusionary zoning provisions.

Currently, the city does provide some nominal incentives for including affordable housing, with an additional 10 feet of height provided in exchange for 15% of housing units set aside as affordable.³⁰ Because the affordability incentive for additional units under [HB 1110](#) will not be used in Lake Stevens, providing an alternate incentive could help to reach housing goals. Ideally, this incentive would include:

- Requirements should be consistent with promoting deeper levels of affordability consistent with the base requirements in RCW [36.70A.540](#)(2)(b). This would require around 20% of units to be reserved as affordable for 50 years. Rental units would be affordable at 50% of median family income in the county, while owner-occupied units would be required to be affordable at 80% of median income, with these provisions managed through a covenant.
- As development intensity is not managed through maximum densities and there is limited opportunity for parking reductions, providing affordable units should be matched with broader increases to maximum heights, decreases in setbacks, and increases in allowable impervious area.

³⁰ See LSMC [14.38.040](#), Note 8. These affordable units must remain affordable for 30 years and must either be sold at 80% of “average median sales price” or rented as affordable to households at 100% of median income. Note that these requirements are not aligned with requirements under RCW [36.70A.540](#)(2)(b), however.

- The primary focus for these incentives should be on apartment and mixed-use buildings, as there may be more potential for bonus height to be useful as an incentive for these developments.

3.3.3 Coordinate long-term review and monitoring of affordable units. The city should ensure that property owners that have received these incentives are following standard practices to identify qualified tenants or buyers of any income-restricted housing. This may involve expanding the required review and oversight processes used for the MFTE program (see 3.1) to include other types of affordable housing.

3.4. Explore the local use of community land trusts and comparable models

Rationale

Although standard homeownership models can work for many households, there are challenges with affordability that restrict others from the market and limit their ability to access these opportunities. While providing more affordable options can be related to changing the housing product and providing cost-savings to developers, another option is to change the ownership model.

One alternative is the community land trust (CLT) model.³¹ Under this approach, a homebuyer purchases a house, but the land is only leased to the buyer. Ownership of the land is kept by the CLT, and a condition in the sale agreement restricts the price of the later resale of the property to keep it affordable. Overall, the CLT is managed as a nonprofit, with residents typically represented in management decisions.

Other alternatives also exist, such as housing cooperative models or rent-to-own systems. At present, however, CLTs have wide representation in the region, with several larger scale working models to emulate.

Recommended Actions

3.4.1 Explore partnerships with CLTs in the region. The city should work to reach out to trusts working in the region to determine their potential interest for projects in Lake Stevens, and potential local opportunities for new projects. Note that this may include provisions for surplus properties covered in 3.6, as well as other considerations for support, including:

- connecting local low-income homebuyers with local CLTs
- streamlining city regulations to make CLTs more feasible as an option
- working with CLTs on relevant housing policies and incentive programs

3.4.2 Encourage other alternate ownership models for affordability where possible. Over the long term, the city should work to identify other potential models that can address affordability concerns with homeownership and support local pilots where possible. Given the broad need for affordable housing in the community, all tools should be explored.

³¹ See Ground Solutions Network [Community Land Trust Technical Manual](#) (2011) for more information.

3.5. Cooperate with area organizations for affordable and emergency housing

Rationale

Coordinating with affordable housing providers and comparable organizations can help the city fulfill its housing goals. Organizations such as the Housing Authority of Snohomish County (HASCO), the Housing Consortium of Everett and Snohomish County, nonprofit and religious organizations, private developers, and other jurisdictions are all involved with coordinating housing solutions. Partnerships with these organizations in activities such as developing affordable projects in Lake Stevens, coordinating policy and advocacy work, and exchanging information and expertise in the field can help to facilitate the city's housing goals.

One area for partnerships is meeting local needs for very low- and extremely low-income housing. For housing affordable at 50% of median income or below, significant subsidies are required, especially in cases where additional wraparound services would be provided through permanent supportive housing. This may also be true for emergency housing options, which would require a social services provider to operate in the community.

Recommended Actions

- 3.5.1 Recruit nonprofit housing partners to develop affordable housing in the city.** The city should work with local affordable housing providers to determine potential approaches to develop and operate housing for very low- and extremely low-income households that would not likely be served by private housing investment (even with city incentives) These activities may involve coordinating development locations (see 3.6), supporting applications for funding, providing technical support, and otherwise facilitating the development process.
- 3.5.2 Coordinate with service providers to secure emergency housing options.** Aside from the need for housing at extreme levels of affordability, the provisions of [HB 1220](#) also require that emergency housing needs be addressed in the city. To achieve the goal of securing an additional 304 emergency housing units, the city should also actively work to find partners to support these services and coordinate approaches to deliver these services in the community.
- 3.5.3 Continue to coordinate with partners on affordable housing issues.** The city should continue working to achieve local affordable housing in partnership with other jurisdictions, nonprofits, developers, social service providers, and other stakeholders. Participation in collaborative projects, advocacy, and policy development can ensure that key housing policies in Lake Stevens can complement the work done by other organizations.

3.6. Use surplus properties for affordable housing

Rationale

Residential land is expensive. This has led to ongoing challenges not only to identify locations for housing, but also to manage the costs of securing developable sites. One potential

approach to reduce costs for affordable housing is to address the costs of land inputs, which can help to minimize overall project costs and required rents for project feasibility.

Typically, the city does not hold onto developable lands to “bank” them for later development. However, in limited cases, it may have possession of property that could be useful as affordable housing, and policies should be put in place to support its development.

Other organizations that have an interest in affordable housing may also control properties that could be developed. This would include other levels of government, religious organizations, and even school districts. The city can coordinate with these agencies to help facilitate the development of these sites for affordable housing.

Recommended Actions

- 3.6.1 Provide updated policies for surplus property.** Per the provisions of [RCW 39.33.015](#), public property can be sold by a jurisdiction for affordable housing at lower than market rate, as long as it provides public benefits. As such, the city should provide amendments to [Chapter 2.98](#) LSMC that clearly outline that city property can be sold as surplus for affordable housing under specific conditions determined by city policy.
- 3.6.2 Identify and facilitate opportunities for housing development with partners on surplus properties.** The city should play an active role to facilitate the development of surplus lands owned by other organizations as affordable housing. This may involve upzoning available parcels (see 1.2), participating in efforts to raise project funding, and supporting the development process.

3.7. Coordinate the permitting and approvals process

Rationale

A consistent focus for developers, both market-rate and affordable, is the permitting process. Long delays in the process, including time required to address design changes, can increase the costs associated with holding the site and potentially risk available sources of external funding.

While discussions with developers indicated that the permitting process in Lake Stevens has been effective in meeting their needs, one particular comment suggested that there are still issues involved with receiving permits from utility companies for new development. While this is outside of the direct control of the city, evaluating potential bottlenecks and determining short- and long-term options for streamlining the broader project permitting process can be important to promote effective growth.

- 3.7.1 Coordinate ongoing oversight of permitting timelines.** As mentioned, the permitting system in place in the city appears to be efficient in providing timely approvals for development projects. The city should continue to monitor its own permitting process, and also determine the necessary approval times for permits from other approval agencies to identify whether there are any ongoing bottlenecks that the city could look to address.

3.7.2 Coordinate with other agencies to determine approaches for reducing approval times.

Based on the information from 3.7.1, the city should reach out and work with partner agencies to find ways to reduce overall project wait times. This may include solutions such as targeted technical and administrative support, or even just clearer obligations for providing responses to permit applications.

3.8. Secure additional funding for programs to support housing affordability and stability

Rationale

Providing the resources to incentivize the necessary amounts of housing at different levels of affordability under the new targets is challenging. The city can rely on partners for support and can leverage incentives such as MFTE that may not have a significant fiscal impact in practice. However, there will be additional gaps that will need to be addressed through new funding sources.

Available resources can be divided between two general sources of support:

- Internal funding, either provided through the General Fund or new sources of revenue such as sales taxes earmarked for housing (RCW [82.14.530](#)) or special levies to support affordable housing (RCW [84.52.105](#)).
- External funding through grant programs and other government transfers, ranging from Low-Income Housing Tax Credits (LIHTC) to direct funding for affordable housing options.

As noted previously, securing additional internal sources of funding in Lake Stevens would be extremely challenging. While the city passed the sales tax credit under [Chapter 3.30](#) LSMC, this represents money received from the state's sales tax proceeds. Additional levies or sales taxes would require voter approval, and general voter sentiment from recent elections suggests that additional taxes would be challenging to pass.

Because of this, the city's main focus, especially in the short term, should be on identifying and securing additional sources of external funding for use. Where relevant, this should be done in conjunction with partners that would be involved with projects potentially supported with this funding.

Recommended Actions

3.8.1 Identify and secure potential sources of funding.

As noted, a major focus of the city should be on identifying and acquiring sources of funding that can help Lake Stevens reach its community housing goals. As needed, especially in cases where funding would support construction of affordable units, partners should be engaged in this process.

3.8.2 Consider long-term options for more reliable internal funding.

While passing new taxes may not be as feasible an option in the short-term, there may be the potential for relying on sources like these in the future. Over the longer term, the city should explore the potential for a housing levy to meet some of the identified funding gaps.

3.9. Distribute information about local housing development options

Rationale

The elements included in the Housing Action Plan and future efforts to be coordinated as part of the Comprehensive Plan process and later may help to provide additional support for housing production. However, these changes are only effective in a private real estate market as long as there is sufficient information available that can help developers, property owners, tenants, and other stakeholders make decisions.

As with other aspects of the housing market, the city is best positioned to provide information about development activity, regulations for construction, opportunities for incentives, affordable rental opportunities, and other aspects of local real estate development.

Recommended Actions

- 3.9.1 Maintain a guidebook for local housing programs.** As the city works to implement more solutions to achieve its housing target, it should provide a common public resource describing the available programs in Lake Stevens. This source, preferably available in both hardcopy and electronic formats, would outline applications requirements for interested groups, provide all necessary forms, and outline the expected approvals process. Note that this could include a range of programs, from the MFTE incentive program described in 3.1 to the infill regulations under [Chapter 14.46](#) Part III.
- 3.9.2 Provide regular communication with the development community.** The city should also coordinate regular outreach to the development community about regulatory and incentive changes in addition to providing guidance for local programs as per 3.9.1. This outreach should work to inform developers working in the city about potential changes that could impact them but may also be combined with efforts under 3.5 to engage with developers about broader housing market trends and needs, and how incentives and development regulations are performing in the market.

Recommendations for Implementation

Overview

As part of the Housing Action Plan, it is important to know how to put the recommendations discussed in this document into action. These recommendations are meant to help city departments budget and plan their work, communicate with partners, and coordinate clear action steps to address housing goals.

The actions identified in this section for implementation are divided between three different recommended timeframes:

- **Short-term actions** are generally expected to be accomplished as part of the expected regular update to the Comprehensive Plan.
- **Medium-term actions** include actions to be accomplished over the next three to four years, including implementation steps for the Comprehensive Plan coordinated as part of the regular update cycle.
- **Long-term and ongoing actions** are actions expected to occur five or more years in the future. These may be related to ongoing monitoring and review, as well as efforts that may require more coordination steps after the Comprehensive Plan.

The descriptions of key implementation steps include:

- A summary of the **action** to be taken.
- References to the **recommended strategy**.
- Potential **partners** with respect to the implementation of the action.
- The expected **priority** of the action, where:
 - **Very high** priority actions are essential in achieving the housing goals identified in this Plan and should be a commitment by the city under the Plan.
 - **High** priority actions are important for achieving the goals of this Plan and should be strongly considered during Plan implementation.
 - **Moderate** priority actions are important for long-term implementation of the Plan but are not identified as part of the critical path in achieving identified goals.
- The expected **investment** required, where:
 - **Very high** investment would require significant budget allocations by the city, including significant capital expenditures and external support.
 - **High** investment would require specific budget allocations by the city, including the use of existing sources of support specifically targeted to housing-related actions.
 - **Moderate** investment would require a significant focus of staff time and resources from involved city departments, potentially including the use of external consultants.
 - **Low** investment would be expected to involve staff time and resources as allocated to regular tasks, potentially with changes to identified priorities.

Key Implementation Actions

Short-Term Implementation

1. Addressing Needs for Local Capacity

Policy Recommendation	Action	Partners	Priority	Investment
1.1. Revise plans for the city's subareas	<ul style="list-style-type: none">Incorporate considerations of future subarea planning into the development of the Comprehensive Plan.	<ul style="list-style-type: none">Comp Plan consultant	Moderate	Low
1.2. Implement strategic upzoning to address housing capacity needs	<ul style="list-style-type: none">Identify immediate options for upzoning within the subareas in coordination with Comprehensive Plan development.	<ul style="list-style-type: none">Comp Plan consultant	Moderate/High	Moderate/High
1.3. Encourage different housing types	<ul style="list-style-type: none">Provide Code changes to implement ADU requirements from HB 1337.	(none)	High	Low
1.4. Ensure that previous efforts are considered under new state requirements	<ul style="list-style-type: none">Upon release of guidance from the Department of Commerce, provide documentation about substantial compliance with the requirements of HB 1110.Review guidance on the identification of properties ineligible for exclusion from HB 1110 requirements, in case Commerce does not find current zoning as substantially similar to state requirements, as per HB 1110 Sec.4(3).	<ul style="list-style-type: none">Department of Commerce	Very High	Moderate

Policy Recommendation	Action	Partners	Priority	Investment
1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets	<ul style="list-style-type: none"> ▪ Coordinate with Snohomish County BLR staff to develop a process to monitor and maintain records on buildable land inventory and housing yields. ▪ Develop internal reporting framework for tracking progress towards housing goals. 	▪ Snohomish County Tomorrow	Moderate	High

2. Meeting Additional State Requirements

Policy Recommendation	Action	Partners	Priority	Investment
2.1. Integrate considerations of special needs housing into the Code	<ul style="list-style-type: none"> ▪ Provide Code changes to adjust the consideration of special needs housing. 	(none)	Very High	Moderate
2.2. Clarify impact fees for emergency housing and ADUs	<ul style="list-style-type: none"> ▪ Provide Code changes to clarify state requirements for impact fees with emergency housing and ADUs. 	(none)	High	Low
2.3. Implement anti-displacement policies to increase housing stability	<ul style="list-style-type: none"> ▪ Review conditions of existing manufactured home parks to determine potential strategies for preservation/anti-displacement. ▪ Review needs for housing support and tenant protections as part of the development of the Housing Element of the Comprehensive Plan. 	<ul style="list-style-type: none"> ▪ Local residents ▪ Local affordable housing organizations 	Moderate	High

3. Additional Strategies to Achieve Housing Goals

Policy Recommendation	Action	Partners	Priority	Investment
3.1. Refine the Multifamily Housing Property Tax Exemption	<ul style="list-style-type: none"> Provide updates to the Code as specified, including revisions for clarity, addition of a 20-year option and 12-year extension, and resale restrictions. 	<ul style="list-style-type: none"> Department of Commerce 	High	Moderate
3.2. Revise the provisions for Planned Residential Developments	<ul style="list-style-type: none"> Provide revisions to the Code that allow affordable housing to count as a public benefit for allowing a PRD. Review options for benefits under the PRD to provide a clear incentive for participation. 	(none)	High	Low
3.3. Provide additional incentives to encourage affordable housing development	<ul style="list-style-type: none"> Consider options for affordable housing incentives as part of the development of the Comprehensive Plan. 	<ul style="list-style-type: none"> Local developers 	Moderate	Low
3.4. Explore the local use of community land trusts and comparable models	<ul style="list-style-type: none"> Coordinate outreach to CLTs to ascertain options for a local CLT pilot program. 	<ul style="list-style-type: none"> Regional CLTs 	Moderate	Low
3.5. Cooperate with area organizations for affordable and emergency housing	<ul style="list-style-type: none"> Coordinate outreach to major affordable housing providers to determine future options for projects. Continue to participate in regional organizations. 	<ul style="list-style-type: none"> Affordable / emergency housing developers Emergency housing providers Housing organizations 	Moderate	Low
3.6. Use surplus properties for affordable housing	<ul style="list-style-type: none"> Provide revisions to the Code that can allow municipal property to be sold at below market rates for affordable housing. Coordinate with other organizations and agencies in the city to determine potential surplus sites for affordable housing development. 	<ul style="list-style-type: none"> Other jurisdictions (including school districts) Religious organizations Other nonprofits Affordable housing developers 	Moderate	Low

Policy Recommendation	Action	Partners	Priority	Investment
3.7. Coordinate the permitting and approvals process	<ul style="list-style-type: none"> ▪ Review data on approvals timelines to determine if approval processes in other jurisdictions will impact development timelines in the city. ▪ Reach out to utility districts to determine any challenges with development approvals. 	<ul style="list-style-type: none"> ▪ Local utility districts 	Moderate	Moderate
3.8. Secure additional funding for programs to support housing affordability and stability	<ul style="list-style-type: none"> ▪ Review options for funding targeted affordable housing projects in partnership with affordable housing providers. 	<ul style="list-style-type: none"> ▪ Affordable housing developers/providers ▪ Funding agencies 	Moderate	Low
3.9. Distribute information about local housing development options	<ul style="list-style-type: none"> ▪ Develop a guidebook for local housing programs to provide information about approval and monitoring processes. 	<ul style="list-style-type: none"> ▪ Local developers / property owners 	Moderate	Moderate

Medium-Term Implementation

1. Addressing Needs for Local Capacity

Policy Recommendation	Action	Partners	Priority	Investment
1.1. Revise plans for the city's subareas	<ul style="list-style-type: none"> ▪ Coordinate updates to the Downtown subarea plan ▪ Coordinate updates to the 20th Ave SE Corridor subarea plan 	▪ Consultant support	High	High
1.2. Implement strategic upzoning to address housing capacity needs	<ul style="list-style-type: none"> ▪ Develop approaches to identify neighborhood opportunities for upzoning. 	(none)	High	Moderate
1.3. Encourage different housing types	<ul style="list-style-type: none"> ▪ Coordinate the development of standardized, preapproved ADU plans. 	▪ Consultant support	Moderate	High
1.4. Ensure that previous efforts are considered under new state requirements	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low
1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets	<ul style="list-style-type: none"> ▪ Create a process for regular collection and management of development data. ▪ Provide internal reporting on progress towards housing goals. 	▪ Snohomish County Tomorrow	Moderate	Moderate

2. Meeting Additional State Requirements

Policy Recommendation	Action	Partners	Priority	Investment
2.1. Integrate considerations of special needs housing into the Code	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low
2.2. Clarify impact fees for emergency housing and ADUs	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low

Policy Recommendation	Action	Partners	Priority	Investment
2.3. Implement anti-displacement policies to increase housing stability	<ul style="list-style-type: none"> ▪ Develop policies for minimizing displacement from manufactured home parks. ▪ Develop tenant protection ordinance. ▪ Review options for expanding homeowner and tenant assistance. 	<ul style="list-style-type: none"> ▪ Local residents ▪ Local affordable housing organizations ▪ Local developers 	High	High

3. Additional Strategies to Achieve Housing Goals

Policy Recommendation	Action	Partners	Priority	Investment
3.1. Refine the Multifamily Housing Property Tax Exemption	<ul style="list-style-type: none"> ▪ Provide ongoing monitoring of the application of the tax exemptions. ▪ Review the potential for increasing affordability requirements and expanding the targeted areas. 	<ul style="list-style-type: none"> ▪ Department of Commerce 	Moderate	Moderate
3.2. Revise the provisions for Planned Residential Developments	<ul style="list-style-type: none"> ▪ Coordinate to pilot the use of the PRD to provide affordable housing as part of a development 	<ul style="list-style-type: none"> ▪ Housing developers 	Moderate	High
3.3. Provide additional incentives to encourage affordable housing development	<ul style="list-style-type: none"> ▪ Develop ordinances to implement partial impact fee waivers and bonusing to promote affordable housing. 	<ul style="list-style-type: none"> ▪ Local developers ▪ Affordable housing developers 	High	Moderate
3.4. Explore the local use of community land trusts and comparable models	<ul style="list-style-type: none"> ▪ Coordinate a pilot CLT program in the city, potentially in conjunction with other projects planned. 	<ul style="list-style-type: none"> ▪ Regional CLTs 	Moderate	Moderate/High
3.5. Cooperate with area organizations for affordable and emergency housing	<ul style="list-style-type: none"> ▪ Continue outreach to major affordable housing providers to determine future options for projects. ▪ Continue to participate in regional organizations. 	<ul style="list-style-type: none"> ▪ Affordable / emergency housing developers ▪ Emergency housing providers ▪ Housing organizations 	Moderate	Low

Policy Recommendation	Action	Partners	Priority	Investment
3.6. Use surplus properties for affordable housing	<ul style="list-style-type: none"> Determine options for using available surplus lands for development projects. 	<ul style="list-style-type: none"> Other jurisdictions (including school districts) Religious organizations Other nonprofits Affordable housing developers 	Moderate	Moderate
3.7. Coordinate the permitting and approvals process	<ul style="list-style-type: none"> Continue monitoring development processes to determine bottlenecks with approvals. Coordinate with utility districts on options to streamline approvals for housing. 	<ul style="list-style-type: none"> Local utility districts 	Moderate	Low
3.8. Secure additional funding for programs to support housing affordability and stability	<ul style="list-style-type: none"> Work with partner to secure funding for local affordable housing project. 	<ul style="list-style-type: none"> Affordable housing developers/providers Funding agencies 	Moderate	Moderate/High
3.9. Distribute information about local housing development options	<ul style="list-style-type: none"> Maintain guidebook on development incentives. Provide outreach for the implications of Comprehensive Plan changes on development in the community. 	<ul style="list-style-type: none"> Local developers / property owners 	High	Moderate

Long-Term Implementation

1. Addressing Needs for Local Capacity

Policy Recommendation	Action	Partners	Priority	Investment
1.1. Revise plans for the city's subareas	<ul style="list-style-type: none"> ▪ Coordinate updates to the Lake Stevens Center subarea plan ▪ Identify additional potential locations for subarea planning 	<ul style="list-style-type: none"> ▪ Consultant support 	High	High
1.2. Implement strategic upzoning to address housing capacity needs	<ul style="list-style-type: none"> ▪ Continue coordinating neighborhood-level upzoning. 	(none)	High	Moderate
1.3. Encourage different housing types	<ul style="list-style-type: none"> ▪ Coordinate the development of standardized, preapproved ADU plans. 	<ul style="list-style-type: none"> ▪ Consultant support 	Moderate	Low
1.4. Ensure that previous efforts are considered under new state requirements	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low
1.5. Coordinate ongoing monitoring and review to ensure compliance with housing targets	<ul style="list-style-type: none"> ▪ Continue to provide internal reporting on progress towards housing goals. ▪ Apply data as part of Comprehensive Plan progress reports 	<ul style="list-style-type: none"> ▪ Snohomish County Tomorrow 	High	Moderate

2. Meeting Additional State Requirements

Policy Recommendation	Action	Partners	Priority	Investment
2.1. Integrate considerations of special needs housing into the Code	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low
2.2. Clarify impact fees for emergency housing and ADUs	<ul style="list-style-type: none"> ▪ Review for compliance with state requirements. 	(none)	Moderate	Low

Policy Recommendation	Action	Partners	Priority	Investment
2.3. Implement anti-displacement policies to increase housing stability	<ul style="list-style-type: none"> ▪ Review policies for minimizing displacement from manufactured home parks. ▪ Review tenant protection ordinance. ▪ Develop pilot for expanded homeowner and tenant assistance. 	<ul style="list-style-type: none"> ▪ Local residents ▪ Local affordable housing organizations ▪ Local developers ▪ Property owners 	High	High

3. Additional Strategies to Achieve Housing Goals

Policy Recommendation	Action	Partners	Priority	Investment
3.1. Refine the Multifamily Housing Property Tax Exemption	<ul style="list-style-type: none"> ▪ Provide ongoing monitoring of the application of the tax exemptions. ▪ Review the potential for increasing affordability requirements. ▪ Review the use of MFTE in the city and determine additional changes necessary for the program. 	<ul style="list-style-type: none"> ▪ Department of Commerce ▪ Consultant support 	Moderate	Moderate/High
3.2. Revise the provisions for Planned Residential Developments	<ul style="list-style-type: none"> ▪ Review applications of PRDs and determine additional changes. 	<ul style="list-style-type: none"> ▪ Housing developers 	Moderate	Moderate
3.3. Provide additional incentives to encourage affordable housing development	<ul style="list-style-type: none"> ▪ Review the application of the partial impact fee waivers and bonusing to determine the effectiveness of the programs. 	<ul style="list-style-type: none"> ▪ Local developers ▪ Affordable housing developers 	High	Moderate
3.4. Explore the local use of community land trusts and comparable models	<ul style="list-style-type: none"> ▪ Review CLT pilot (if applicable) and review potential barriers to future projects 	<ul style="list-style-type: none"> ▪ Regional CLTs 	Moderate	Moderate

Policy Recommendation	Action	Partners	Priority	Investment
3.5. Cooperate with area organizations for affordable and emergency housing	<ul style="list-style-type: none"> ▪ Continue outreach to major affordable housing providers to determine future options for projects. ▪ Continue to participate in regional organizations. 	<ul style="list-style-type: none"> ▪ Affordable / emergency housing developers ▪ Emergency housing providers ▪ Housing organizations 	Moderate	Low
3.6. Use surplus properties for affordable housing	<ul style="list-style-type: none"> ▪ Determine options for using available surplus lands for additional development projects. ▪ Review progress with the use of surplus lands. 	<ul style="list-style-type: none"> ▪ Other jurisdictions (including school districts) ▪ Religious organizations ▪ Other nonprofits ▪ Affordable housing developers 	Moderate	Moderate
3.7. Coordinate the permitting and approvals process	<ul style="list-style-type: none"> ▪ Continue monitoring development processes to determine bottlenecks with approvals. ▪ Coordinate with utility districts on options to streamline approvals for housing. 	<ul style="list-style-type: none"> ▪ Local utility districts 	Moderate	Low
3.8. Secure additional funding for programs to support housing affordability and stability	<ul style="list-style-type: none"> ▪ Work with partner to secure funding for local affordable housing projects and housing support. 	<ul style="list-style-type: none"> ▪ Affordable housing developers/providers ▪ Funding agencies 	Moderate	Moderate/High
3.9. Distribute information about local housing development options	<ul style="list-style-type: none"> ▪ Maintain guidebook on development incentives. ▪ Provide outreach for the implications of Comprehensive Plan changes on development in the community. 	<ul style="list-style-type: none"> ▪ Local developers / property owners 	High	Moderate

Integration with the Comprehensive Plan Update

Given the timing of the Housing Action Plan with respect to the Comprehensive Plan update cycle, there are several considerations to make when reviewing and updating relevant elements of the Plan:

- **Subarea planning.** Future updates to the subarea plans may be noted as part of the Comprehensive Plan update process, as well as high-level statements on the role of these areas in accommodating additional density. However, more detailed neighborhood planning should be pursued to ensure that planning for more dense centers can be coordinated with the maintenance and expansion of local amenities and support for local quality of life.
- **Strategic upzoning.** Upzoning can be incorporated into the development of the Future Land Use Map for the city. If desired by the city, the map may classify specific locations for upzoning to accommodate additional development.
- **Anti-displacement policies.** As there are specific requirements in the [Growth Management Act](#) for antidisplacement policies to be included in the Housing Element of the Plan,³² these policies should be reviewed and adjusted as necessary to be incorporated into the final version of the Element.

In addition, the Department of Commerce Comprehensive Plan checklist included in Appendix B should be referenced to understand what changes may need to be made as part of the update to keep compliance with current statutory requirements.

³² See RCW [36.70A.070](#)(2)(h)

Appendix A: Glossary

The following are housing terms used in this report:

Accessory Dwelling Units. According to state law, an accessory dwelling unit is a dwelling unit located on the same lot as a single-family housing unit, duplex, triplex, townhome, or other housing unit. These can be “attached”, or located within or attached to the housing unit, or “detached”, consisting partly or completely of a separate building.

Affordable Housing. The United States Department of Housing and Urban Development (HUD) considers housing to be affordable if the household is spending no more than 30 percent of its income on housing costs, which is also the definition provided in state law. Under the Washington State *Growth Management Act*, this is defined as not exceeding 30 percent of monthly income for households at 60 percent of median household income for rental housing, 80 percent median household income for owned-occupied housing.

The term “affordable housing” is often used to describe income-restricted housing available only to qualifying low-income households. It can also include “naturally occurring” market-rate housing that is affordable at this income level.

American Community Survey (ACS). This is an ongoing nationwide survey conducted by the U.S. Census Bureau that is designed to provide communities with current data about how they are changing. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from U.S. households. ACS data is commonly used for the Community Profile section of a housing needs assessment.

Note that the availability of data depends on the size of the jurisdiction. Currently, the most precise and detailed data is only available for smaller jurisdictions through 5-year estimates, based on data collected and averaged over a five-year period.

Area Median Income (AMI). This is a term that commonly refers to the area-wide median family income (MFI) calculation provided by the US Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI or MFI. In this report, unless otherwise indicated, both AMI and MFI refer to the HUD Area Median Family Income (HAMFI).

Note that for federal, state, and local policies, Lake Stevens relies on the AMI calculated for King and Snohomish Counties.

Cost Burdened. When a household pays more than 30 percent of their gross income on housing, including all utilities except telephone, they are “cost burdened.” When a household pays more than 50 percent of their gross income on housing, including utilities, they are “severely cost-burdened.”

Household. A household is a group of people living within the same housing unit. The people can be related, such as family. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household. Group quarters population, such as those living in a college dormitory, military barrack, or nursing home, are not considered to be living in households.

Household, Family. According to the US Census Bureau, a family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered as members of one family.

Household, Nonfamily. According to the US Census Bureau, a nonfamily household consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom they are not related.

Household Income. The census defines household income as the sum of the income of all people 15 years and older living together in a household.

Income-Restricted Housing. This term refers to housing units that are only available to households with incomes at or below a set income limit and are offered for rent or sale at below-market rates. Income-restricted housing can be in public, nonprofit, or for-profit housing developments. It can also include households using vouchers to help pay for market-rate housing.

Note that for privately-owned properties, the owners typically receive a subsidy in the form of a tax credit or property tax exemption. As a condition of this subsidy, these owners must offer a set percentage of all units as income-restricted and affordable to household at a designated income level.

Low-Income. Families that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to area median family incomes (MFI), with consideration for family size. These levels are set in the state *Growth Management Act* as follows:

- Moderate income: 80–100% AMI
- Low-income: 50–80% AMI
- Very low-income: 30–50% AMI
- Extremely low-income: 0–30% AMI

Median Family Income (MFI). The median income (the amount which divides the income distribution into two equal groups, half having incomes above the median, half having incomes below the median) of all family households in the metropolitan region or county. Analyses of housing affordability typically group all households by income level relative to area median family income. The median income of non-family households is typically lower than for family households. In this report, both MFI and AMI refer to the U.S. Department of Housing and Urban Development Area Median Family Income (HAMFI).

Note that for federal, state, and local policies, Lake Stevens relies on the MFI calculated for King and Snohomish Counties.

Middle Housing. Middle (or “missing middle”) housing refers to housing that falls between single-family detached housing and mid-rise apartment buildings or condos in size. This can include duplexes, triplexes, and fourplexes; townhouses; courtyard apartments or cottages; and stacked flats, among others. These housing types, while common in older housing, have not been developed at the same volume as other types of housing in recent years.

Permanent Supportive Housing. Under state law, permanent supportive housing is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors.

Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve resident health status, and connect the resident of the housing with community-based health care, treatment, or employment services.

Surplus Land. Surplus land is property that is owned by cities, town, or counties that is no longer needed to fulfill their needs and can be transferred or sold. The authority for cities to manage surplus property is granted by [RCW 35.22.280\(3\)](#).

Tenure. Tenure references the ownership of a housing unit in relation to the household occupying the unit. According to the US Census Bureau, a housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

Appendix B: Housing Needs Assessment

Introduction

Overview

This Housing Needs Assessment (HNA) provides information on key elements of Lake Stevens' housing supply and demand to support the development of the Lake Stevens Housing Action Plan (HAP). The purpose is to identify housing gaps to be addressed through the HAP and potential updates to the Comprehensive Plan Housing Element in 2024.

This assessment highlights key elements regarding housing in Lake Stevens across five major categories:

- **Overall demographics**, including basic characteristics of the population and households across the city.
- **Housing stock and production** in the city, detailing both existing housing and trends in new housing that has been developed recently in Lake Stevens.
- **Residential real estate markets**, including trends with rents, home sale prices, and other market indicators.
- **Housing affordability** considerations, including discussions of housing burdens.
- An assessment of **equity** in housing to highlight issues of access.

In addition, this document also provides an evaluation of the current housing policies in the city's Comprehensive Plan and provides insights into the changes that will likely be necessary as part of the upcoming 2024 update to the Plan.

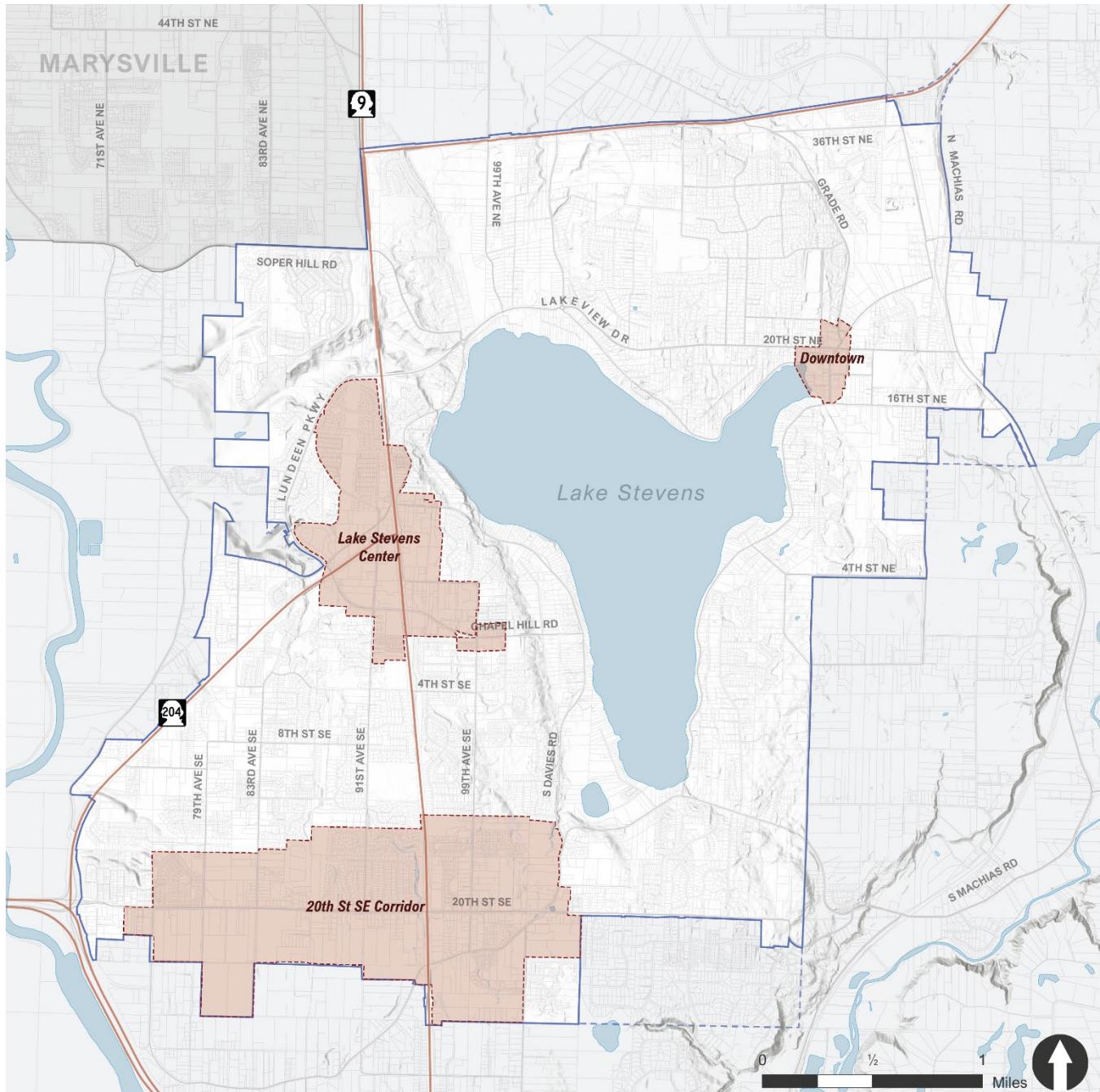
This document provides a foundation for additional steps in developing the full Housing Action Plan. This Plan will include details regarding public engagement and policy development and provide clear guidance on ongoing steps that can be taken by the city to meet future housing goals.

Study Area

This assessment addresses the housing market and inventory found within the boundaries of the city of Lake Stevens, as shown in Exhibit 29. This includes several smaller Urban Growth Areas which will likely be the focus of future annexations but are not currently part of the city proper.

The annexation history of the city is included in Exhibit 30, which highlights how the community has grown from the original town incorporated in November 1960 to the current boundaries surrounding Lake Stevens. The extension of the city around the entire lake was completed as of 2021 through an interlocal agreement with Snohomish County.

Exhibit 24. Overview, Lake Stevens and Surrounding Areas.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water

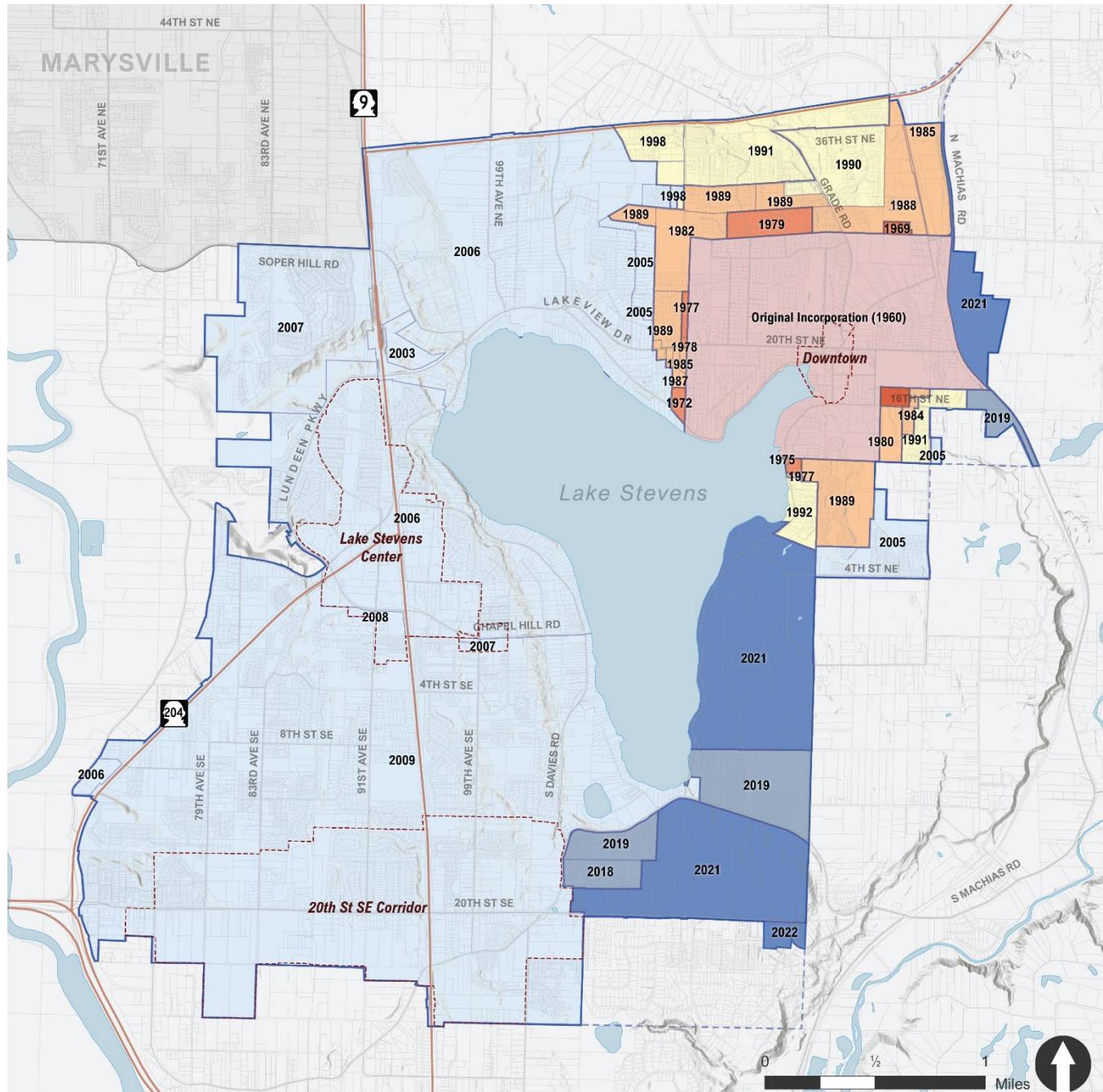
- Highways
- Arterials
- Roads

BERK

Map Date: December 2022

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Exhibit 30. Annexation History, Lake Stevens.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water
- Highways
- Arterials
- Roads

Annexation History

- Original Incorporation
- 1960–1969
- 1970–1979
- 1980–1989
- 1990–1999
- 2000–2009
- 2010–2019
- 2020–

BERK

Map Date: December 2022

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Data Sources

The evaluation of housing, households, and population relies on several data sources:

- **Washington State Office of Financial Management (OFM).** The OFM provides official data on population and housing counts for communities across the state, with regular post-censal estimations provided between official counts from the US Decennial Census. Additionally, OFM compiles current and historical data from individual communities on housing units built by type.
- **American Community Survey (ACS).** The US Census Bureau provides regular yearly surveys to track a range of demographic information, both to provide regular updates to information collected as part of the US Decennial Census, and to compile more detailed information on a variety of topics, such as household incomes, housing costs, education, and other characteristics. For the purposes of this assessment, the 2020 5-year dataset is used for key household and demographic characteristics.
- **Community Housing Affordability Survey (CHAS).** Although the ACS provides detailed information about demographics at a local level, this data set does not include information comparing many of these statistics to information about local housing costs. The US Department of Housing and Urban Development (HUD) uses the source data from the ACS and combines this with available information on housing costs to provide tables that are primarily used to evaluate housing cost burdens, as well as crosstab information useful for housing policies. The most recent dataset relies on 2019 5-year ACS data.
- **Private residential market data providers.** Companies such as Zillow and CoStar compile sources of information related to residential market conditions that can be useful in highlighting current housing costs and other relevant statistics, and do not have the delays associated with the ACS and CHAS data described above. These sources are used in the document as relevant to provide an understanding of current conditions.
- **City and County data sources.** Datasets from the City of Lake Stevens and Snohomish County have also been incorporated into these assessments. The major geographic datasets used to develop the maps in this report are sourced from the city and county, and there are some assessments of property characteristics that rely on data available from the Snohomish County Assessor. Additionally, population targets are derived from Snohomish County's Countywide Planning Policies.³³

³³ See the Snohomish [County Countywide Planning Policies](#) webpage for more information.

Policy Context

Overview

This section highlights the current policy context for housing with the City of Lake Stevens. This provides an overall summary of three major components relevant to new housing yields in the city:

- A summary of **current zoning** and the types of residential development allowed in these areas.
- Recent **city actions** taken since 2018 that are relevant to increasing the production of housing, including both market-rate and affordable housing options.
- **Statutory changes to planning requirements** that will impact the upcoming revisions to the housing element of the city's Comprehensive Plan. These are primarily focused on the changes resulting from [HB 1220](#) which was passed in 2021 to amend the provisions of the *Growth Management Act* (GMA).
- A **policy audit** based on Department of Commerce guidance highlighting changes that will be necessary to be compliant with new requirements.

Zoning

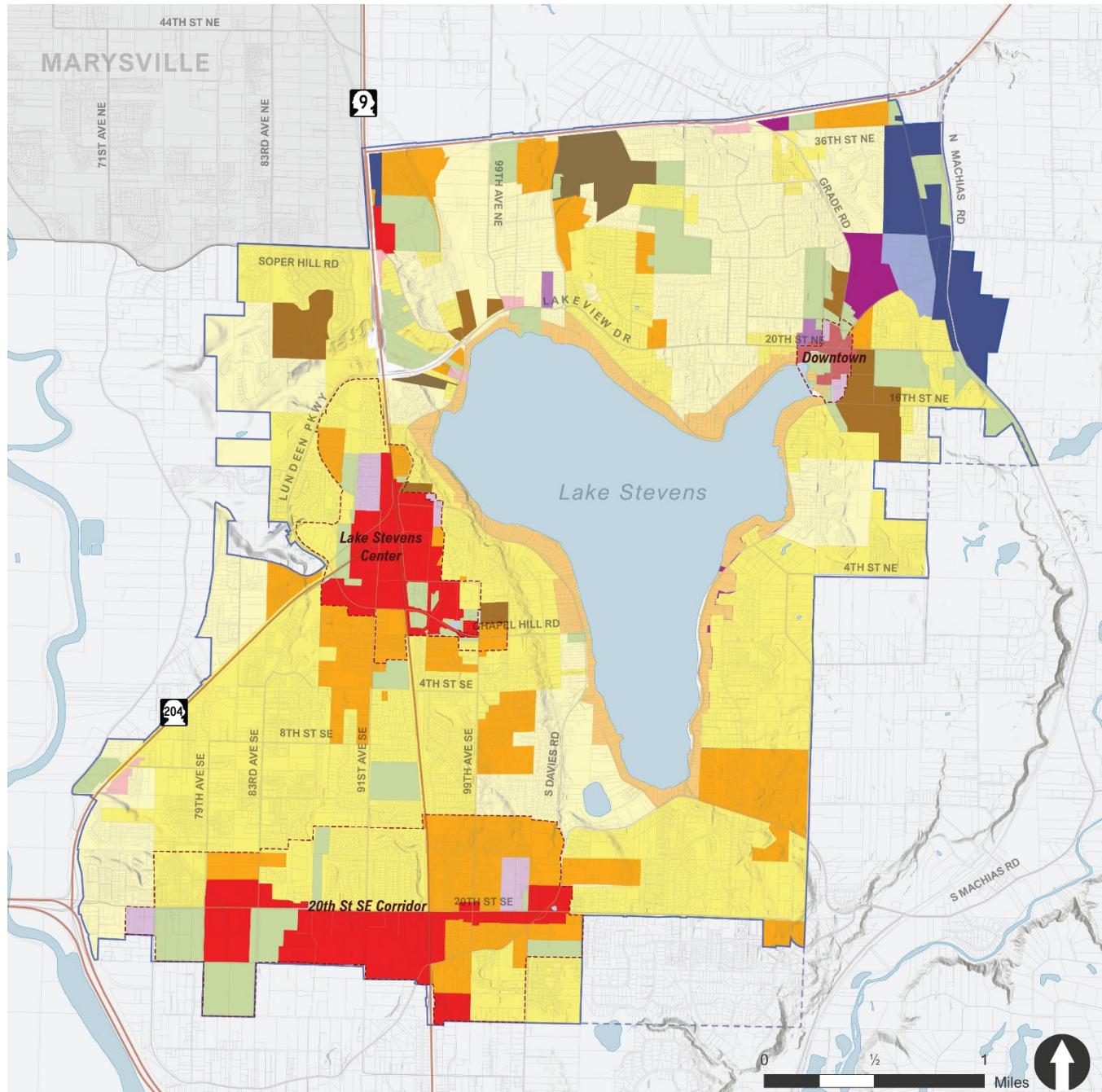
Current zoning is provided in Exhibit 31, with a table showing the total areas in each zoning district in Exhibit 32. Note that residential development is technically permitted as of right in all districts except the Business District (BD) and Public / Semi-Public (P/SP) zoning districts, although commercial and mixed-use areas aside from the Planned Business District only allow apartments built over permitted nonresidential uses.³⁴

Across the city, the largest zoning districts include the R4, R6, and R8-12 districts, which comprise much of the low- to moderate-density residential development in the city. These districts allow cottage developments and up to fourplexes as of right, and the R8-12 district permits townhomes and rowhouses. The Waterfront Residential (WR) zone, which includes much of the land directly abutting the lake, allows for cottages and duplexes, but duplexes can only be accommodated on parcels that are 25% larger than the smallest single-family lots permitted (12,000 square feet, versus 9,600 square feet for single-family homes).³⁵

³⁴ See Table 14.40-I, [LSMC 14.40.070](#). Also note that under [LSMC 14.44.065](#), there are constraints to accessory apartments allowed in industrial districts.

³⁵ See "Duplexes in Single-Family Zones", [LSMC 14.48.020](#).

Exhibit 25. Zoning, Lake Stevens.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
- Water
- Highways
- Arterials
- Roads

Zoning

 Business District (BD)	 Mixed Use (MU)
 Central Business District (CBD)	 Mixed-Use Neighborhood (MUN)
 Commercial District (CD)	 Public/Semi-Public (P/SP)
 General Industrial (GI)	 Planned Business District (PBD)
 GI Development Agreement (GIDA)	 R4 Residential
 Local Business (LB)	 R6 Residential
 Light Industrial (LI)	 R8-12 Residential
 MF Development Agreement (MFDA)	 Waterfront Residential (WR)
 Multi-Family Residential (MFR)	

BERK

Map Date: December 2022

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Exhibit 32. Total Area by Zoning District, Lake Stevens.

Zoning District		Area (acres)	% of Total
BD	Business District	0.9	0.02%
CBD	Central Business District	16.3	0.3%
CD	Commercial District	327.3	5.6%
GI	General Industrial	148.0	2.5%
GIDA	GI Development Agreement	7.0	0.1%
LB	Local Business	17.3	0.3%
LI	Light Industrial	35.4	0.6%
MFDA	MF Development Agreement	64.0	1.1%
MFR	Multi-Family Residential	124.5	2.1%
MU	Mixed Use	10.7	0.2%
MUN	Mixed-Use Neighborhood	49.3	0.8%
P/SP	Public / Semi-Public	448.0	7.7%
PBD	Planned Business District	41.4	0.7%
R4	R4 Residential	1,282.5	21.9%
R6	R6 Residential	2,319.5	39.6%
R8-12	R8-12 Residential	642.2	11.0%
WR	Waterfront Residential	316.3	5.4%

Source: City of Lake Stevens, 2022.

Recent City Actions

The city has made several recent changes relevant to housing development in Lake Stevens:

- [Ordinance 1030](#) in 2018 provided new regulations for Accessory Dwelling Units (ADU), included in the code under [LSMC 14.44.045](#). This was presented to comply with [RCW 43.63A.215](#), which required cities with populations greater than 20,000 to allow ADUs within the community, and amended the previous code which managed these uses similar to duplexes.
- [Ordinance 1068](#) (2019) eliminated the volunteer Design Review Board and shifted these responsibilities to city staff to streamline the development process.

- [Ordinances 1080](#) and [1081](#) in 2020 provided for several changes resulting from consultation with an advisory committee. These included:
 - Overall adjustments to zoning district designations.
 - Reduced minimum lot sizes.
 - Provisions for lot size averaging ([LSMC 14.48.085](#)).
 - Additional defined housing types and revisions to existing definitions.
 - Expanded housing types allowed in residential districts.
 - Expanded infill regulations under [Part III of Chapter 14.46 LSMC](#).
- [Ordinance 1082](#) in 2020 allowed for the receipt of the sales and use tax credit permitted under [RCW 82.14.540](#) for affordable housing.
- [Ordinance 1103](#) (2020) created a Multifamily Housing Tax Exemption (MFTE) program under [Chapter 3.27 LSMC](#) for the city as per [Chapter 84.14 RCW](#). This provides 12 years of exemption from property taxes on the value of residential improvement on a site in exchange for 20% of housing units being reserved for low- or moderate-income households (up to 80% of AMI for Snohomish County). Eligible “residential targeted areas” are designated as per [Resolution 2020-23](#).
- [Ordinance 1118](#) (2020) increased thresholds for projects receiving categorical exemptions as minor new construction to up to 30 single-family housing units and 60 units in multifamily residential projects.

Several of these changes have been instituted as per state legislative amendments under [HB 1923](#) in 2019, which provided cities with exemptions from review under the State Environmental Policy Act (SEPA) for key actions related to promoting moderate-density, “missing middle” housing types.

Statutory Changes to Planning Requirements

At the state level, [HB 1220](#) in 2021 amended the requirements of the *Growth Management Act* ([Chapter 36.70A RCW](#)) to address several housing issues in the state through local Comprehensive Plans. Under changes to the stated goals of the GMA, communities are now obligated to “plan for and accommodate housing affordable to all economic segments of the population of this state” ([RCW 36.70A.020\(4\)](#)). This provides clear direction from the state that all cities must accommodate a range of different housing types that can accommodate a variety of incomes.

In addition to the broad changes to housing-related goals under the GMA, there are several key changes that will be required to the city’s Comprehensive Plan to align with new requirements. Most of these elements are included under changes to the requirements for housing elements under [RCW 36.70A.070\(2\)](#), and will impact the required updates to the city’s Comprehensive Plan [Housing Element](#). These include the following:

- **Accommodate moderate density housing options.** Under (2)(b), the housing element must now include statements about goals, policies, and objectives related to “moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes”.

Additionally, (2)(c) states that land capacities must consider “consideration of duplexes, triplexes, and townhomes”. These changes make explicit mention to consider these housing types in the housing element.

- **Identify sufficient capacities for providing housing across income categories.** According to (2)(a), the housing element must include projected housing needs that are provided by the Washington Department of Commerce. These projected needs incorporate estimates for housing needs for moderate (80–120% of Area Median Income, or AMI), low (50–80% AMI), very low (30–50% AMI), and extremely low-income (0–30% AMI) households. The requirements under (2)(c) also require that sufficient amounts of land are allocated for these households in communities, and (2)(d) reinforces that adequate provisions must be made to help meet these needs.
- **Provide capacity for emergency housing, emergency shelters, and permanent supportive housing.** In addition to the projections of housing needs under (2)(a), estimates of needs for emergency housing, emergency shelters, and permanent supportive housing will be provided by the Department of Commerce to counties for inclusion in city housing elements, and (2)(c) requires that sufficient land capacity is coordinated by the city for these uses.
- **Consider other provisions to meet existing and projected housing needs.** Aside from the broad statement of needs under these revisions, requirements under (2)(d) highlight that the housing element should document the actions needed to address housing availability, including increased funding, changes in development regulations, matching housing locations with employment, and considering accessory dwelling units to help meet housing needs.
- **Consider and address racially disparate impacts in housing.** Housing elements must now make explicit considerations of current and historical policies and regulations that result in “racially disparate impacts, displacement, and exclusion in housing” under (2)(e). This can include discriminatory zoning, disinvestment in communities, and availability of infrastructure. Requirements under (2)(f) also mandate that communities work to implement policies and regulations that work to undo these impacts.
- **Establish anti-displacement policies.** Finally, the requirements under (2)(g) and (h) highlight that areas that may be at higher risk of displacement due to changes in zoning development regulations and capital investment should be identified. These areas should be supported with anti-displacement policies that would preserve historical and cultural communities and ensure that households of all incomes can remain within the community. These policies can include such efforts as equitable development initiatives, inclusionary zoning, community planning requirement, tenant protections, and land disposition policies.

Policy Audit

To support efforts by communities to comply with new requirements under the *Growth Management Act*, the state Department of Commerce has compiled a set of checklists to ensure that updates to local Comprehensive Plans will align with state law. For the upcoming Comprehensive Plan update cycle, major checklists are presented to highlight changes necessary to the [Comprehensive Plan](#), [critical areas ordinance](#), and other elements of city code.

Although a full evaluation of the entire checklist would not be relevant for the Housing Action Plan, this report does include sections from the Plan and development regulations checklists to highlight areas where the city may not be compliant with current state requirements. Relevant excerpts from that checklist include:

- Housing (Exhibit 33)
- Zoning (Exhibit 34)
- Impact fees (Exhibit 35)

Exhibit 26. Department of Commerce Checklist for Comprehensive Plan Updates (I / Housing).

Requirement	In Current Plan? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>a. Goals, policies, and objectives for the preservation, improvement, and development of housing.</p> <p>RCW 36.70A.070(2)(b) and WAC 365-196-410(2)(a)</p>	<p>Yes. Chapter 3 of the Comprehensive Plan includes goals regarding housing preservation, improvement, and development. Policy 3.14 in the Comprehensive Plan specifically promotes moderate density housing options.</p>	<p>No.</p>	<p>Note Goal 3.6 (page H-20) and associated policies in particular for housing preservation and improvement, especially related to community revitalization and maintenance of existing affordable housing. While changes to these goals, policies, and objectives will occur as part of this update, this is currently in compliance with these statutory/regulatory requirements.</p>
<p>b. Within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes.</p> <p>RCW 36.70A.070(2)(c) amended in 2021, WAC 365-196-300</p>	<p>Yes. Policy 3.14 in the Comprehensive Plan specifically promotes small multifamily housing, and duplexes, triplexes, and townhomes are included in LSMC Table 14.40-I.</p>	<p>No.</p>	<p>Note that revisions to the code may be required under new provisions from HB 1110 to include more middle housing options and expand the provision of townhomes. See E2SHB 1110.PL Sec. 3(5).</p>
<p>c. Consideration of housing locations in relation to employment locations and the role of ADUs.</p> <p>RCW 36.70A.070(2)(d) amended in 2021.</p>	<p>Yes. Policy 3.1.1 and 3.1.4 encourage housing that is “equitably and rationally” distributed, and Policies 2.14.1 and 3.5.1 consider higher densities, mixes of land uses, and pedestrian access to employment to address distances between home and work locations. Policy 3.1.6 allows for ADUs in all residential zones with certain considerations of neighborhood quality.</p>	<p>No.</p>	<p>Given the auto-oriented nature of the community and low jobs-to-residents ratio, considering locations of housing versus employment may be more challenging than in other communities. However, this may be strengthened with additional policies regarding a focus on transit-supported residential development.</p>

Requirement	In Current Plan? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>d. An inventory and analysis of existing and projected housing needs over the planning period, by income band, consistent with the jurisdiction's share of housing need, as provided by Commerce.</p> <p>RCW 36.70A.070(2)(a) amended in 2021, WAC 365-196-410(2)(b) and (c)</p>	<p>Yes. Housing needs for extremely low-, very low-, and low-income households are provided in Table 3.5. Goal 3.1 specifically indicates the need to provide housing at all income levels, and Goal 3.2 provides for special needs and affordable housing.</p>	<p>Yes.</p>	<p>This section needs to be updated to consider the specific targets determined by Snohomish County Tomorrow to consider updates to general targets, targets by income band, and needs for emergency and permanent supportive housing.</p>
<p>e. Identification of capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing.</p> <p>RCW 36.70A.070(2)(c) amended in 2021, WAC 365-196-410(e) and (f)</p>	<p>Yes. Buildable lands estimates are included in the Comprehensive Plan in Chapter 2 (Land Use), which includes a summary of residential land capacity available to reach these targets.</p>	<p>Yes.</p>	<p>The current Comprehensive Plan includes discussions of land capacity, but this needs to be updated to consider both changes in buildable land capacity in the city and targeted capacity for housing targets by income band / type established by Snohomish County Tomorrow.</p>
<p>f. Adequate provisions for existing and projected housing needs for all economic segments of the community.</p> <p>RCW 36.70A.070(2)(d) amended in 2021, WAC 365-196-010(g)(ii), WAC 365-196-300(f), WAC 365-196-410 and see Commerce's Housing Action Plan (HAP) guidance: Guidance for Developing a Housing Action Plan</p>	<p>Yes. Housing needs across the communities are provided in Table 3.4 of the Comprehensive Plan, while needs for extremely low-, very low-, and low-income households are provided in Table 3.5. Goal 3.1 specifically indicates the need to provide housing at all income levels, and Goal 3.2 provides for special needs and affordable housing.</p>	<p>Yes.</p>	<p>The current Comprehensive Plan needs to be updated to consider housing targets by income band / type established by Snohomish County Tomorrow in projected housing needs. Additionally, specific considerations of special needs housing, including emergency and permanent transitional housing options, need to be included in the Comprehensive Plan.</p>

Requirement	In Current Plan? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>g. Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:</p> <ul style="list-style-type: none"> ▪ Zoning that may have a discriminatory effect; ▪ Disinvestment; and ▪ Infrastructure availability 	<p>No.</p>	<p>Yes.</p>	<p>A new section regarding racially disparate impacts and anti-displacement policies needs to be included in the Comprehensive Plan. Note elements included in the Housing Action Plan that discussion racially disparate impacts and exclusion.</p>
<p>RCW 36.70A.070(e) new in 2021</p>			
<p>h. Establish policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions.</p> <p>RCW 36.70A.070(2)(f) new in 2021</p>	<p>No.</p>	<p>Yes.</p>	<p>A new section regarding racially disparate impacts and anti-displacement policies needs to be included in the Comprehensive Plan.</p>
<p>i. Identification of areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments.</p> <p>RCW 36.70A.070(2)(g) new in 2021</p>	<p>No.</p>	<p>Yes.</p>	<p>A new section regarding racially disparate impacts and anti-displacement policies needs to be included in the Comprehensive Plan. Note elements included in the Housing Action Plan that discussion racially disparate impacts and exclusion.</p>

Requirement	In Current Plan? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>j. Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.</p> <p>RCW 36.70A.070(2)(h) new in 2021</p>	<p>No.</p>	<p>Yes.</p>	<p>A new section regarding racially disparate impacts and anti-displacement policies needs to be included in the Comprehensive Plan.</p>

Exhibit 27. Department of Commerce Checklist for Comprehensive Plan Updates (II / Zoning).

Requirement	In Current Regs?	Changes needed to meet current statute?	Notes
Requirement	In Current Regs?	Changes needed to meet current statute?	Notes
a. Zoning designations are consistent and implement land use designations that accommodate future housing needs by income bracket as allocated through the countywide planning process	No. While previous future housing needs identified through the Comprehensive Plan included some targets by income level, current zoning and land use designations have not been clearly linked to achieving these targets.	Yes.	Note that under the provisions of RCW 36.70A.070(2)(c) , the allocation of building capacity by zones is required to permit housing to meet these needs to be built. However, these designations themselves cannot mandate the actual construction of these projects, which must be promoted through other means.
(RCW 36.70A.070(2)(c) - Amended in 2021 with HB 1220)			
b. Permanent supportive housing or transitional housing must be allowed where residences and hotels are allowed.	No. Permanent supportive housing and transitional housing as defined under statute may be managed under LSMC 14.08.010 as Level I to III Health and Social Service Facilities. These designations are not permitted in all areas where residences are allowed, as per LSMC Table 14.40-I .	Yes.	Note that requirements for mixed-use development/apartments above permitted nonresidential uses in the LB, CBD, CD, LI, and GI zones under LSMC Table 14.40-I may be applied to these housing types as well.
RCW 36.70A.390 New in 2021, (HB 1220 sections 3-5)			
“permanent supportive housing” is defined in RCW 36.70A.030 ; “transitional housing” is defined in RCW 84.36.043(2)(c)			

Requirement	In Current Regs? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>c. Indoor emergency shelters and indoor emergency housing shall be allowed in any zones in which hotels are allowed, except in cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within one mile of transit. Indoor emergency housing must be allowed in areas with hotels.</p> <p>RCW 35A.21.430 amended in 2021, RCW 35.21.683, amended in 2021, (HB 1220 sections 3-5)</p> <p>“emergency housing” is defined in RCW 84.36.043(2)(b)</p>	<p>Yes. Provisions for Level III Health and Social Service Facilities include emergency shelter under this definition. These uses are allowed in all zones where hotels and motels are allowed. See LSMC Table 14.40-II for more information.</p>	<p>No.</p>	<p>Note that definitions under LSMC 14.08.010 should be adjusted to use the nomenclature provided in state statute to avoid confusion.</p>
<p>d. The number of unrelated persons that occupy a household or dwelling unit except as provided in state law, for short term rentals, or occupant load per square foot shall not be regulated or limited by cities.</p> <p>(HB 5235), RCW 35.21.682 new in 2021, RCW 35A.21.314 new in 2022, RCW 36.01.227 new in 2021</p>	<p>No. There are no clear considerations in the Code regarding unrelated persons.</p>	<p>No.</p>	<p>Note that this only applies in cases where long-term leases (at least month-to-month) are in place. Short-term rentals and hotels/motels can still be regulated accordingly.</p>
<p>e. Limitations on the amount of parking local governments can require for low-income, senior, disabled and market-rate housing units located near high-quality transit service.</p> <p>RCW 36.70A.620 amended in 2020 and RCW 36.70A.600 amended in 2019</p>	<p>Yes. With respect to the requirements under (1) through (3), the city is not currently served by transit routes with sufficient frequency to be considered “high-quality” and subject to these requirements</p>	<p>No.</p>	<p>Note that future changes in transit service could justify changes to the parking requirements, but this is not likely in the short term.</p>

Requirement	In Current Regs? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
f. Family day care providers are allowed in all residential dwellings located in areas zoned for residential or commercial RCW 36.70A.450 . Review RCW 43.216.010 for definition of family day care provider and WAC 365-196-865 for more information.	<p>No. Provisions for in-home family day care uses are managed under home occupations as per LSMC 14.44.015(k), and are permitted in R4, WR, R6, R8-12, MFR, MU, and PBD zones as per LSMC Table 14.40-I. However, family day care providers are excluded from other zones where residential dwellings are allowed (including locations that only permit apartments above permitted nonresidential uses).</p>	Yes.	As per WAC 365-196-865(1) , note that these uses may be regulated as conditional in the Code. While this cannot preclude the accommodation of these uses as per RCW 36.70A.450(4) , they can provide for conditions to manage potential impacts of this use.
g. Manufactured housing is regulated the same as site-built housing. RCW 35.21.684 amended in 2019, RCW 35.63.160 , RCW 35A.21.312 amended in 2019 and RCW 36.01.225 amended in 2019. A local government may require that manufactured homes: (1) are new, (2) are set on a permanent foundation, and (3) comply with local design standards applicable to other homes in the neighborhood but may not discriminate against consumer choice in housing. See: National Manufactured Housing Construction and Safety Standards Act of 1974	<p>Yes. The definitions of manufactured housing provided in LSMC 14.08.010 do not preclude their definition as a single-family detached unit as long as they can be defined as a "structure". Note that manufactured/mobile home parks are regulated separately as per LSMC Table 14.40-I, and allowed only as an administrative conditional use in many residential zones. However, individual units are permitted separately.</p>	Yes.	It may be useful to provide clarity in the Code that manufactured homes are regulated the same as site-built housing, provided the conditions under RCW 35.21.684(1) , as this is not explicit.

Requirement	In Current Regs? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>h. Accessory dwelling units: cities (and counties) must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations and other official controls the requirements of RCW 36.70A.698 amended in 2021.</p> <p>Review RCW 36.70A.696 amended in 2021 through 699 and RCW 43.63A.215(3)</p> <p>Watch for new guidance from Commerce on the Planning for Housing webpage.</p>	<p>N/A. Note that these provisions under RCW 36.70A.698 do not apply in Lake Stevens, given that there are no “major transit stops” in the city as per RCW 36.70A.696(7).</p>	<p>N/A.</p>	
<p>i. Residential structures occupied by persons with handicaps, and group care for children that meets the definition of “familial status” are regulated the same as a similar residential structure occupied by a family or other unrelated individuals. No city or county planning under the GMA may enact or maintain ordinances, development regulations, or administrative practices which treat a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals.</p> <p>RCW 36.70A.410, RCW 70.128.140 and 150, RCW 49.60.222-225 and WAC 365-196-860</p>	<p>No. Uses such as child residential mental health care, private adult treatment homes, and residential facilities for the disabled may be managed under LSMC 14.08.010 as Level I or II Health and Social Service Facilities. These designations are not permitted in all areas where potentially comparable residential structures are allowed, as per LSMC Table 14.40-I. This includes areas where apartments are allowed</p>	<p>Yes.</p> <p>Also see RCW 35A.63.240. Note that under 42 U.S.C. Sec. 3602(h), these provisions do not cover illegal drug addiction.</p> <p>Note that the provisions of RCW 36.70A.410 may apply differently depending on the design and scale of the development.</p>	

Requirement	In Current Regs? Yes/No If yes, cite section	Changes needed to meet current statute? Yes/No	Notes
<p>j. Affordable housing programs enacted or expanded under RCW 36.70A.540 amended in 2022 comply with the requirements of this section. Examples of such programs may include density bonuses within urban growth areas, height and bulk bonuses, fee waivers or exemptions, parking reductions, expedited permitting conditioned on provision of low-income housing units, or mixed-use projects.</p> <p>WAC 365-196-300. See also RCW 36.70A.545 and WAC 365-196-410(2)(e)(i)</p> <p>“affordable housing” is defined in RCW 84.14.010</p> <p>Review RCW 36.70A.620 amended in 2020 for minimum residential parking requirements</p>	<p>N/A. Note that provisions that allow additional height under LSMC 14.38.050 in exchange for public benefits (including affordable housing) are not covered under this provision.</p>	<p>No.</p>	<p>Note that the provisions in LSMC 14.38.050(7) need to be significantly revised, as the definitions of rental and owner-occupied housing affordability are not correct. The city may also investigate the potential of including additional height, bulk, and density incentives under RCW 36.70A.540.</p> <p>Also note that provisions in RCW 35A.63.300 regarding density bonuses for affordable housing on property owned by religious organizations need to be incorporated into the Code. This would apply to housing affordable to households at 80% of median family income.</p>
<p>k. Limitations on regulating: outdoor encampments, safe parking efforts, indoor overnight shelters and temporary small houses on property owned or controlled by a religious organization.</p> <p>RCW 36.01.290 amended in 2020</p>	<p>No. Note that provisions for timing under LSMC 14.44.038(b) for outdoor encampments do not comply with restrictions under RCW 35A.21.360(2)(d) regarding the period, frequency, and number of encampments allowed. Also note that zoning restrictions on temporary encampments may not be allowed as per LSMC Table 14.40-I if they contravene RCW 35A.21.360(2)(a) by not allowing encampments altogether on sites owned by religious organizations.</p>	<p>Yes.</p>	<p>Note that the reference provided in the checklist is specifically for counties. RCW 35A.21.360 is the specific reference for code cities.</p> <p>Separation requirements of 1,000 feet are allowed under RCW 35A.21.360(2)(f) for multiple encampments.</p> <p>Also note that RCW 35A.21.360 includes provisions for safe parking, indoor overnight shelters, and temporary small houses which may need to be considered. Although the lack of such ordinances may not be out of compliance with statute, these uses may also need to be included in the Code (potentially as part of a memorandum of understanding).</p>

Exhibit 28. Department of Commerce Checklist for Comprehensive Plan Updates (II / Impact Fees).

Requirement	In Current Regs?	Changes needed to meet current statute?	Notes
Requirement	Yes/No		
a. If adopted, impact fees are applied consistent with RCW 82.02.050 amended in 2016, .060 amended in 2021, .070 , .080 , .090 amended in 2018 and .100 . WAC 365-196-850 provides guidance on how impact fees should be implemented and spent.	Yes. Provisions of Chapters 14.100 (school), 14.112 (traffic), and 14.120 (parks) LSMC are generally consistent with requirements under the statute.	No.	Note that capital facilities planning needs to be updated in the Comprehensive Plan to be consistent with the use of funds under LSMC 14.120.130(b) .
b. Jurisdictions collecting impact fees must adopt and maintain a system for the deferred collection of impact fees for single-family detached and attached residential construction, consistent with RCW 82.02.050(3) amended in 2016	Yes. See Chapter 14.124 LSMC .	No.	
c. If adopted, limitations on impact fees for early learning facilities. RCW 82.02.060 amended in 2021	Yes. Note that park and school impact fees are calculated for residential uses only, and traffic mitigation impact fees are specifically calculated based on peak hourly trips (with adjustments based on pass-through/pass-by trips) as per LSMC 14.120.080 . This fulfills the requirement under RCW 82.02.060(3) .	No.	Note that the Code does not include optional reductions in impact fees for early learning facilities as per RCW 82.02.060(2) and (4) .
d. If adopted, exemption of impact fees for low-income and emergency housing development RCW 82.02.060 amended in 2021. See also definition change in RCW 82.02.090(1)(b) amended in 2018	No. While an exemption for low-income housing is not currently in place, the Code should explicitly state that emergency housing is not subject to impact fees as per RCW 82.02.090(1)(b) .	Yes.	Also note that the City should explore the use of 80% impact fee waivers under RCW 82.02.060(4) for affordable housing.

Local Housing Assessment

Overview

As part of the assessment of the Lake Stevens context relevant to current and future housing needs, this report provides an evaluation of key statistics in several areas:

- City demographics of population and households
- Housing stock and production in the city
- Residential real estate market statistics
- Housing affordability
- Equity in housing

Through an evaluation of these indicators, this assessment will highlight important considerations that should be made going forward with respect to the policies and actions included in the Housing Action Plan.

Demographics

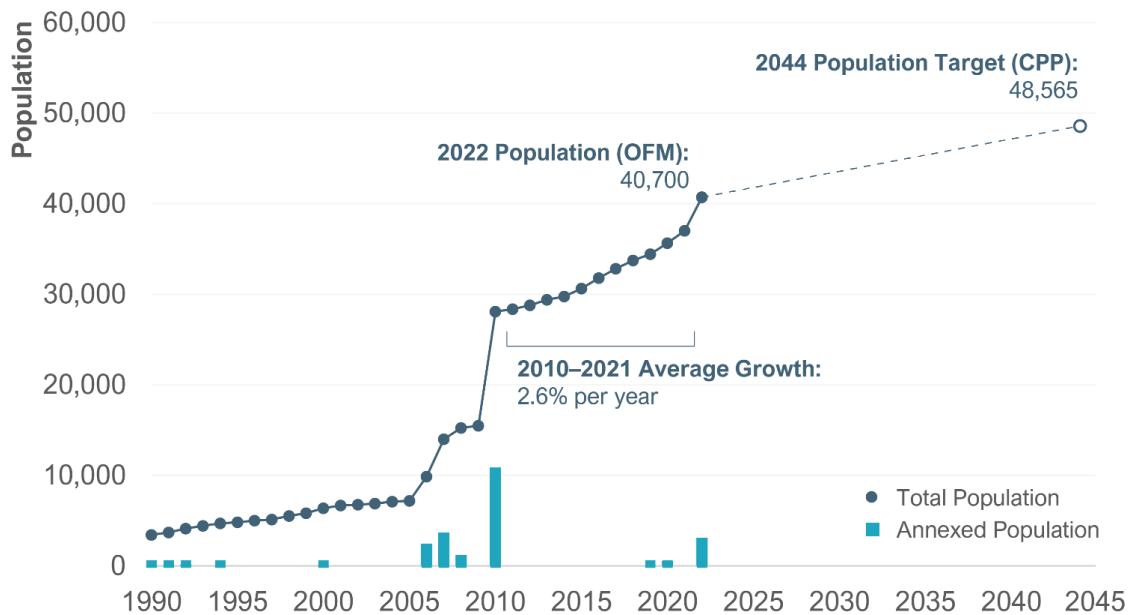
Exhibits 36 to 43 include data on the demographics of the current population of Lake Stevens. This includes the following:

- Exhibit 36 includes historical population totals and annexed population from 1990 to 2020, as well as prospective future population targets for 2044 under the current Countywide Planning Policies.
- Exhibit 37 presents a profile of the current population by age cohorts for Lake Stevens in 2020, compared with the corresponding Snohomish County age profile.
- Exhibit 38 provides the 2020 median incomes for all households as well as family and non-family households and compares these values between Lake Stevens and Snohomish County.
- Exhibit 39 gives a distribution of household by income intervals for Lake Stevens, with Snohomish County data provided for comparison.
- Exhibit 40 presents the distribution of households by the size of the household and their tenure (e.g., whether they rent or own their home).
- Exhibit 41 includes a distribution of households by their general household type and tenure.
- Exhibit 42 provides the distribution of the population of Lake Stevens by race and ethnicity for 2020.
- Exhibit 43 presents a comparison of the distribution of population by race for Lake Stevens and Snohomish County in 2020.

From these figures, the following conclusions can be reached:

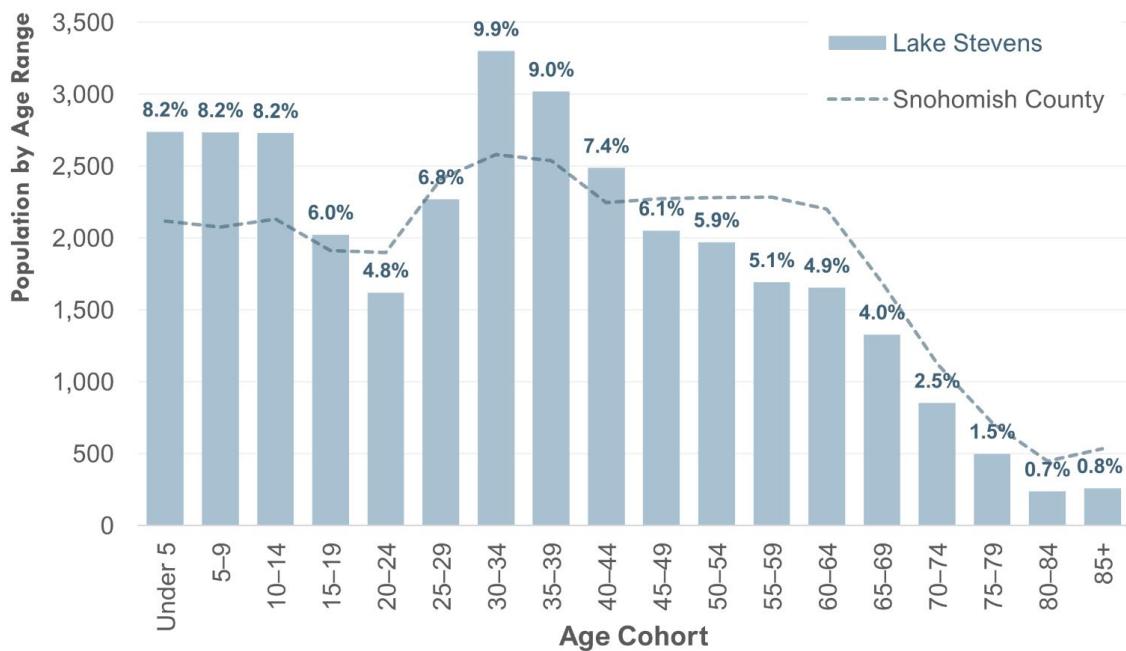
- **Lake Stevens has experienced significant growth over the past several years.** Due to new development and annexation, Lake Stevens has grown significantly, from 28,342 people in 2011 to 40,700 in 2022. This represents a growth rate of 3.2% per year, double the Snohomish County average of 1.6% per year. Expected targets for the city under the Countywide Planning Policies project more modest growth over the long term, increasing to 48,565 people for the city by 2044.
- **The community in Lake Stevens is young, but the proportion of senior households is increasing.** Compared with Snohomish County, Lake Stevens has a higher proportion of children up to 14 years old and adults ages 30 to 44. This is also reflected in the high local proportion of small families with 2 to 4 members, which form over half of the local households. However, from 2015 to 2020, households of senior couples increased the most, expanding by about 46%.
- **Local incomes are generally around the county average and have a narrower distribution.** Overall, Lake Stevens households had a median income of \$93,087 in 2020, higher than the County median of \$89,273. Compared to the County, family households are slightly lower, while non-family (typically people living alone) have slightly higher incomes. Lake Stevens also has a narrower distribution of household incomes (see Exhibit 38), with higher proportions of households with incomes between \$75,000 and \$200,000 than the County.
- **People of color represent a smaller proportion of the population than in the County.** In Lake Stevens, there are a greater proportion of white individuals than people of color than in the County. This is shown in the breakdown in Exhibit 41. Only 15% of local residents identify as people of color, with 9% identifying as Hispanic/Latino. In contrast, 27% of the County population identifies as a person of color.

Exhibit 29. Historical Population, Annexations, and Future Targets, Lake Stevens, 2000–2044.



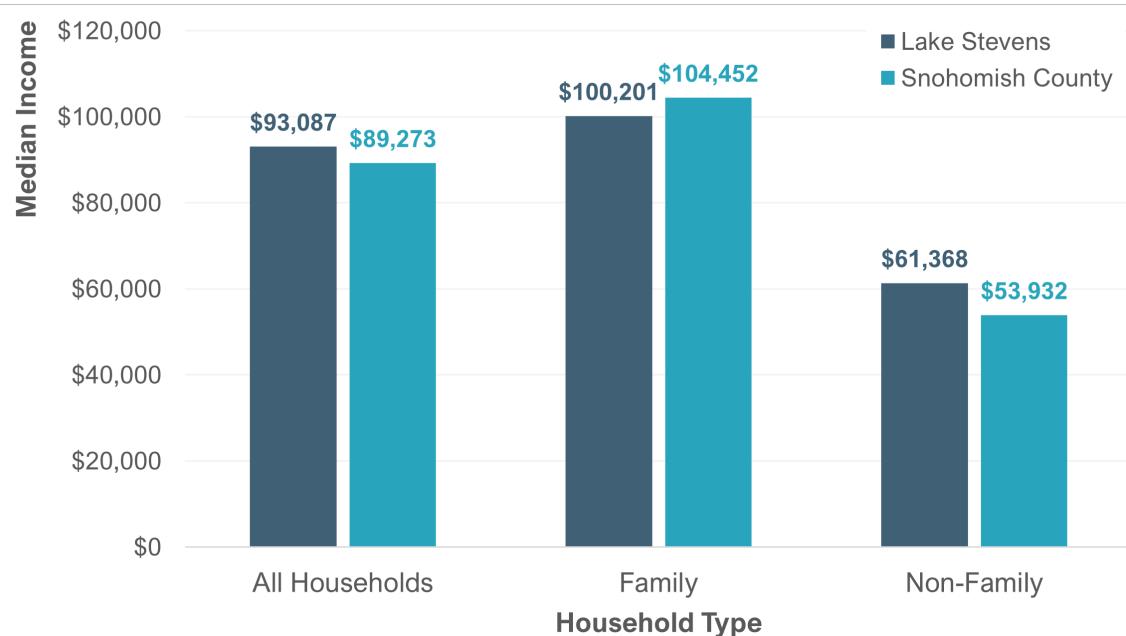
Sources: WA Office of Financial Management, 2022; Snohomish County, 2022.

Exhibit 30. Population Age Profile, Lake Stevens and Snohomish County, 2020.



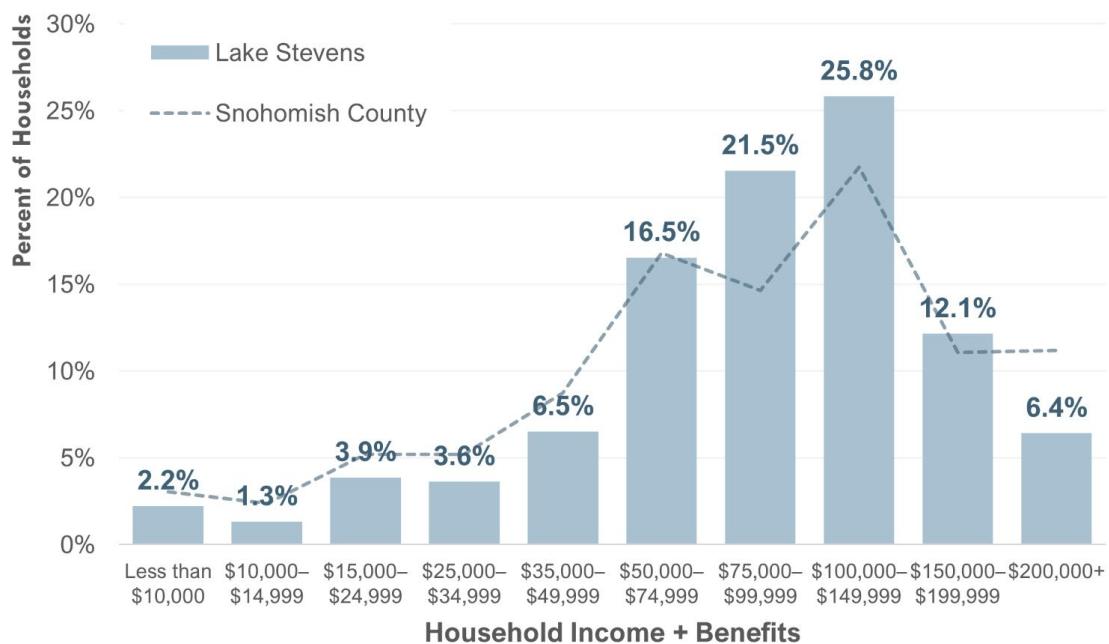
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 31. Median Income of Household Types, Lake Stevens and Snohomish County, 2020.



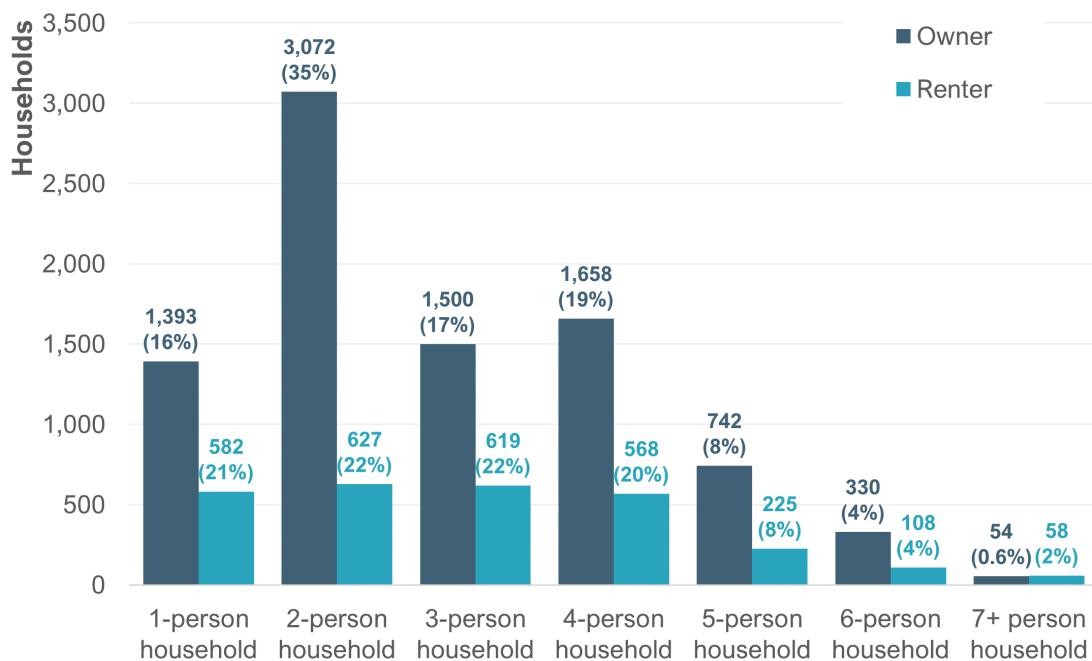
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 32. Distribution of Household Income, Lake Stevens, 2020.



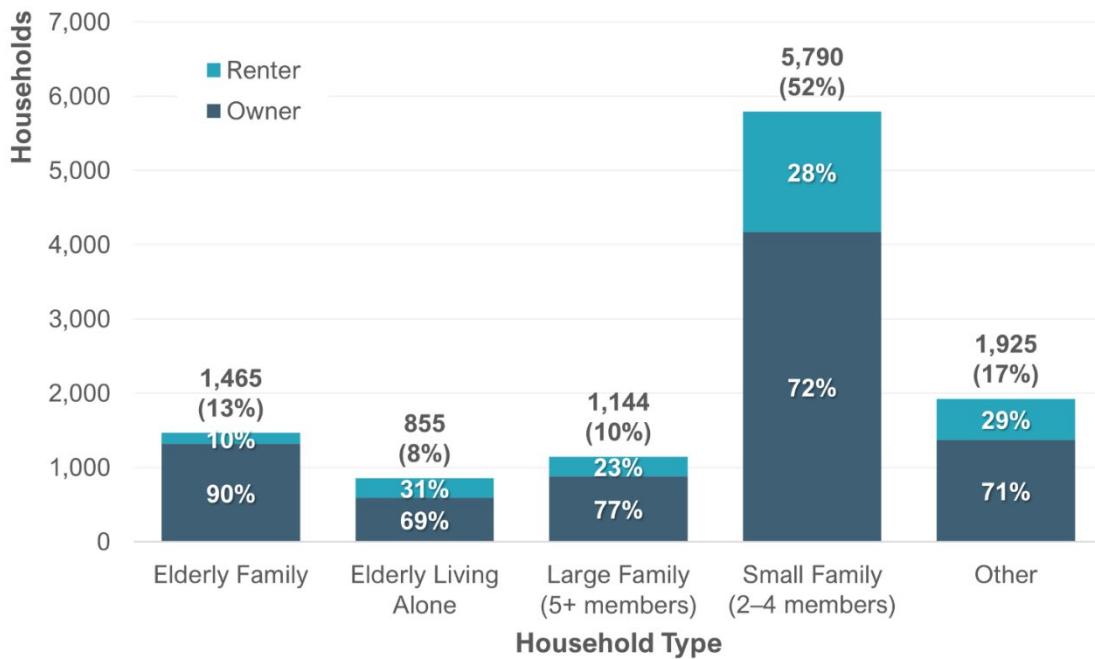
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 40. Distribution of Households by Size and Tenure, Lake Stevens, 2020.



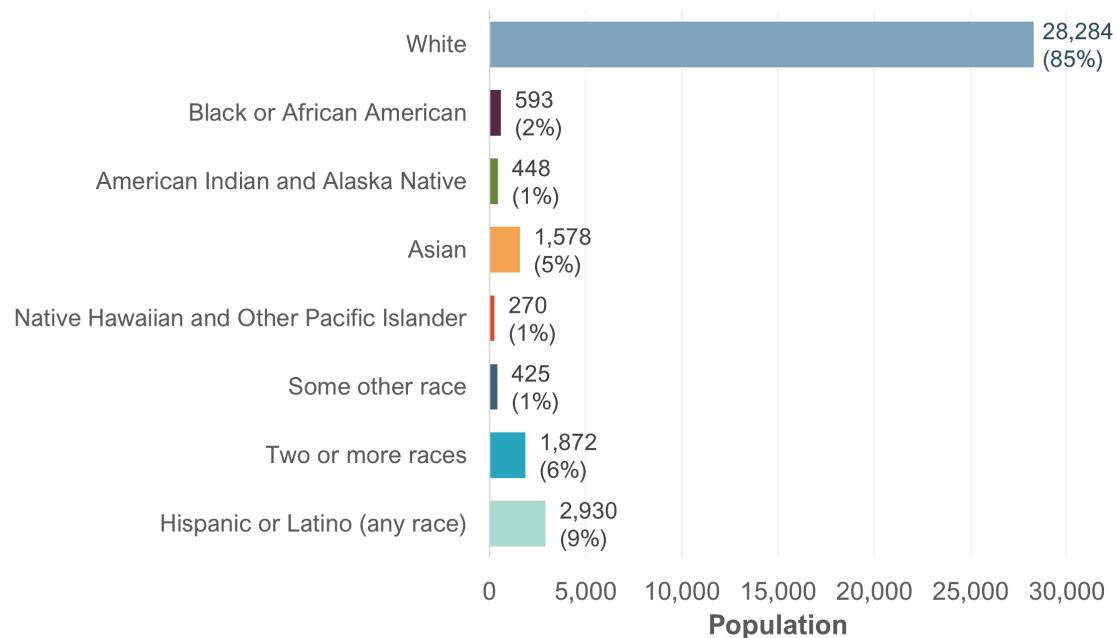
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 33. Distribution of Households by Type and Tenure, Lake Stevens, 2020.



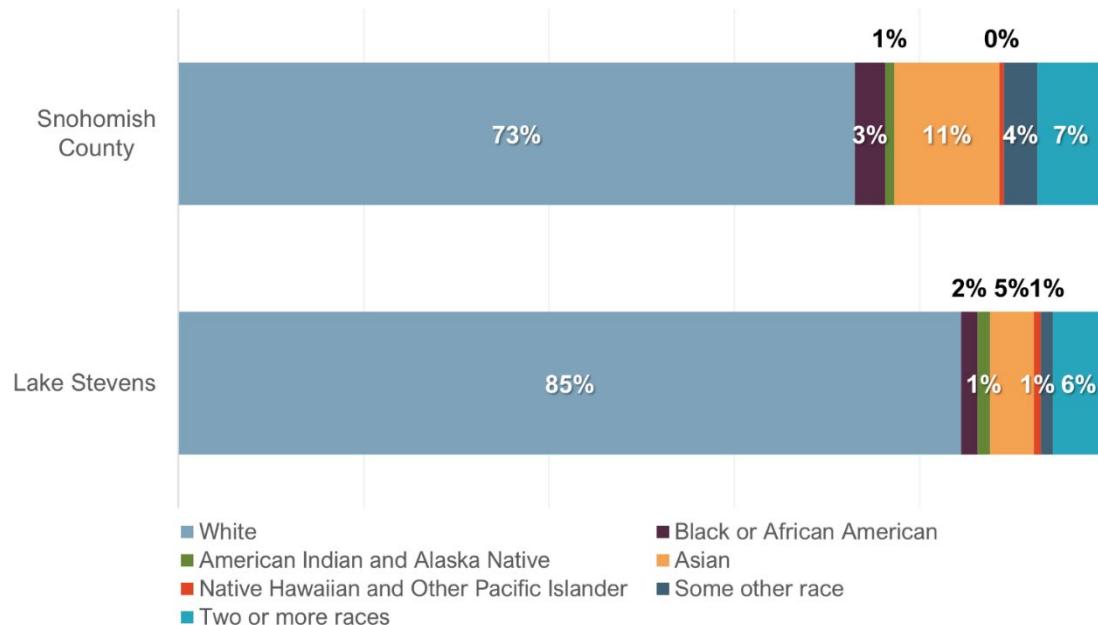
Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 34. Distribution of Population by Race/Ethnicity, Lake Stevens, 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Exhibit 35. Comparison of Population Distribution by Race. Lake Stevens and Snohomish County, 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

Housing Stock and Production

Exhibits 44 to 50 provide information about the current housing stock and historical housing production in Lake Stevens to highlight trends and potential gaps in available supplies. This information includes the following:

- Exhibit 44 provides the housing units found in the city from 1990 to 2022, as well as the housing units annexed during that time. (Note that the current Snohomish Countywide Planning Policies provide growth targets by population and not housing.)
- Exhibit 45 gives the breakdown of the current housing inventory in 2022 according to the type of units (e.g., single-family homes, apartments, manufactured homes, etc.).
- Exhibit 46 indicates the total frame housing completed over the past 10 years, from 2012 to 2022. Note that manufactured homes are not included in this figure, but do not account for a substantial amount of new housing over this period.
- Exhibit 47 provides an evaluate of the housing units developed by year between 2010 and 2022, as well as a breakdown of the housing types developed.
- Exhibit 48 compares housing production in Lake Stevens for 2012–2022 with surrounding communities in Snohomish County.
- Exhibit 49 presents the total number of ADUs developed from 2010 to 2022 based on OFM data.
- Exhibit 50 shows the buildable lands inventory conducted as part of the [2021 Buildable Lands Report](#). This information highlights vacant, underutilized, or partially used sites that would be able to accommodate additional growth.

One important note with these statistics is that information on housing production is based on the fiscal year basis used by OFM in reporting. This means that production for each listed year represents the last three quarters of the previous year and the first quarter of the year provided.

The following conclusions can be drawn from this information:

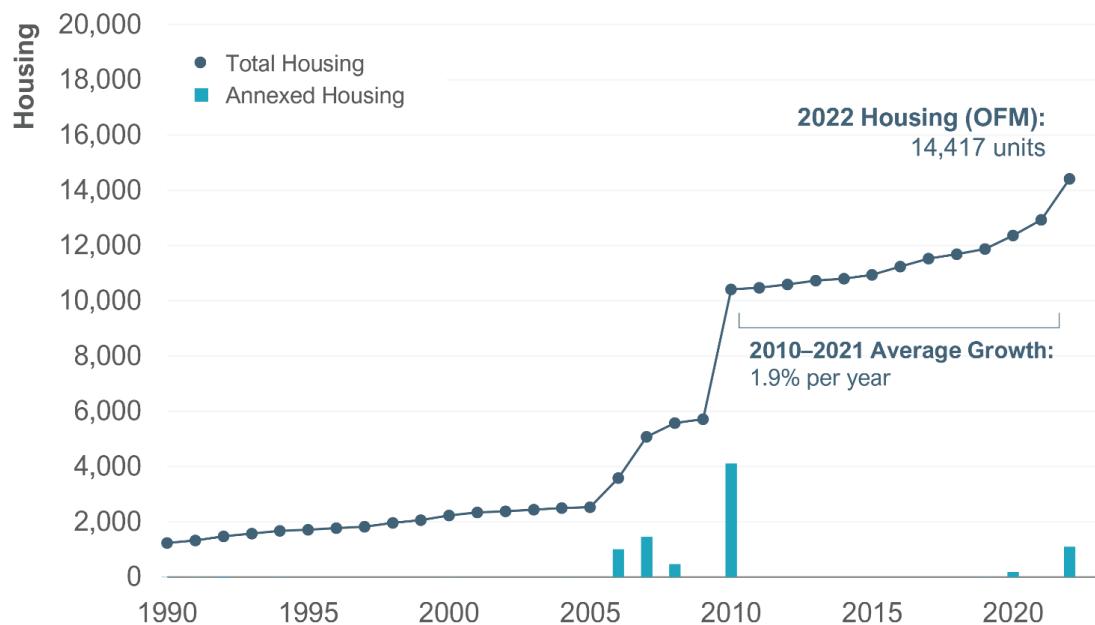
- **Single-family housing dominates Lake Stevens' housing stock and recent production.** As of April 2022, Lake Stevens had 14,417 housing units. About 81% of housing in Lake Stevens is single-family detached housing, with an additional 3% being manufactured or manufactured homes. Since 2012, single-family homes have also dominated housing production, outpacing production of all other types. This housing composition is not uncommon for a community lacking transit options and urban centers but is notably different than other communities in the county.
- **Recent housing production favored larger multifamily projects.** In recent developments, multifamily development has been skewed more toward larger multifamily projects with five or more units. This represented about 16% of total production between 2012 and 2022, with most of this stock coming online in 2021 and 2022.
- **Recently ADU production has been limited but is growing.** When examining permit records on ADU production, only about 11 units have been produced since 2019.

However, six of those units were produced between April 2021 and 2022, reflecting a notable (but slight) increase in the uptake of the program.

- **Future development will need to be accommodated re-developable and infill sites.**

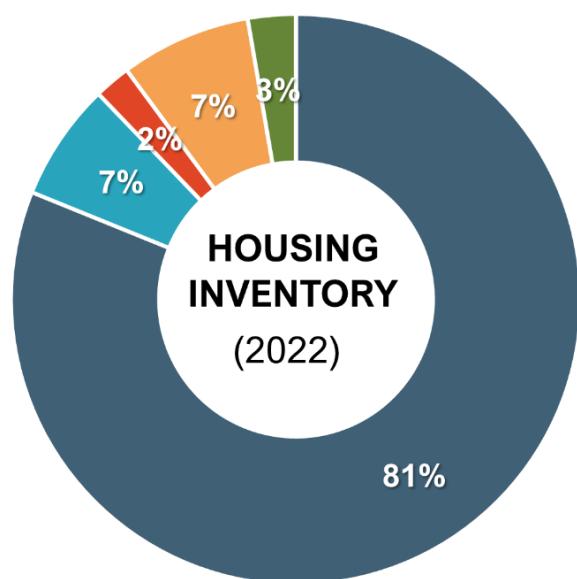
Estimates of future growth capacity in Lake Stevens suggest that long-term growth can be accommodated within the UGA, with the [2021 Buildable Lands Report](#) indicating that up to 4,311 housing units can be accommodated in the city and UGA, about 2,080 units of which is in pending projects within the development pipeline. However, only 8% of this capacity consists of vacant lands, meaning that a large proportion of the remaining capacity is in redevelopable (28%) and infill (17%) sites.

Exhibit 36. Total Housing Units and Annexed Housing, Lake Stevens, 1990–2022.



Source: Washington Office of Financial Management, 2022.

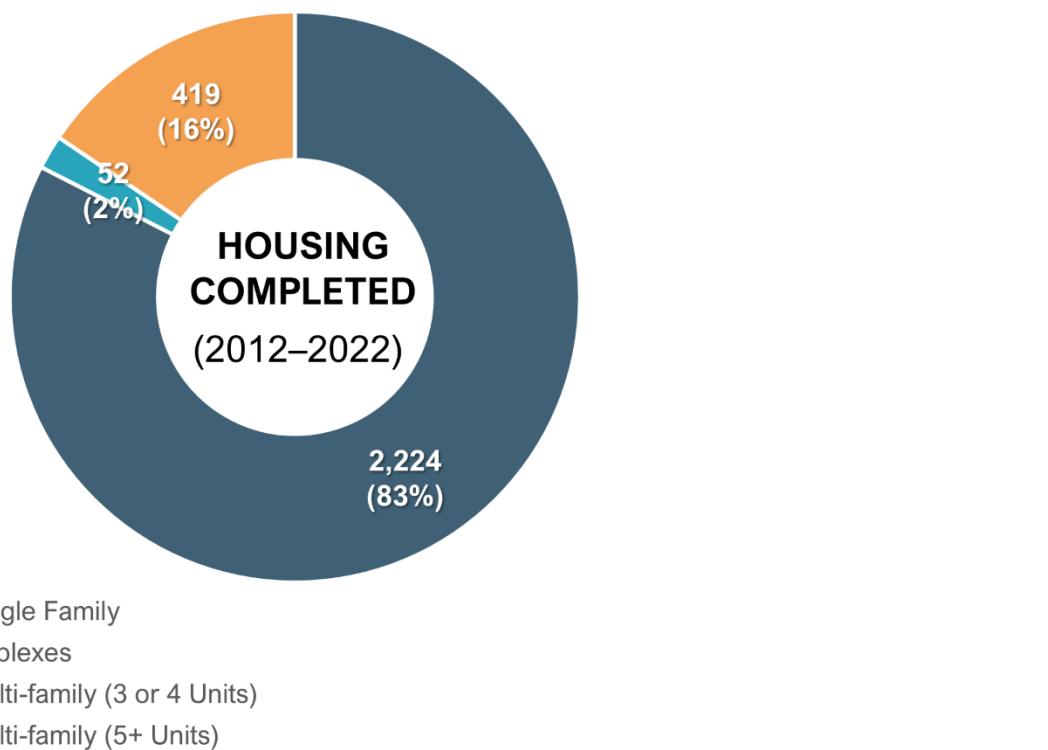
Exhibit 37. Housing Inventory, Lake Stevens, 2022.



- Single Family
- Duplexes
- Multi-family (3 or 4 Units)
- Multi-family (5+ Units)
- Mobile Homes

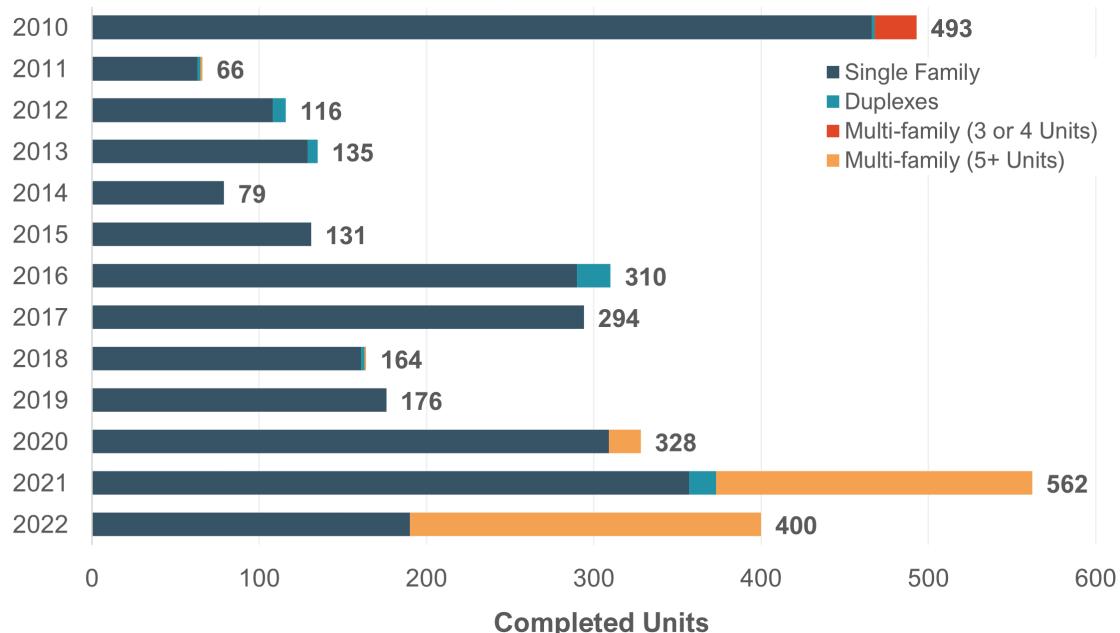
Source: Washington Office of Financial Management, 2022.

Exhibit 38. Total Housing Completed by Type, Lake Stevens, 2010–2022.



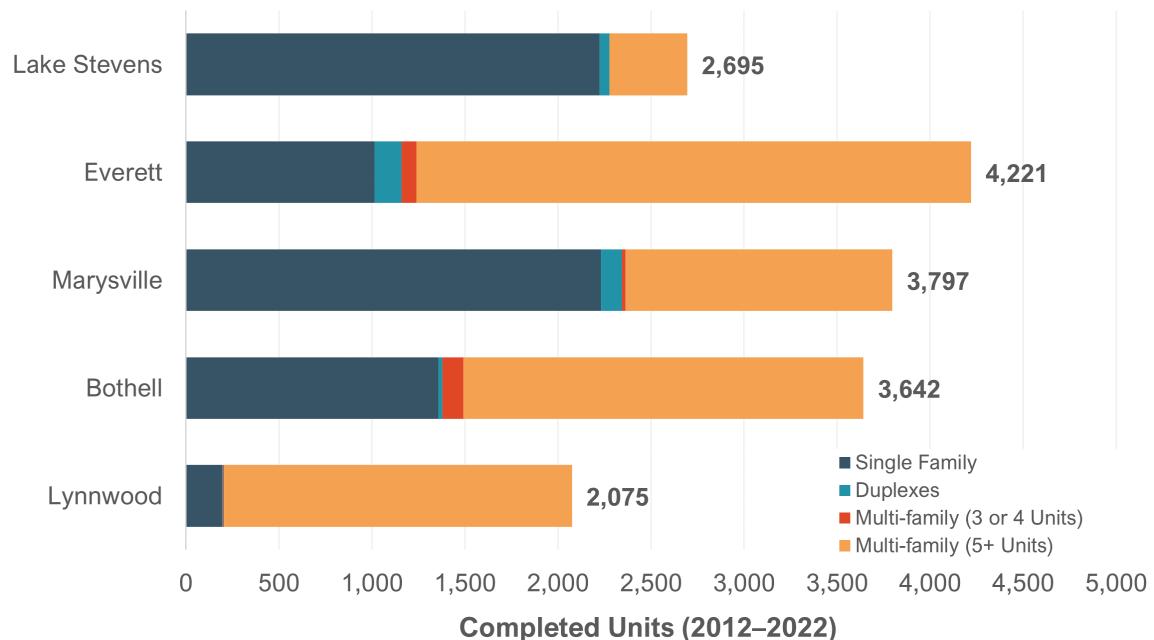
Source: Washington Office of Financial Management, 2022.

Exhibit 39. Housing Completed by Year and Type, Lake Stevens, 2010–2022.



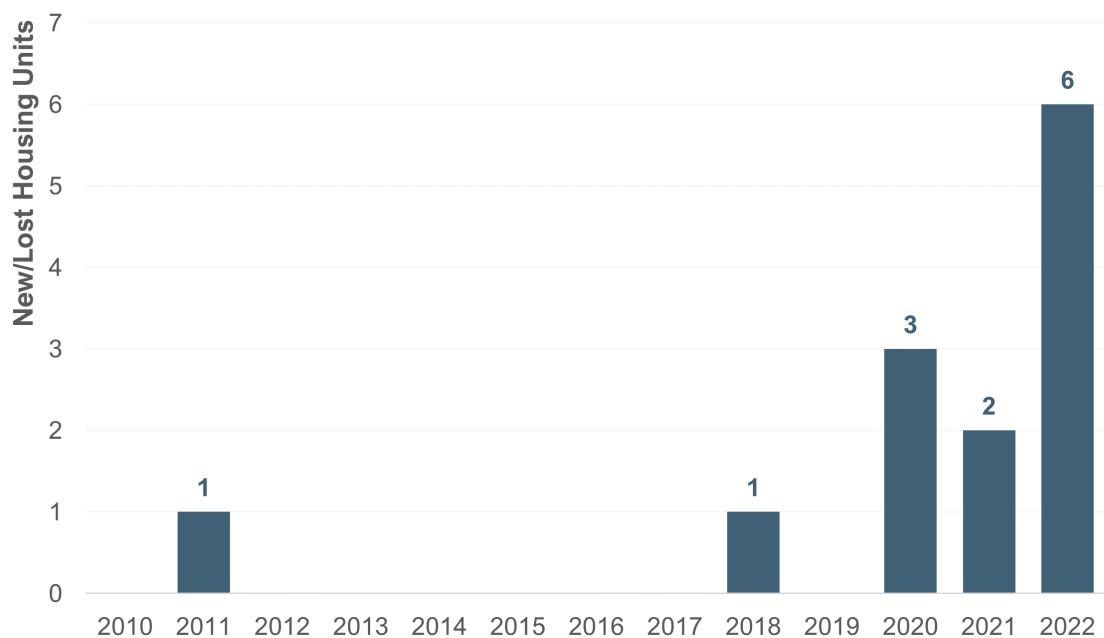
Source: Washington Office of Financial Management, 2022.

Exhibit 40. Comparisons of Housing Units Completed by City, 2012–2022.



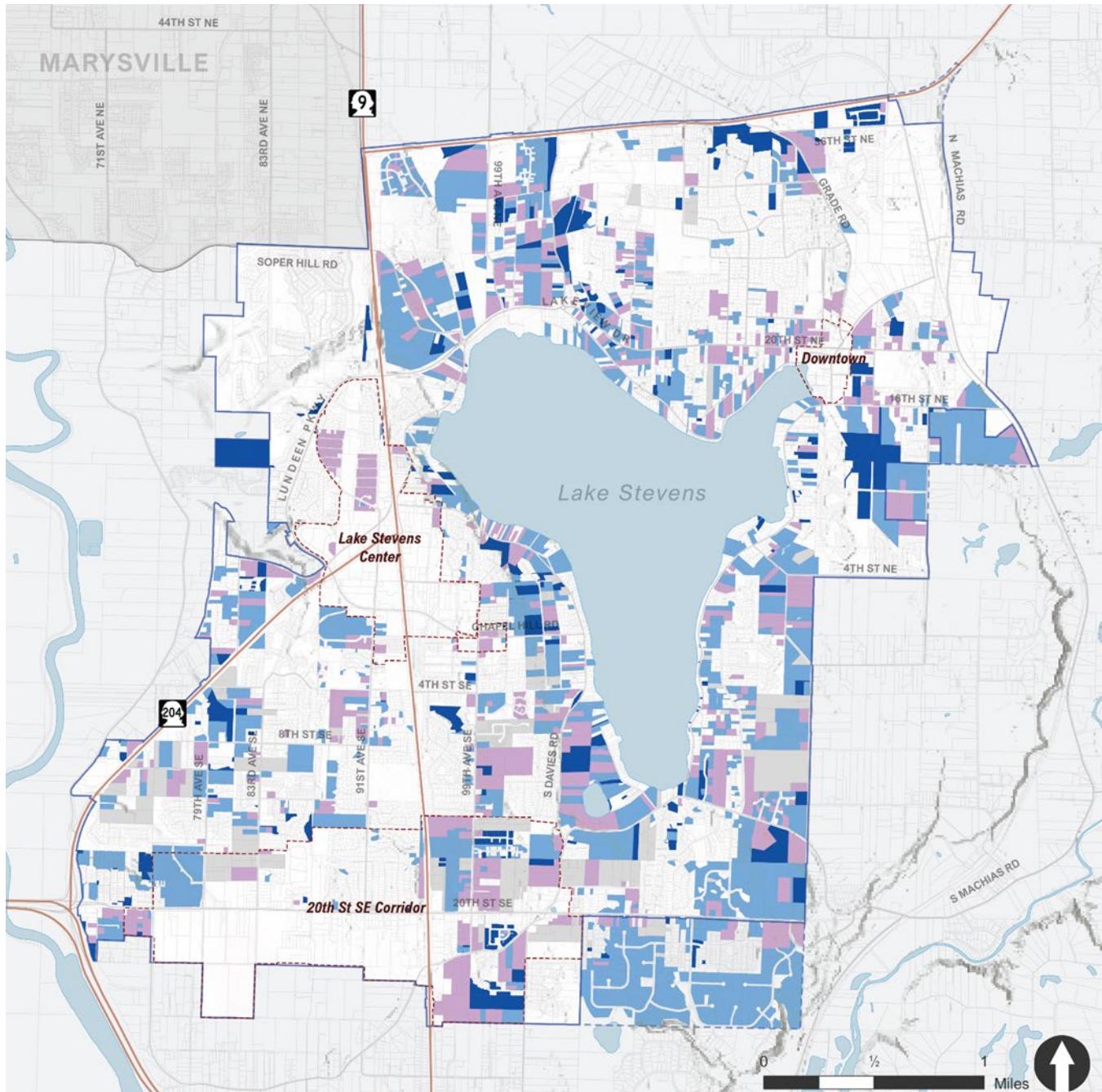
Source: Washington Office of Financial Management, 2022.

Exhibit 49. ADUs Completed by Year, Lake Stevens, 2010–2022.



Source: Washington Office of Financial Management, 2022.

Exhibit 50. Buildable Lands Inventory, Lake Stevens, 2021.



Legend

- City of Lake Stevens
- Lake Stevens UGA
- Subareas
-
- Water

Residential Buildable Lands

- Vacant
- Partially-Used
- Redevelopable
- Pending

BERK

Map Date: September 2022

- Highways
- Arterials
- Roads

Sources: Snohomish County GIS, 2022;
ESRI, 2022; City of Lake Stevens, 2022;
BERK, 2022.

Residential Real Estate Markets

Residential real estate data can provide current insights on housing prices and trends as of October 2022. This information is drawn primarily from CoStar for rental housing statistics and from Zillow for information on owner-occupied housing.

The exhibits included below (Exhibits 51 to 57) provide the following information:

- Exhibit 51 presents data on effective rents (calculated as asking rents less concessions) for rental units in Lake Stevens by unit size (number of bedrooms) between 2000 and 2022.
- Exhibit 52 uses the data provided in Exhibit 51 and calculates these rents as a percentage of median family income from the ACS.³⁶
- Exhibit 53 gives the year-over-year changes in rent between 2001 and 2022 for Lake Stevens and the broader Seattle metro area.
- Exhibit 54 provides stabilized vacancy rates for 2000–2022 for Lake Stevens and the broader Seattle metro area.
- Exhibit 55 shows the sales volume and sale price per unit for purchases of multifamily housing in Lake Stevens from 2000 to 2022.
- Exhibit 56 provides the “Zillow Housing Value Index” (ZHVI) from 2004 to 2022, which is a constant-quality index that provides a general measure of the sale price of a home in Lake Stevens. This main ZHVI value provided gives estimates based on the middle third of the housing stock in the city by house value, while the “high” and “low” values on the chart represent the top third and bottom third by value. For comparison, the Snohomish County and Seattle metro mid-range values are also provided.
- Exhibit 57 presents the ratio of the ZHVI with median family income for Lake Stevens, determined similarly to the values provided for Exhibit 52. While this does not indicate the monthly housing costs for homeowners in the city, it can highlight the differences between household incomes and housing prices over time.

This information highlights the following:

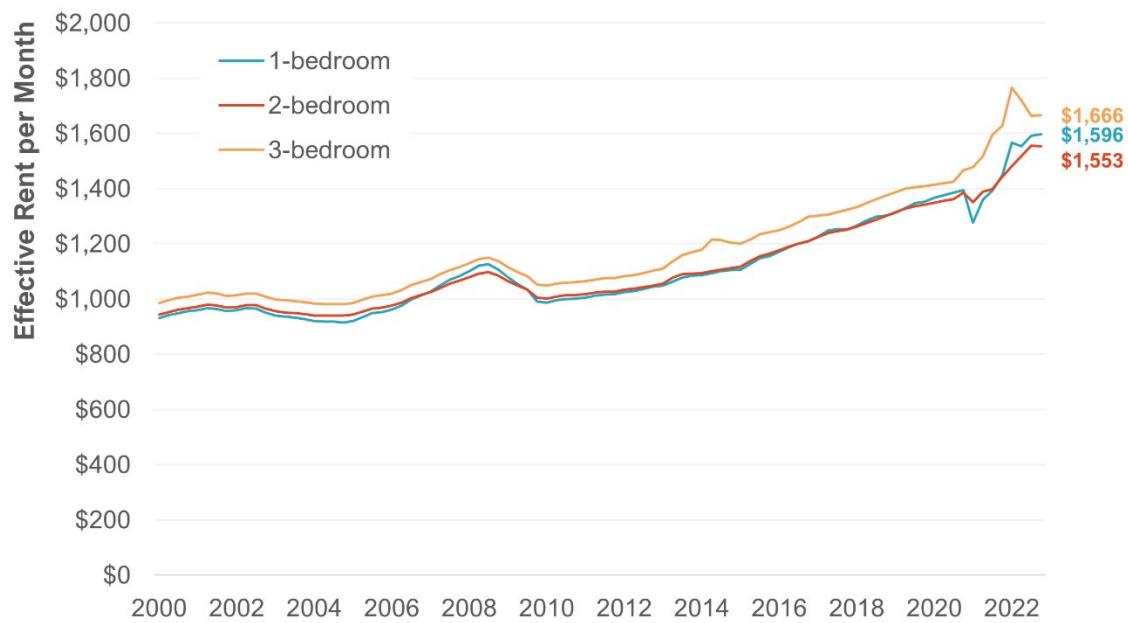
- **Rents for Lake Stevens have largely kept pace with local incomes.** Although rents in Lake Stevens have increased steadily since 2010, this has grown at a rate comparable to local median incomes. One-bedroom apartments are projected to be affordable to households at around 76% of the city's median family income. Two- and three-bedroom apartments are affordable at 62% and 58% of the median income, respectively. This has not experienced drastic changes recently; note that all of these values peaked in 2016.
- **However, recent rent growth suggests that affordability could become more of an issue.** Current rents as of October 2022 have increased by 8.8% from Q4 2021. This represents a significant post-pandemic increase in rents and outpaced the increases in Snohomish County for Q4 (6.2% YOY). Higher short-term increases may reflect additional

³⁶ Note that for 2021 and 2022, median incomes are projected using methods comparable to those used by HUD in calculating current Area Median Income statistics.

short-term challenges with affordability that would not be reflected in the affordability measures discussed previously.

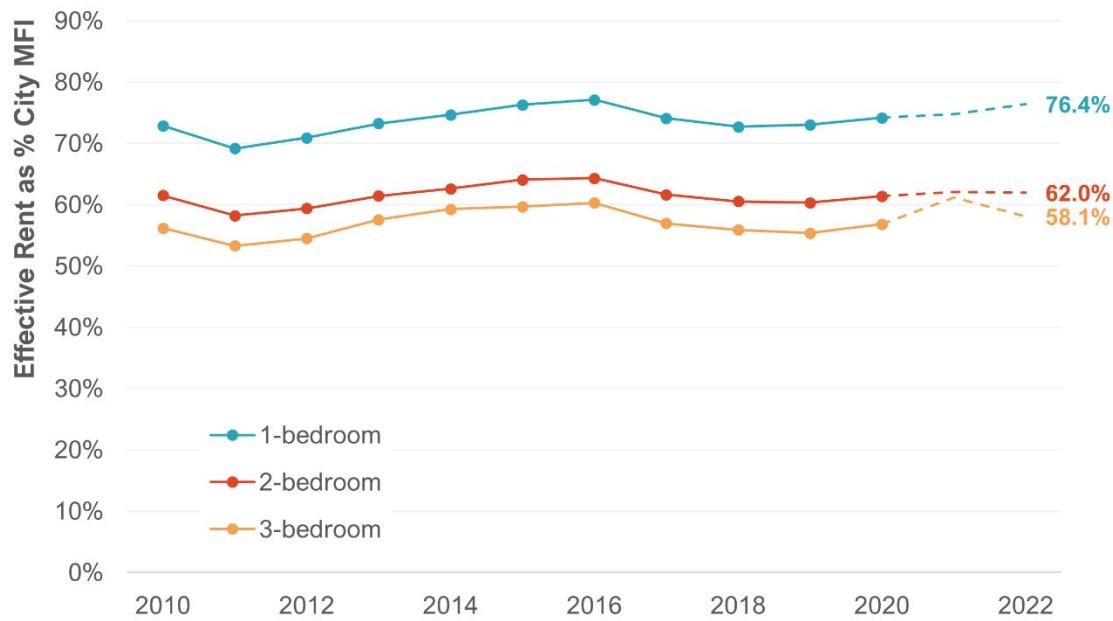
- **Vacancy rates have been low in Lake Stevens.** Stabilized vacancy rates available from CoStar highlight that the rental market in Lake Stevens may be tighter than in Snohomish County as a whole, with 3.0% vacancy rates in October versus 4.2% for the rest of the county. Generally, vacancy rates for Lake Stevens have been lower than the county over time.
- **Recent sales have suggested more private market activity with multifamily residential real estate.** Although the Lake Stevens market has been characterized by relatively low sales volume for multifamily real estate over the past 20 years, recent activity and sharper increases in estimated sales prices per unit indicate more private equity demand for multifamily development.
- **Owner-occupied housing has experienced significant increases in sales prices, but the market is poised for a correction.** Unlike rental housing in Lake Stevens, which has been relatively stable in comparison to median family income, owner-occupied housing prices have been increasing notably faster than incomes, a trend also reflected in regional and national markets. After the trough in prices experienced in 2012, housing prices have increased from about 2.86 times median income to an estimated 6.23 times income. While a correction has been noted in the most recent data available, it is not likely to result in significant increases in affordability given increases in mortgage interest rates.

Exhibit 41. Effective Rent by Unit Size, Lake Stevens, 2000–2022.



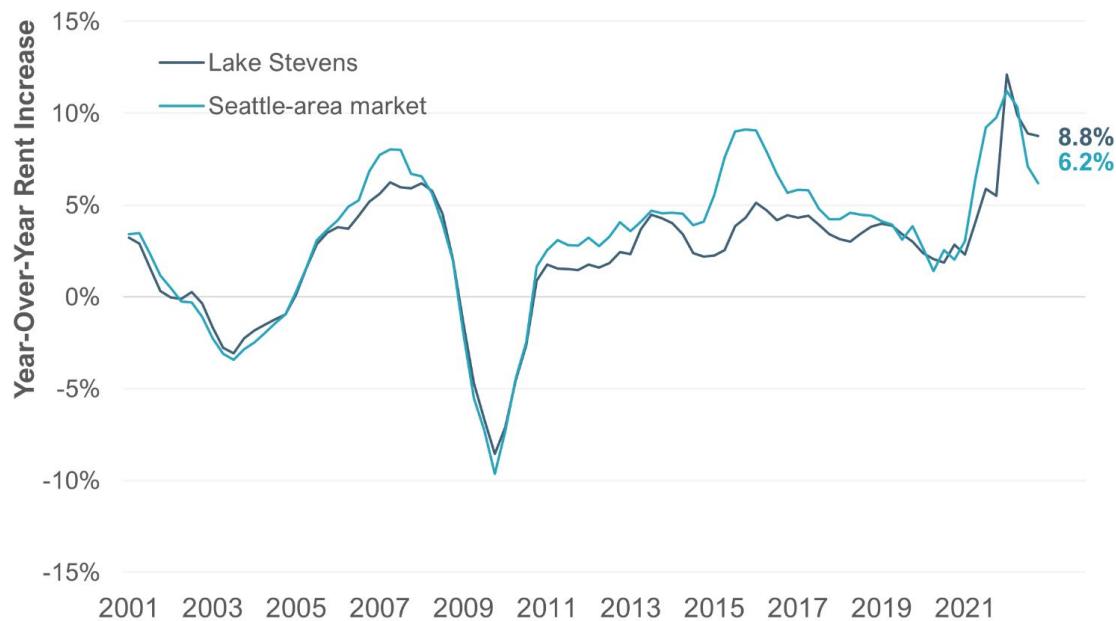
Source: CoStar, 2022.

Exhibit 42. Affordability of Effective Rent in % Local Median Income, Lake Stevens, 2010–2022.



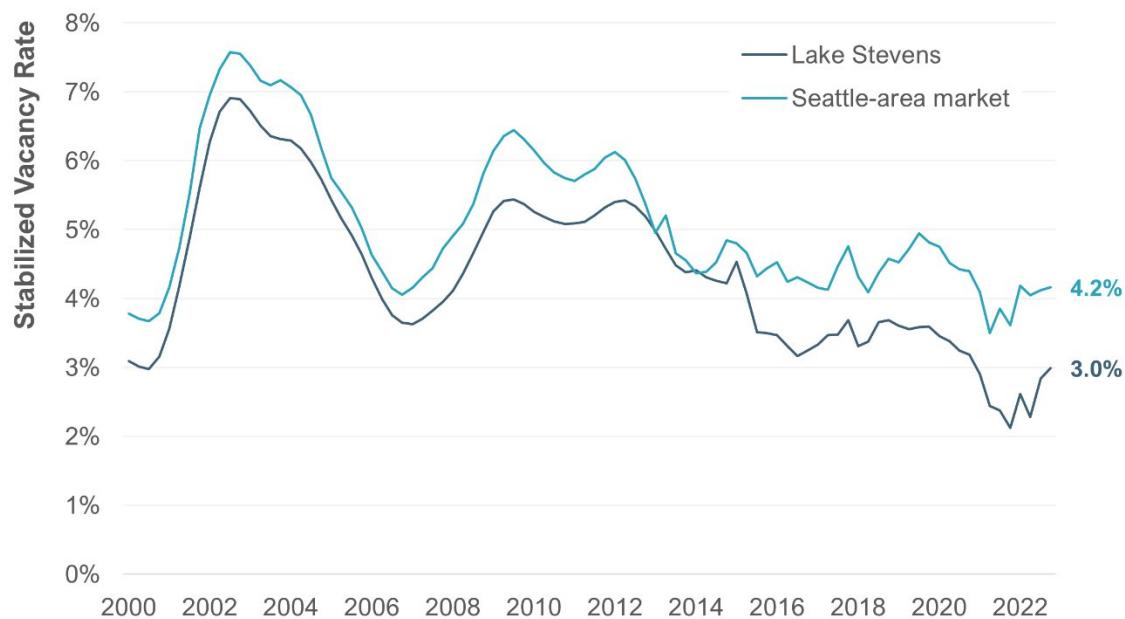
Source: US Census Bureau, American Community Survey 5-Year Estimates, 2010–2020.

Exhibit 43. Year-Over-Year Rent Changes, Lake Stevens and Seattle Metro Area, 2001–2022.



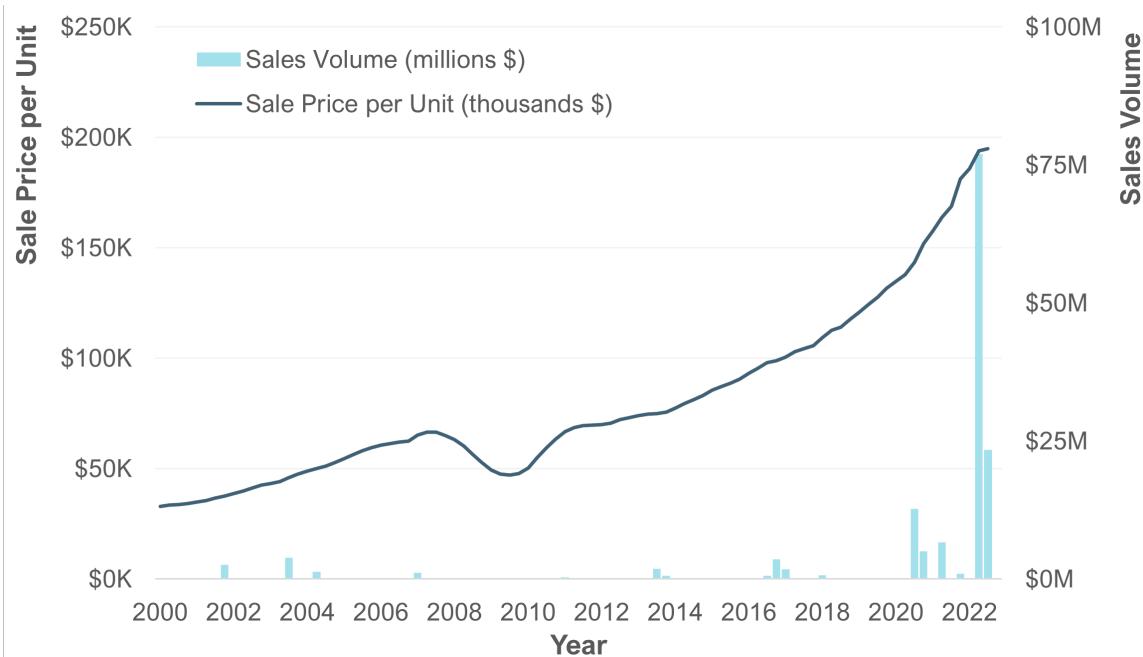
Source: CoStar, 2022.

Exhibit 44. Stabilized Vacancy Rates, Lake Stevens and Seattle Metro Area, 2010–2022.



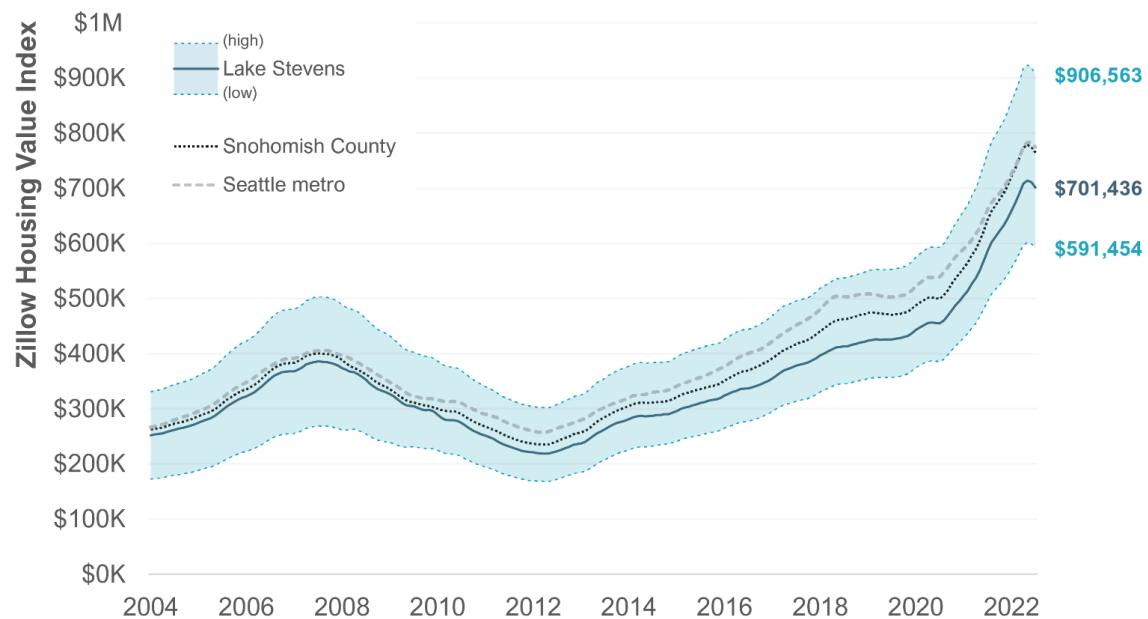
Source: CoStar, 2022.

Exhibit 45. Sales Volume and Average Sale Price per Unit, Lake Stevens, 2000–2022.



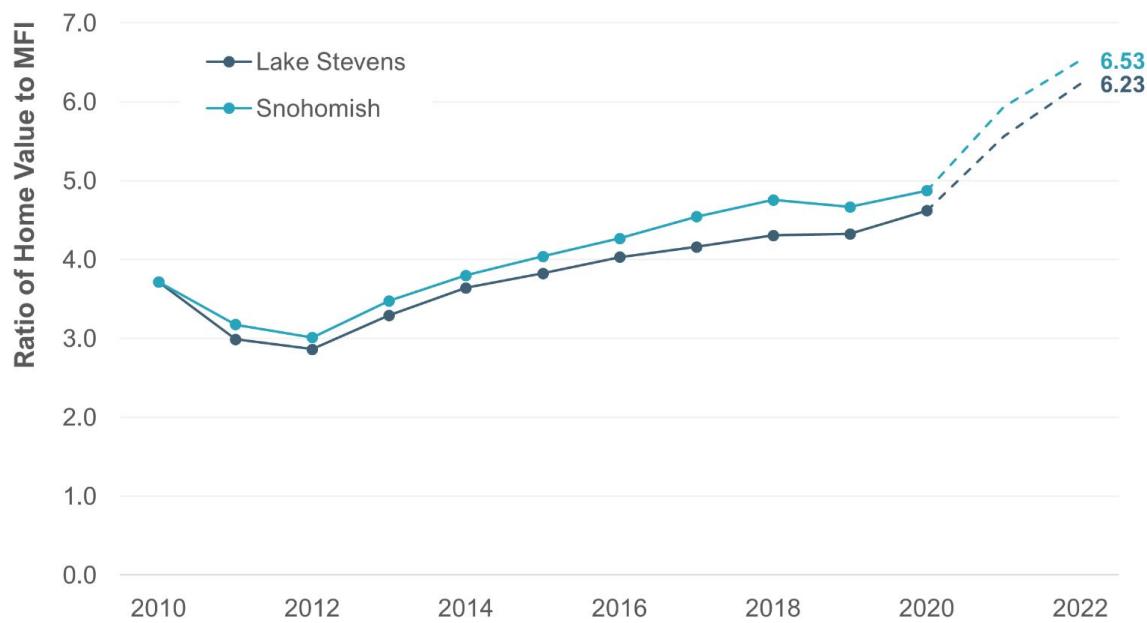
Source: CoStar, 2022.

Exhibit 46. Zillow Housing Value Index, Lake Stevens, 2004–2022.



Source: Zillow, 2022.

Exhibit 47. Ratio of Housing Price Index to Median Family Income, Lake Stevens, 2010–2022.



Source: Zillow, 2022; US Census Bureau, American Community Survey 5-Year Estimates, 2010–2020.

Housing Affordability

The characteristics of supply and demand presented above lead into discussions of housing affordability for households in the community. Exhibits 58 to 63 summarize major statistics, largely from the 2019 CHAS dataset, which highlight potential mismatches and housing burdens faced by Lake Stevens households. This information includes the following:

- Exhibit 58 gives the tenure of households in Lake Stevens, divided between households that rent their housing, those that own their homes and have a mortgage, and those that own and have no mortgage.
- Exhibit 59 compares this tenure information with other surrounding communities and with Snohomish County overall.
- Exhibit 60 provides the proportion of households by both tenure and income categories for Lake Stevens and Snohomish County.
- Exhibit 61 gives the proportion of households that are facing housing cost challenges. This includes households that are cost burdened and paying between 30 and 50% of their household income on housing costs, and severely cost burdened households paying over half of their income on housing.
- Exhibit 62 compares the proportion of households by income in Lake Stevens and Snohomish County with the availability of affordable rental units where they will not be cost burdened and paying more than 30% of their income on housing costs.
- Exhibit 63 provides an assessment of uprenting and downrenting. This figure indicates the households in each category by the income category of the household and the size of units they occupy. Each of these categories is further divided based on the household housing costs to denote:
 - “Uprenting” households that are occupying a unit affordable to a higher-income category (shown in red), which suggests that the household is paying more than 30% of their rent on housing costs.
 - “Downrenting” households that are occupying units affordable to lower-income categories (shown in blue), which indicates households that are occupying units affordable to lower-income households and potentially taking up supplies of housing needed by other households.

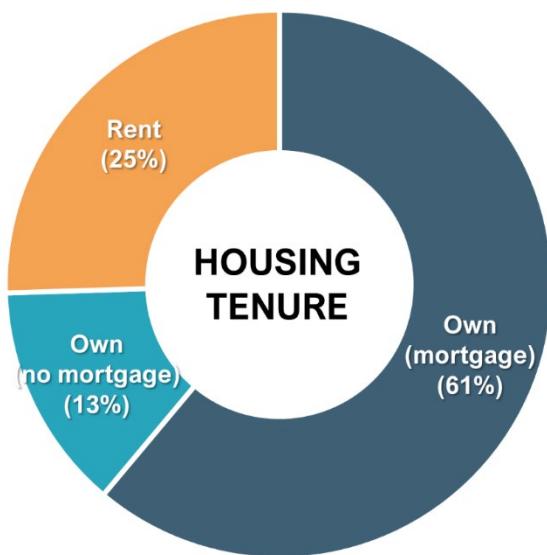
Based on these figures, the following conclusions can be reached:

- **About three-quarters of households in Lake Stevens own their homes.** For Lake Stevens, about 61% of households own their home and have a mortgage, while 13% own their home with no mortgage. Compared to the County overall, a smaller proportion rent (33% in the county versus 25% in Lake Stevens) and a smaller proportion own their home outright (17% versus 13%).
- **A greater proportion of renters have lower household income.** In 2019, about 31% of Lake Stevens households could be considered to have low income (less than 80% of the area median income). As noted previously, this is a lower average than the County.

However, renters form a disproportionate amount of these households, with 60% of households as low-income or lower.

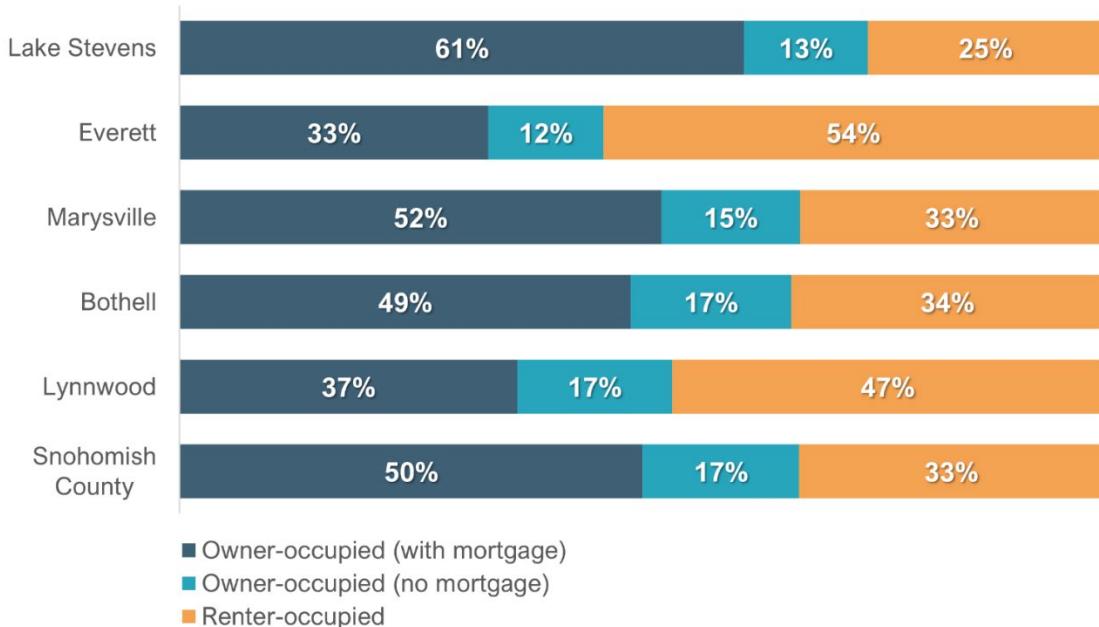
- **This also means that a greater proportion of renters are facing increased housing burdens.** For Lake Stevens, over half of renters are facing some type of cost burden, with 36% considered “cost burdened” in 2019 and paying 30 to 50% of their income on housing, and 16% “severely cost burdened” and paying over half their income on housing. Overall, about 53% of local renters are facing cost burdens of some kind, which is higher than the county average of 45%. Most of the cost burdened households are making 80% of the area median income or less.
- **There are shortfalls in the availability of affordable rental units at both the high and low ends of the market.** When comparing household incomes with the affordability of local rents, there are gaps at the market’s high and low ends. While 19% of households are extremely low income, only about 10% of available units are affordable at this income range, meaning that many will need to “uprent” and spend a greater proportion of their income on housing. On the other end of the distribution, while 40% of households are making greater than area median income, only 19% of units have comparable rents. This means that at the higher end of the distribution, some wealthier households may be “downrenting,” and occupying housing that would otherwise be affordable for lower-income households.
- **The greatest magnitude of need appears to be with family-sized housing.** For both uprenting and downrenting, the largest need appears to be with family-sized housing with three bedrooms or more. For higher-end rental housing, this reflects the greatest number of downrenting households, while for households that are very low- and extremely low-income (50% of area median income or less), the greatest magnitude of need would appear to be with those larger units.

Exhibit 48. Housing Tenure, Lake Stevens, 2019.



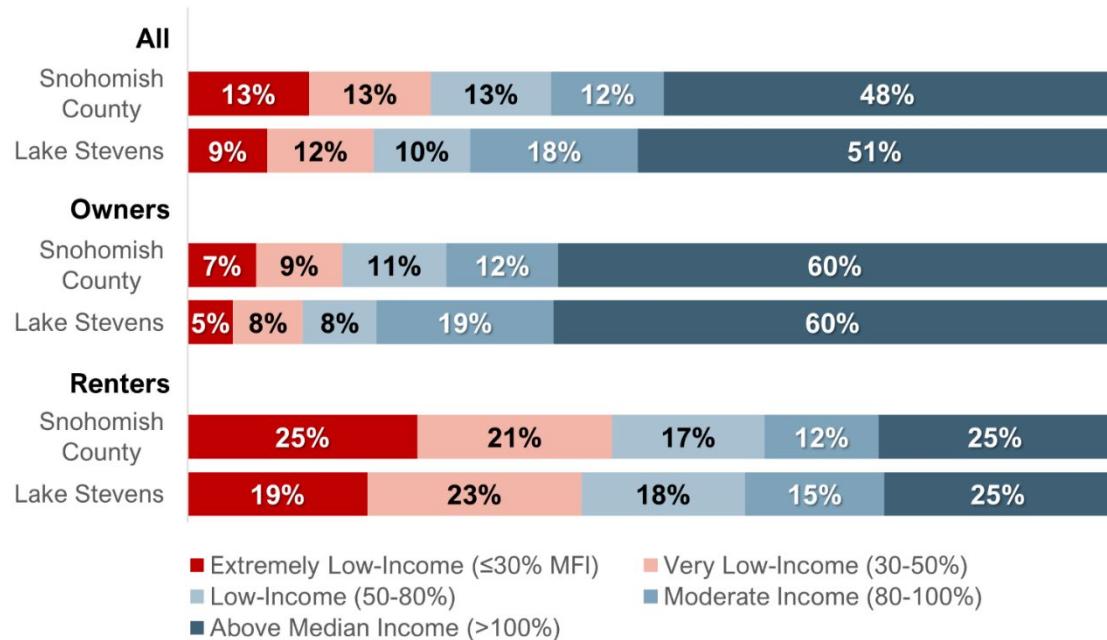
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 59. Housing Tenure, Lake Stevens and Area Communities, 2019.



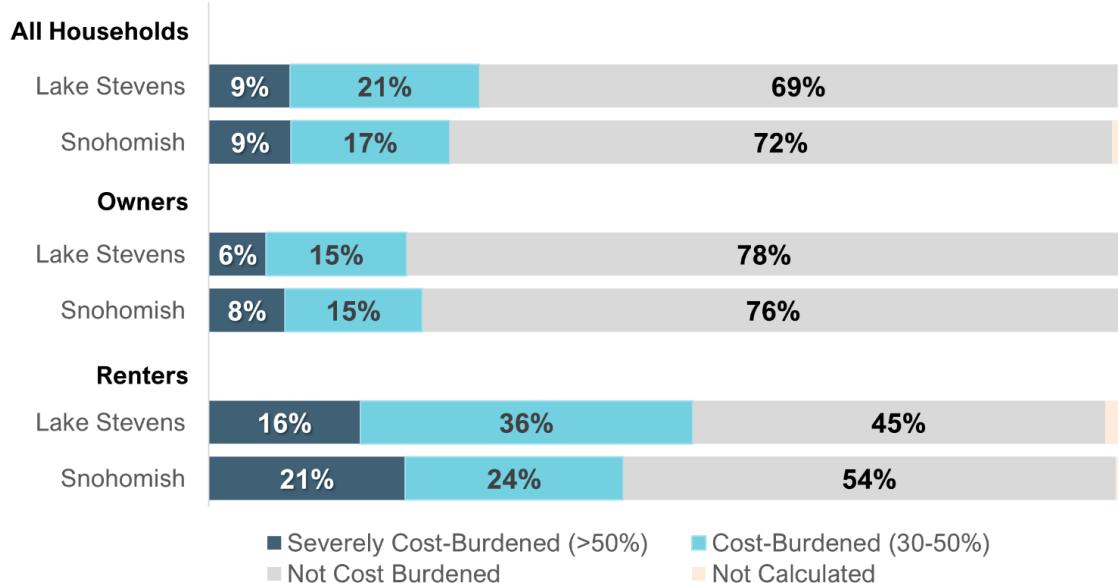
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 60. Proportion of Households, Tenure & Income, Lake Stevens and Snohomish Co, 2019.



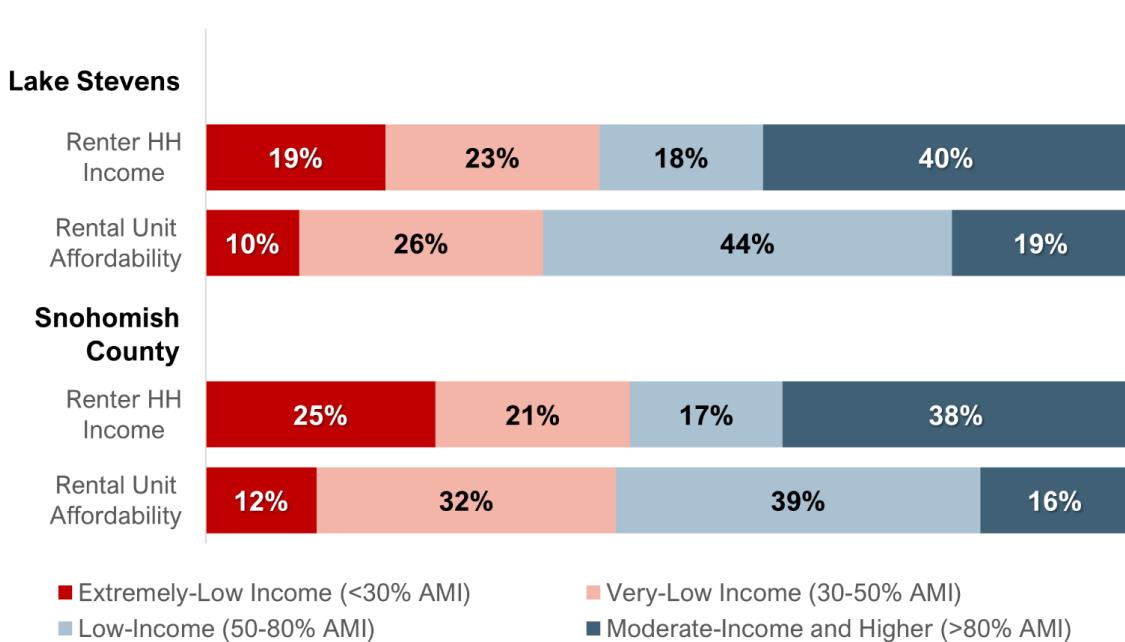
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 49. Prop. of HHs by Tenure & Housing Burden, Lake Stevens & Snohomish Co, 2019.



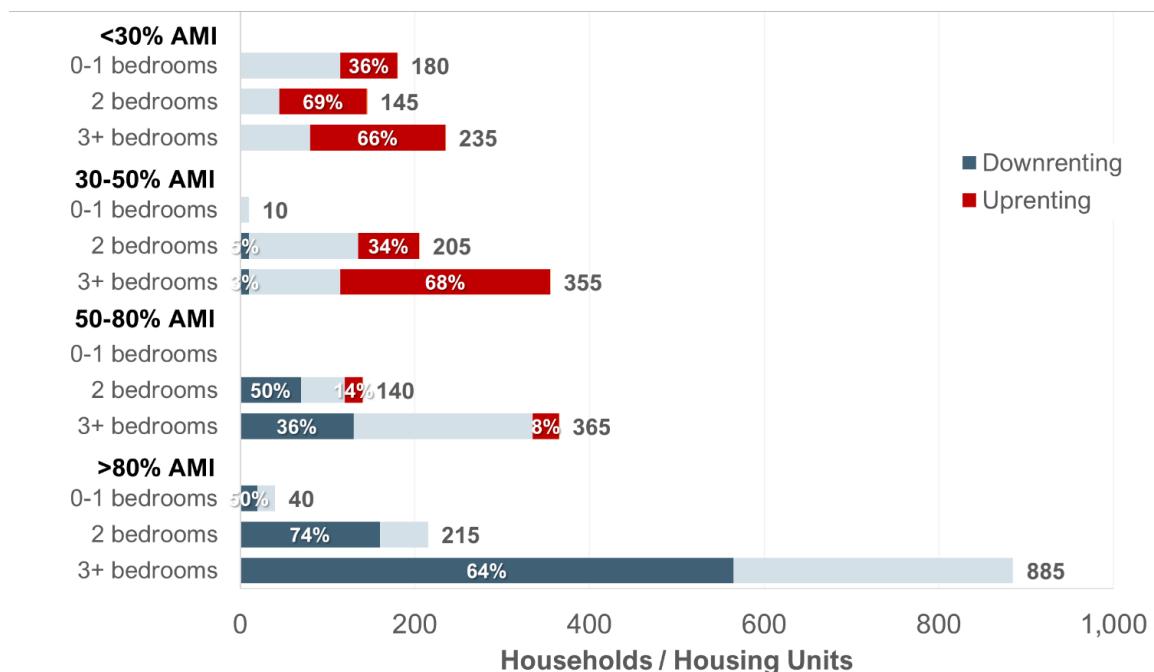
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 50. Proportion of Households, Tenure and Affordability, Lake Stevens and County, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 51. Renting Households by Urenting/Downrenting, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Housing Equity

One final element of this assessment is to determine whether differences in housing cost burdens are faced by various groups in the community. This focuses on issues related to race and ethnicity and housing access, but this section also includes a discussion of how certain disabilities may also need to be considered as part of this type of equity assessment. This work can help to support the new requirements in the *Growth Management Act* to address racially disparate impacts in housing.

It should be noted for this assessment that because of the size of the community, it can be difficult to access information that can provide fine-grained estimates of specific neighborhoods or locations where traditionally disadvantaged groups may be located. In this circumstance it is important to reinforce that Lake Stevens still has a role in supporting housing equity across the region and can help to address broader issues of access to housing.

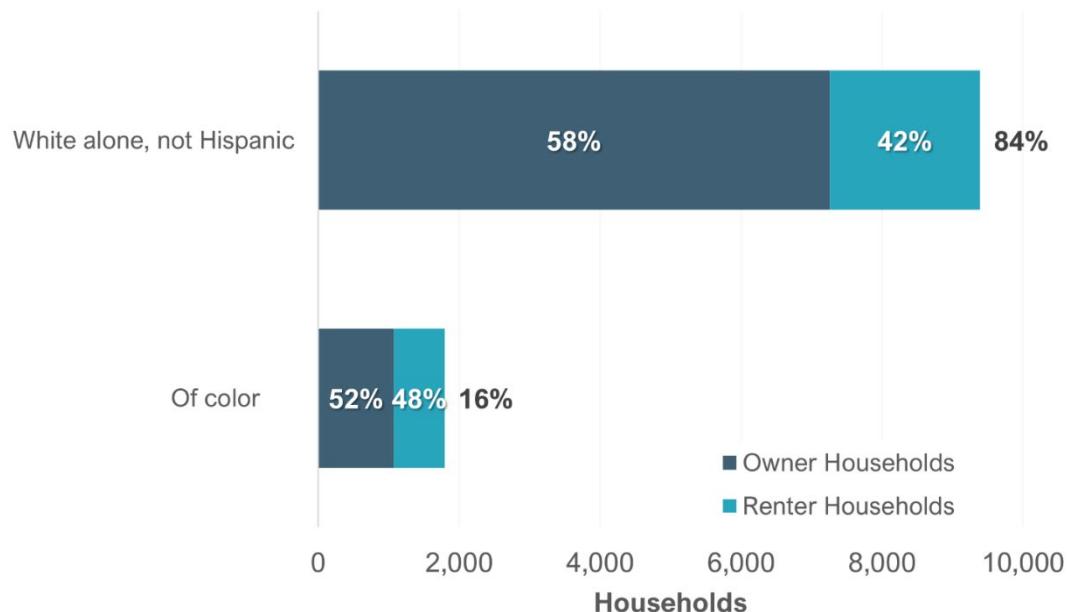
Exhibits 64 through 69 provide relevant information, including the following:

- Exhibit 64 highlights the differences between the tenure of households with householders (the person who owns the housing unit or holds the rental contract) that identify as white or persons of color.
- Exhibit 65 provides the distribution of household incomes by race and ethnicity.
- Exhibit 66 compares the proportional income distribution for households, aggregated to broad categories of race/ethnicity.
- Exhibit 67 presents rental cost burdens by household race/ethnicity.
- Exhibit 68 highlights proportional differences in rental cost burdens, aggregated to broad categories of race/ethnicity.
- Exhibit 69 provides distributions of renters that include at least one member living with a disability, with a focus on disabilities that relate to limitations to self-care or independent living.

This information provides the following findings:

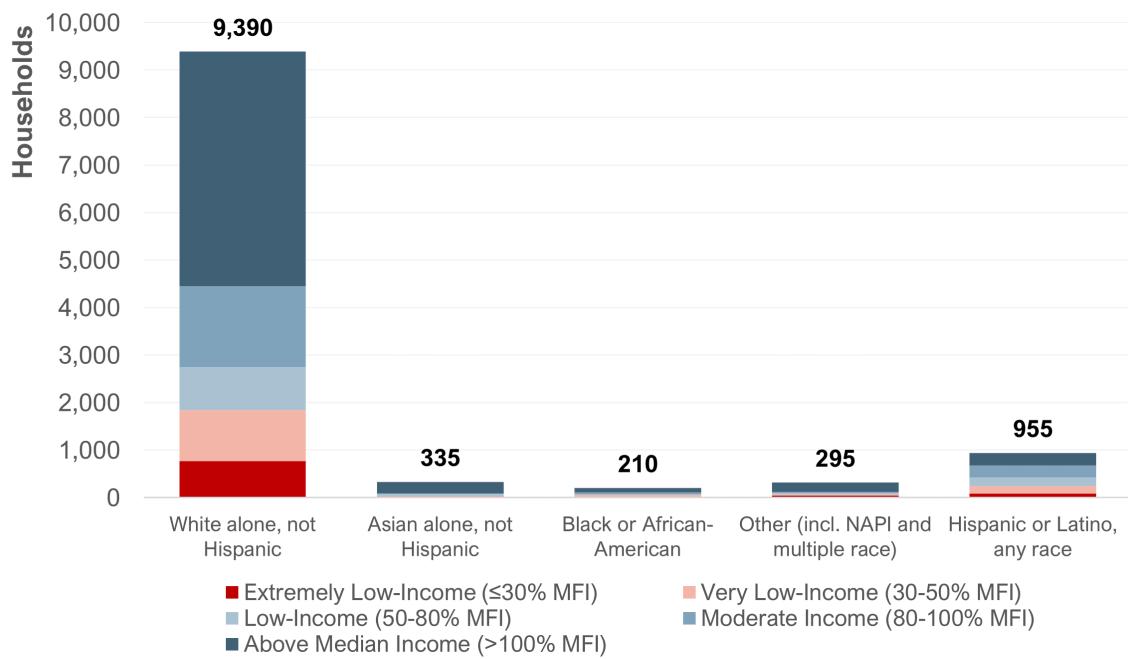
- **Households of color represent a higher proportion of renters and lower-income households in Lake Stevens.** In Lake Stevens, an estimated 16% of households have a householder that identifies as a person of color (including Hispanic/Latino households). However, these households represent a slightly higher proportion of renters, with 48% renting in Lake Stevens versus 42% of white households. Additionally, The data show that 38% of households of color have low income or lower incomes (less than 80% of the area median income) versus 29% of white households.
- **Households of color do face higher cost burdens as renters in the community.** With respect to potential disparities, a greater proportion of households of color also face housing cost burdens. While about 53% of renters are facing cost burdens in Lake Stevens, this number is higher for renters of color, where about 64% are facing some type of housing cost burden.

Exhibit 52. Households by Race/Ethnicity and Tenure, Lake Stevens, 2019.



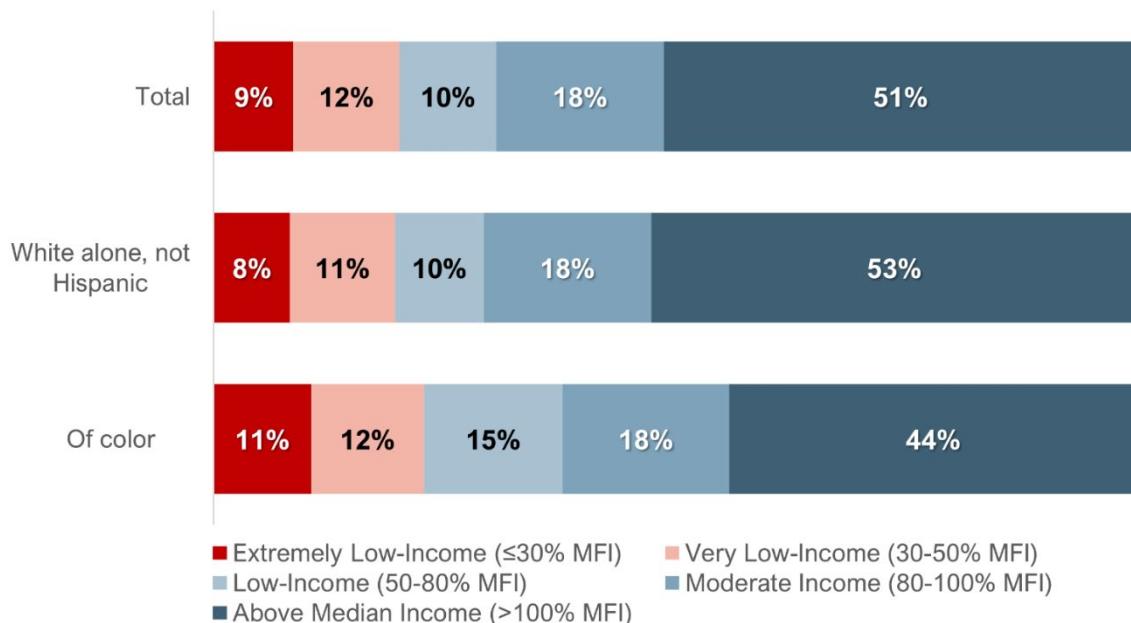
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 53. Households by Race/Ethnicity and Income, Lake Stevens, 2019.



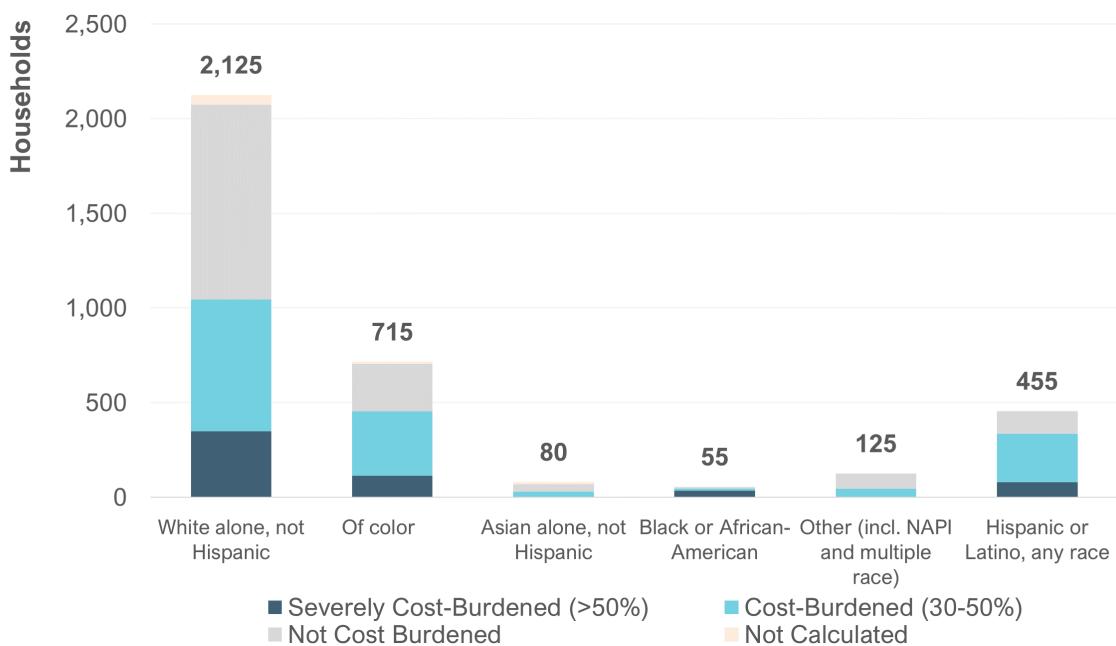
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 54. Proportion of Households by Race/Ethnicity and Income, Lake Stevens, 2019.



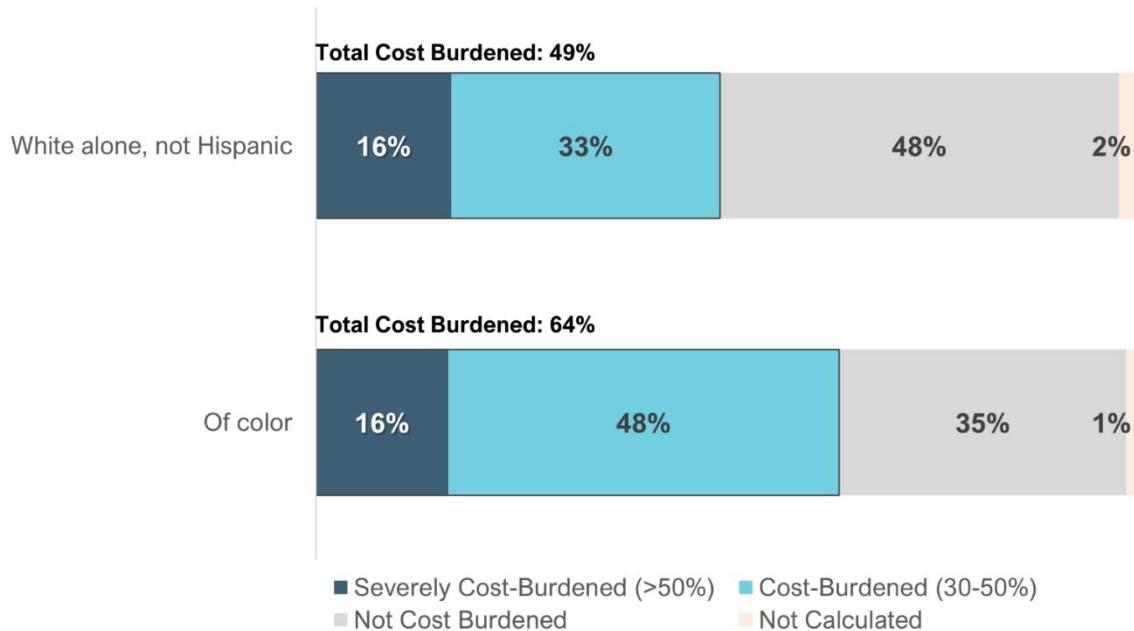
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 55. Number of Renter Households by Race/Ethnicity and Cost Burden, Lake Stevens, 2019.



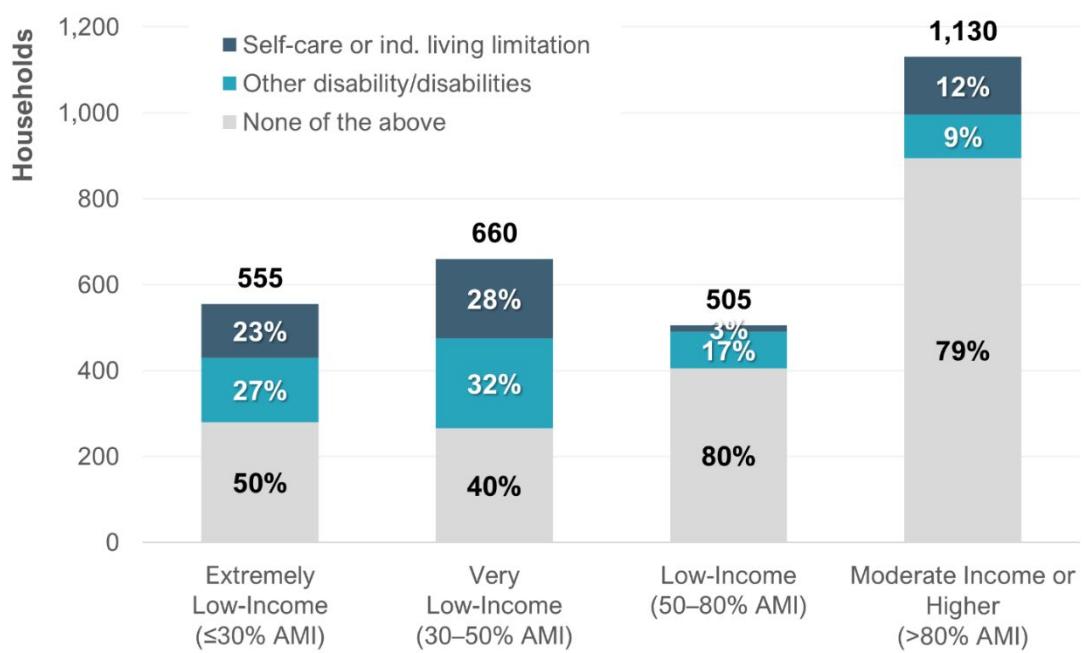
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 56. Proportion of Households by Race/Ethnicity and Cost Burden, Lake Stevens, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 57. Households by Household Income and Disability, Lake Stevens, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

- **A greater proportion of lower-income households have members with disabilities.** Many residents live with some type of disability, and there are many cases where a person's disability can impact the need for housing and housing stability. For renters, about 60% of very low-income households (30–50% of area median income) and 50% of extremely low-income households live with disabilities, with 28% of very low-income and 23% of extremely low-income households experiencing disabilities that impact self-care or independent living. Housing needs related to disabilities should be considered when planning for lower-income housing options in the community.

Conclusions

Based on the information reviewed as part of this Housing Needs Assessment, the following points should be considered as the Housing Action Plan is being developed:

- **State mandates for accommodating low-income housing will likely require the city to broaden its strategies with respect to affordable housing.** Under the new housing targets mandated by recent amendments to the *Growth Management Act*, Lake Stevens will need to extend its policies to promote new housing that is affordable to lower-income households. While the exact housing targets by income band are still pending negotiations within Snohomish County, these obligations will need further policy attention to identify and leverage available resources to meet these needs.
- **Considerations of racially disparate impacts in Lake Stevens are important and will need to take a regional approach.** In addition to changes regarding housing accessible at a range of incomes, the revised GMA also mandates that cities identify and address local policies and regulations that result in racially disparate impacts. There is evidence of racial disparities with respect to cost burden and housing affordability but given the size and demographic composition of the city, these considerations may require a regional approach as well as a local one.
- **Previous actions by the city have already addressed changes in requirements for the housing element.** Actions taken by the city since 2018 have already addressed some of the considerations included in the revisions to the GMA under HB 1220. In particular, recent adjustments that have permitted small multi-plex development widely across the residential areas of the city have effectively addressed many of the “missing middle” goals identified. Changes to the ADU ordinances have also provided a system that supports the use of ADUs to help meet housing needs. While revisions to the policies in the Housing Element may be necessary to clarify policy goals and intentions, the city’s current framework already largely meets these needs.
- **Small families with two to four members form the largest group of households in the city, and these households will need to be accommodated in future development.** Ensuring that Lake Stevens remains sustainable over the longer term and can maintain its role as a community affordable to younger families will require encouraging housing access and expanding rental options with larger units. This is reinforced by the findings that suggest that the largest proportion of downrenting and uprenting households are larger families. Addressing these housing needs across the range of household incomes will be critical in supporting overall demand.

- **Despite the relatively young population, seniors will be a growing demographic over the next 20 years.** While Lake Stevens is characterized by its relatively younger population, the next 20 to 30 years will likely see an increase in the number of senior households (both couples and individuals living alone). While this may be at a lower rate than the countywide average, it suggests a need for increases in supportive housing and policies that encourage a built environment conducive to aging-in-place.
- **Infill and redevelopment will be necessary to meet Lake Stevens' obligation to accommodate its share of the expected regional population and housing growth.** Lake Stevens' development capacity for new housing consists largely of sites that support infill or redevelopment projects. Ensuring that city regulations support such projects will be an important component of the Housing Action Plan and the upcoming Housing Element update, especially with respect to accommodating housing accessible to lower-income households.

Appendix C: Engagement Summary

Introduction

As part of the Housing Action Plan process, the city of Lake Stevens supported by BERK Consulting conducted a program of community engagement. The specific engagement goals follow.

1. **Engage a broad range of stakeholders** that represent of all the community's housing needs (renters, single-family homeowners, first-time owners, younger people establishing new households, retirees, households from across the household income spectrum, the local workforce, employers).
2. Identify unmet housing needs and disparate impacts related to housing in the community.
 - Who is experiencing the need?
 - What are the barriers or obstacles to meeting those needs?
3. **Build a collective** understanding of community housing needs using narratives, charts, graphics, and maps.
4. **Increase the community awareness and understanding** of the city's recent efforts to increase housing options and housing choice including recent regulation updates and changes in the housing types allowed in certain areas.

To meet these goals, the city and BERK coordinated a public engagement plan to provide a clear set of engagement and outreach activities. This plan has been incorporated into the overall development of policies for the Housing Action Plan and recommendations for future action for the Comprehensive Plan update due in 2024.

This report outlines the implementation and results of those activities, and includes:

- A **review of all engagement activities** conducted, including the major findings derived from each of these sessions.
- **Major findings** from the feedback and comments received from these events, including key considerations for the Housing Action Plan.

Engagement Activities

Introduction

To meet the objectives of the engagement strategy for this project, city staff and BERK provided the following activities and opportunities for community members:

- Tabling with project information at Lake Stevens Aquafest 2002 (July 29–31, 2022)
- A web-hosted Community Story Map and Housing Survey (October 23–December 19, 2022)
- Community Advisory Council presentation (October 27, 2022)
- Community Workshop 1 with the Lake Stevens Planning Commission (November 29, 2022)
- Group interview of developers and real estate market representatives
- Interview with Community Transit

In addition to these activities, other information was provided through city staff as part of regular city newsletters, discussions at City Council and Planning Commission, and informal discussions with community members and other stakeholders.

Aquafest 2022

Aquafest in Lake Stevens is billed as one of the largest summer festivals in the Pacific Northwest, with attendance between 20,000–30,000 per year. As part of the regular activities at the festival, city staff typically maintain a booth for information about current city programs and initiatives and remain on hand to answer any questions necessary.

For this project, we provided two boards for display, shown in Exhibits 70 and 71. These were intended to introduce the project to the public, provide some high-level statistics on housing to the public attending the fair, and give members of the public an opportunity to discuss any concerns with staff. Additionally, a handout also provided a link to the project page for ongoing project information.

Exhibit 70. Aquafest Engagement Board 1.



Lake Stevens Housing Action Plan

What is the Housing Action Plan?

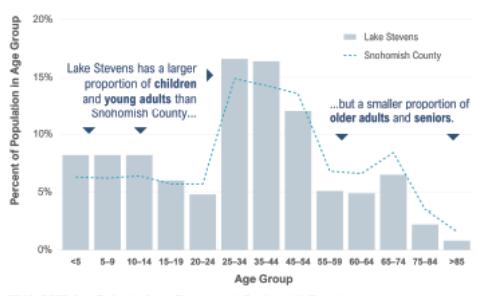
The Housing Action Plan is a strategic work plan that reviews the city's housing policies, programs and regulations and identifies additional strategies and actions to help meet current and future housing needs. It is being funded by a grant from the Washington State Department of Commerce and will inform the 2024 update to the Comprehensive Plan, the city's primary land use planning document.

Our Community Today

Lake Stevens has grown quickly.

The population of Lake Stevens has **grown 45% between 2010 to 2022**. This is faster than Snohomish County, and included an annexation in 2021. Regional population growth is driving strong demand for housing.

Lake Stevens is expected to continue to grow. The city must plan for a potential population of **48,565 residents by 2044**, a 19% increase from 2022. This is a higher rate of growth than many other Snohomish County communities.

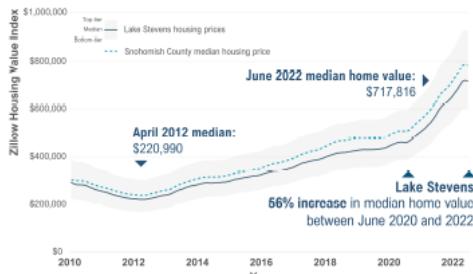


Lake Stevens has a larger share of young families than Snohomish County as a whole.

Compared to the rest of the county, Lake Stevens has a population that is younger, with **more residents under 15 years old and between 25 to 44 years old** than the county average.

Housing prices are increasing quickly, making housing unaffordable to many.

For many years, Lake Stevens offered affordable housing options for a variety of households. Recent price increases are making housing less accessible to a greater proportion of the community. The City is working to increase housing options for community members in all phases of life and across a variety of different income levels.



How are housing needs changing in Lake Stevens?

Lake Stevens Housing Action Plan <http://www.lakestevenswa.gov/housing>

Exhibit 58. Aquafest Engagement Board 2.

Housing Needs

The City has been working to promote different housing options for Lake Stevens residents. As housing prices rise, more diverse housing can help to meet everyone's needs.

What housing options does Lake Stevens need more of?

New Residential Development Since 2012

Legend:

- Single-family residential
- Duplex / townhomes
- Multifamily residential

What housing options are being delivered by the market now?

 Single-Family Detached Single-family detached homes stand alone on an individual lot. They are more expensive than other housing options, but development standards can encourage a range of home types and sizes. (\$600,000-\$1 million)	 Townhomes Townhomes are buildings that include three or more single-family attached homes with common walls. Individual townhomes require less land than single-family detached housing making them more affordable. (\$400,000-\$600,000)
 Duplexes Duplexes are buildings that include two homes that are attached. They are a more affordable option that is compatible with lower-density neighborhoods. (\$400,000-\$600,000)	 Multifamily Housing Multifamily housing includes multiple homes accessed by common entrances. This can include both condos and apartments. They are a more affordable housing option than lower-density options. (2 bedroom: \$2,300/month)
 Accessory Dwelling Units Accessory Dwelling Units (ADUs) are a separate dwelling located with a single-family dwelling on a lot.	

Lake Stevens Housing Action Plan <http://www.lakestevenswa.gov/housing>

Community Story Map and Survey

As part of an initial effort to compile community feedback on housing issues, we created a story map with an embedded survey. The story map included several key statistics for discussion about housing in the city and highlighted the needs for the Housing Action Plan. Screenshots of two of the pages from the Story Map are provided in Exhibits 72 and 73, highlighting current housing supplies and ongoing initiatives, respectively.

In addition to this background information and voluntary responses regarding contact information, a survey of visitors to the story map included the following questions as part of a SurveyMonkey survey:

- Where do you live?
- When did you arrive in Lake Stevens?
- Have you moved in the last 5 years?
 - If yes, why did you move?
- Does your current housing meet the needs of your household?
- What neighborhood characteristics are most important to you? (top three)
- What housing challenges are people in Lake Stevens facing?
- What three words would you use to describe Lake Stevens today?
- What three words describe your hopes for Lake Stevens' future?
- How much do you agree or disagree with each statement? (Lake Stevens needs more.....)
- What housing goals do you think Lake Stevens should prioritize?
- What growth strategies do you think would be best for Lake Stevens?

We collected 357 responses from this survey between October 23 and December 19, 2022, and publicized the availability of the survey through the city newsletter and meetings attended. The results from the assessment are provided below.

Exhibit 59 Community Story Map: Housing Supply.

Planning Our Housing Future

Welcome Lake Stevens Today Housing Supply Our Housing Future Survey

Housing Supply

How well does Lake Stevens' housing supply meet its needs today and in the future?

Lake Stevens has been a relatively affordable place for people and families looking for a suburban lifestyle in the past. However, like many other communities in the Puget Sound area, housing prices have grown faster than incomes. Between 2010 and 2020, housing prices increased 66% in Lake Stevens, while income only rose 37%.

This has created a financial challenge for many residents. Many people have been priced out of the community or have been kept from moving here by higher prices.

06 / 08 This is also reflected in how much people are spending on housing here. As of 2010-2022, the median home price has increased from \$250,000 to \$500,000.

New housing in Lake Stevens.

Year	Permitted Units	Multifamily Homes
2010	466	0
2011	63	0
2012	108	0
2013	129	0
2014	79	0
2015	131	0
2016	290	0
2017	294	0
2018	161	0
2019	176	0
2020	309	0
2021	357	189
2022	190	210

Exhibit 60. Community Story Map: Our Housing Future.

Planning Our Housing Future

Welcome Lake Stevens Today Housing Supply Our Housing Future Survey

Our Housing Future

What should housing in Lake Stevens look like in the future?

The city has been working with community representatives to update its land use policies and regulations to allow a greater variety of housing options in Lake Stevens. Recent updates to the city's regulations in 2020 included:

- Allowing a greater diversity of housing types in residential neighborhoods.
- Simplifying land use definitions and zoning codes.
- Providing greater flexibility in site layout with new housing projects.

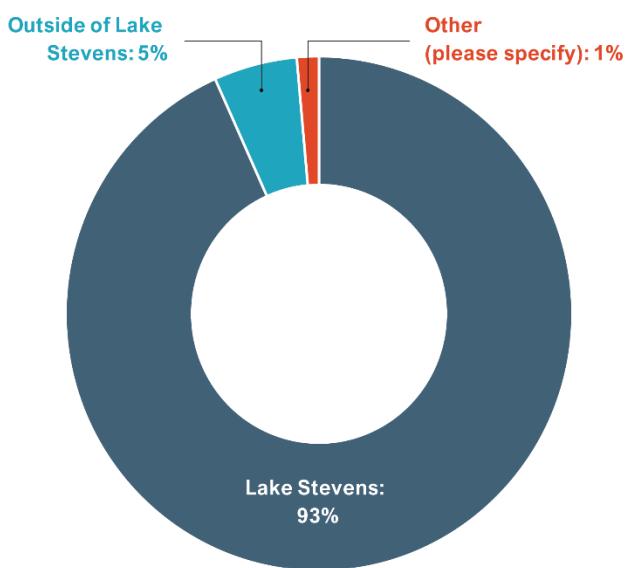
07 / 08 In 2021, the city was awarded a state grant to study the current and future

Housing options in Lake Stevens.

Q1. Where do you live?

Of the respondents to the survey, most (93%) live in the city of Lake Stevens. For those that noted “other”, these are residents of Machias or unincorporated Snohomish County that live in the area. Some of them have children that belong to the Lake Stevens School District.

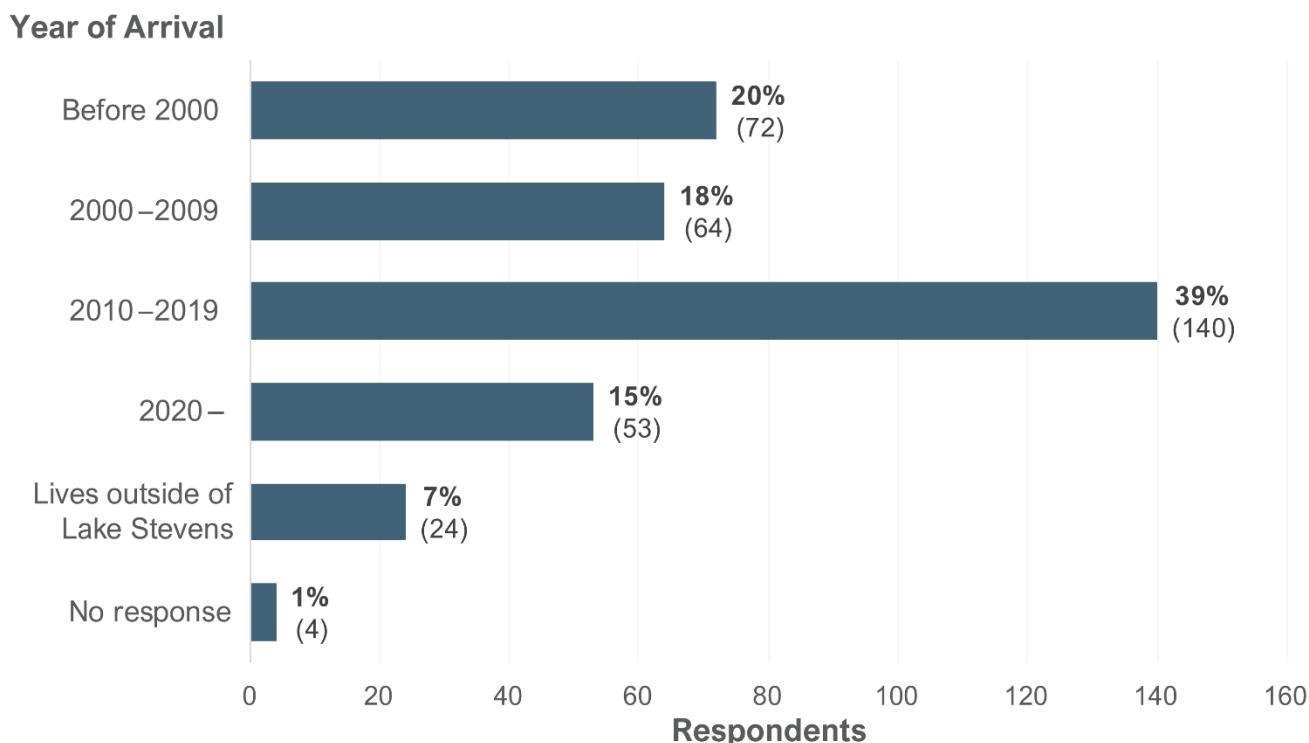
Exhibit 74. Q1: Where do you live?



Q2. When did you arrive in Lake Stevens?

About 20% of respondents reported that they have lived in Lake Stevens since before 2000, but a slight majority (54%) indicated that they had arrived in the city since 2010. This highlights that many of the residents responding to the survey are more recent entrants to the city.

Exhibit 61. Q2: When did you arrive in Lake Stevens?



Q3: Have you moved in the last 5 years? If yes, why?

Summaries of the responses to the questions about whether a respondent has moved within the past five years is provided in Exhibits 76 and 77 respectively. From these responses, about 38% of respondents have moved within the past five years. It is important to note, about one-quarter of the respondents that did move were already in the community, which suggests they moved between different homes in the city.

With respect to the reasons why respondents moved, they reported most often that they were upgrading a home or moving from being renters to homeowners. The reasons reported under the “Other” response included comparable reasons, most commonly to buy larger homes with more amenities.

Exhibit 62. Q3: Have you moved in the last five years?

Recently Moved

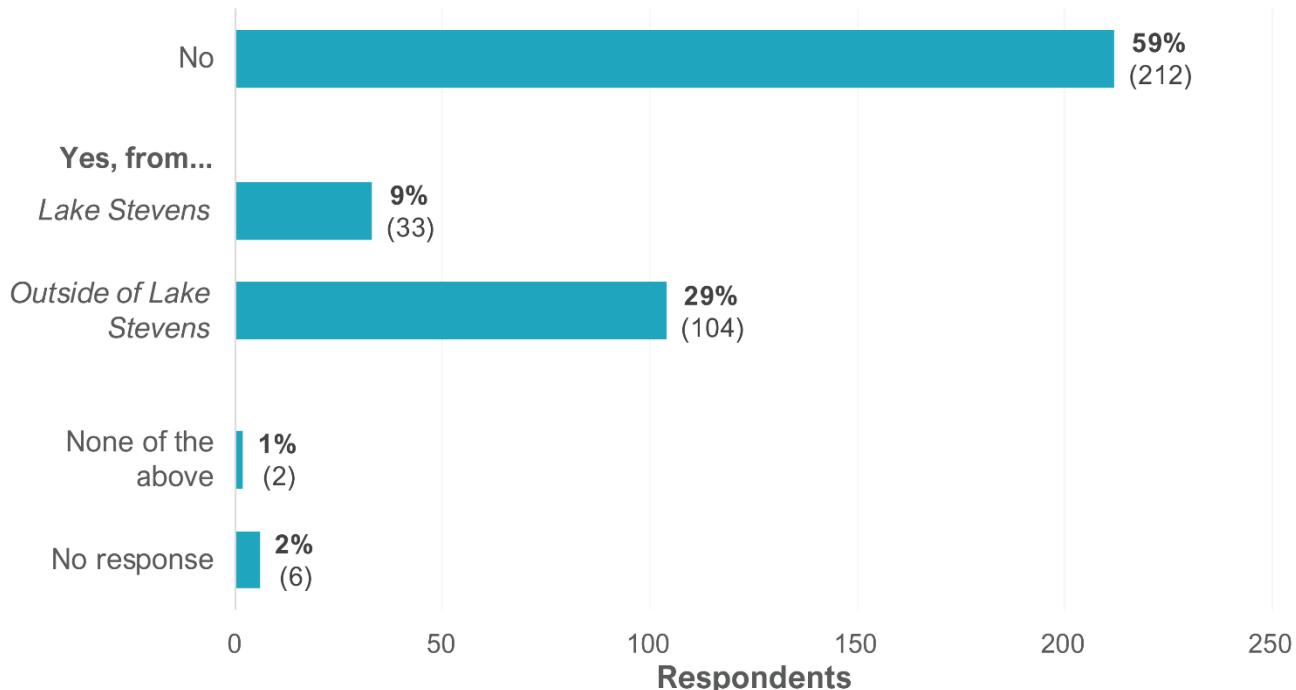
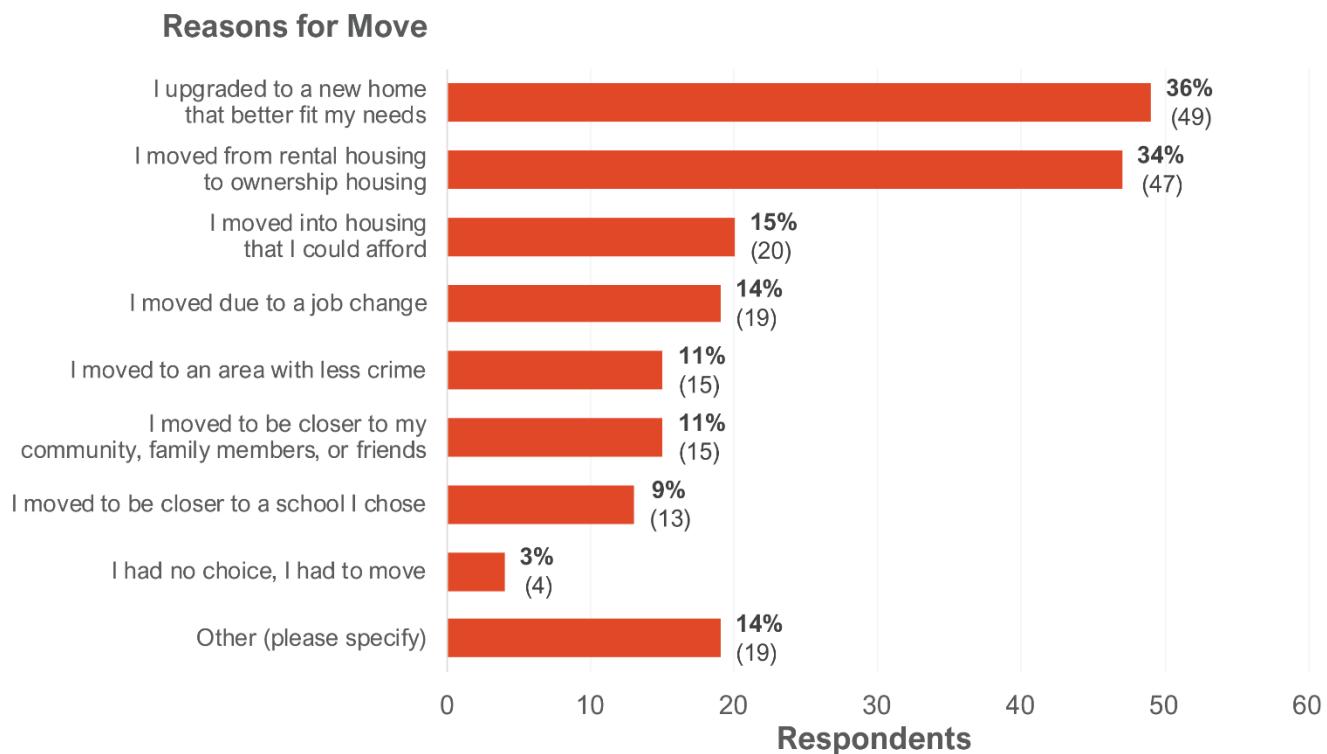


Exhibit 63. Q3A: If yes, why did you move?



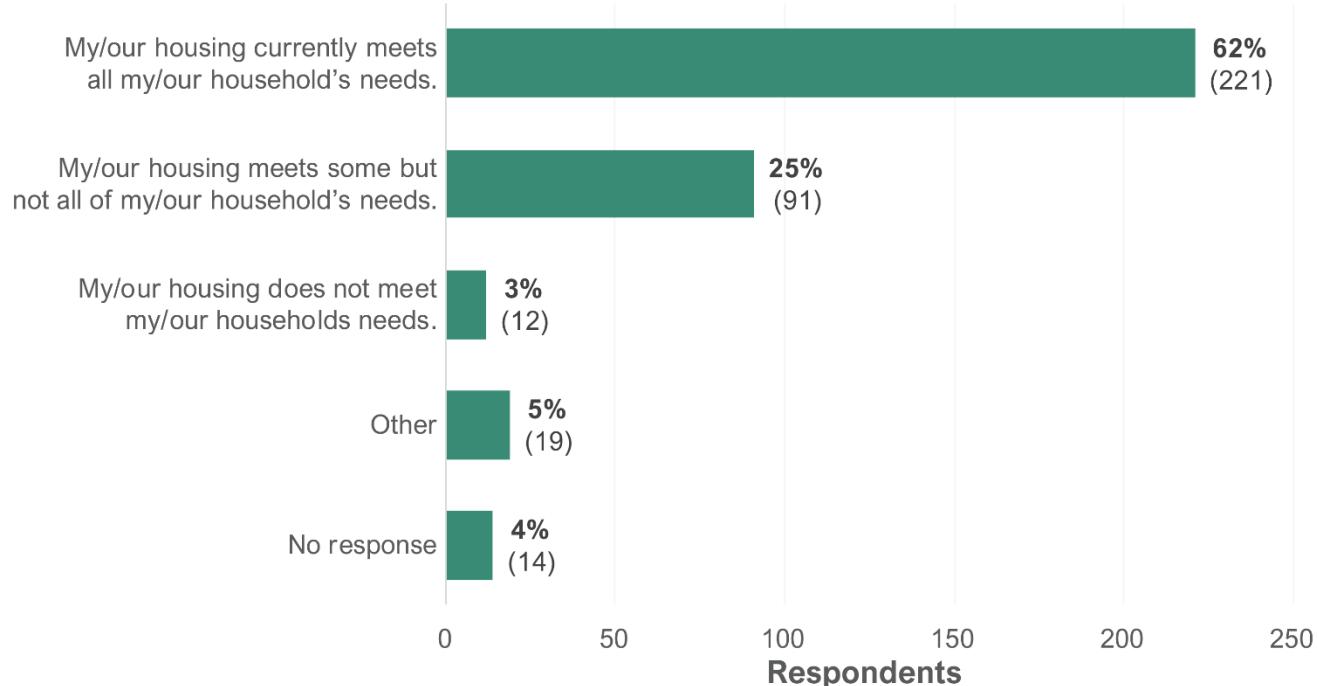
Q4: Does your current housing meet the needs of your household?

From the responses shown in Exhibit 78, a significant majority of respondents (87%) reported their housing met some or all their needs, with a majority (62%) indicating that their current situation met all of their needs. The “other” responses noted certain special situations, including:

- Challenges with affordability for people related to the respondent, such as adult children currently living with them.
- Issues with maintenance.
- Houses that are too small for the household, whereas larger homes would just be unaffordable.
- Frustrations with growth and lot sizes.

Exhibit 64. Q4: Does your current housing meet the needs of your household?

Suitability of Housing



Q5: What neighborhood characteristics are most important to you?

Exhibit 79 provides the frequency of the responses regarding the neighborhood characteristics most important to respondents. By far the most important characteristic reported by 73% of all respondents is “safety”, with almost three-quarters of those completing the survey noting this priority. Other major characteristics include **affordability** (36%), **quality/proximity to schools** (32%), and **recreational opportunities** (30%). Neighborhood services (7%) and service organizations (3%) ranked low in this list.

With respect to the “Other” responses, the word cloud provided in Exhibit 79 summarizes the overall content. Generally, people reported the following:

- Sidewalks and infrastructure for walking and biking
- Road quality and design
- Quiet/peaceful environment
- Sense of community
- Larger lots and lower density
- The natural environment and old growth trees
- Access to small, unique businesses
- Low taxes.

In several cases, these responses noted certain characteristics that the respondents believed should be improved in the city. Most notably, respondents were critical of traffic, insufficient sidewalks and other infrastructure, and the small lots and density associated with new development.

Exhibit 65. Q5: What neighborhood characteristics are most important to you?

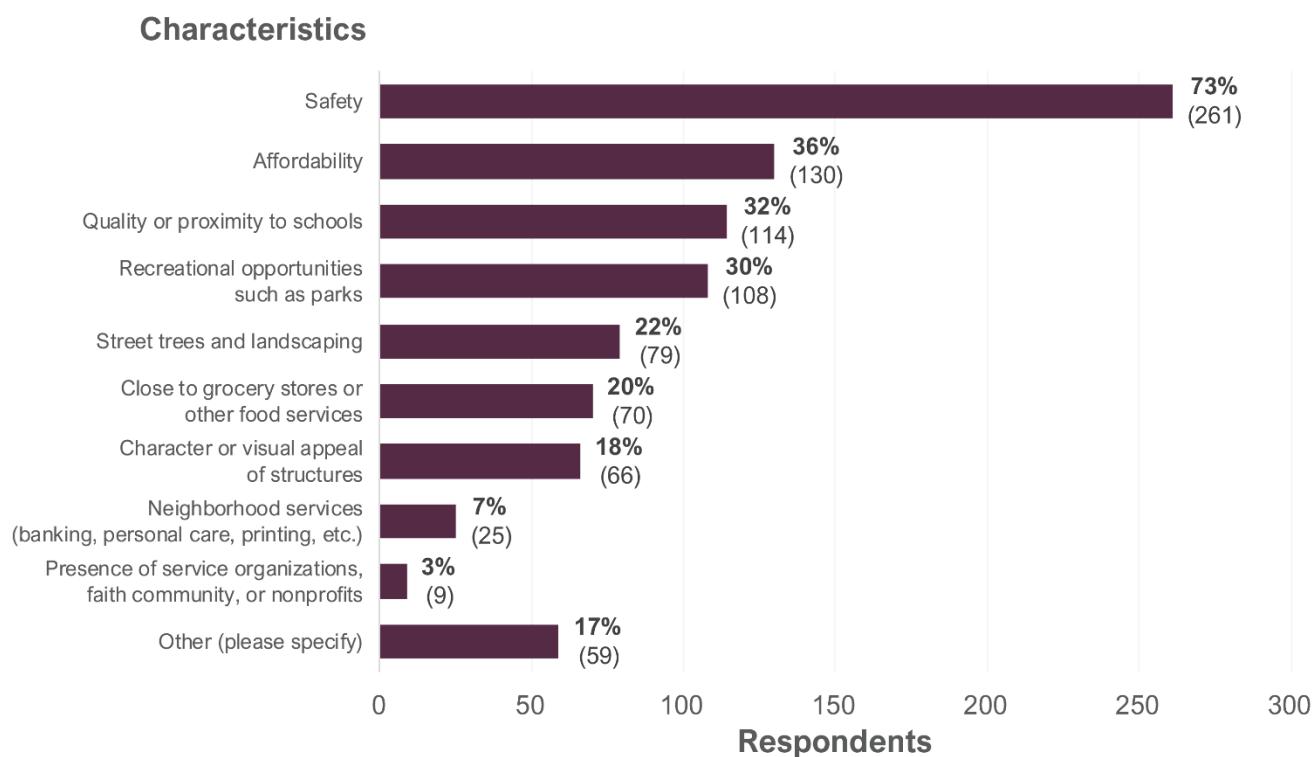
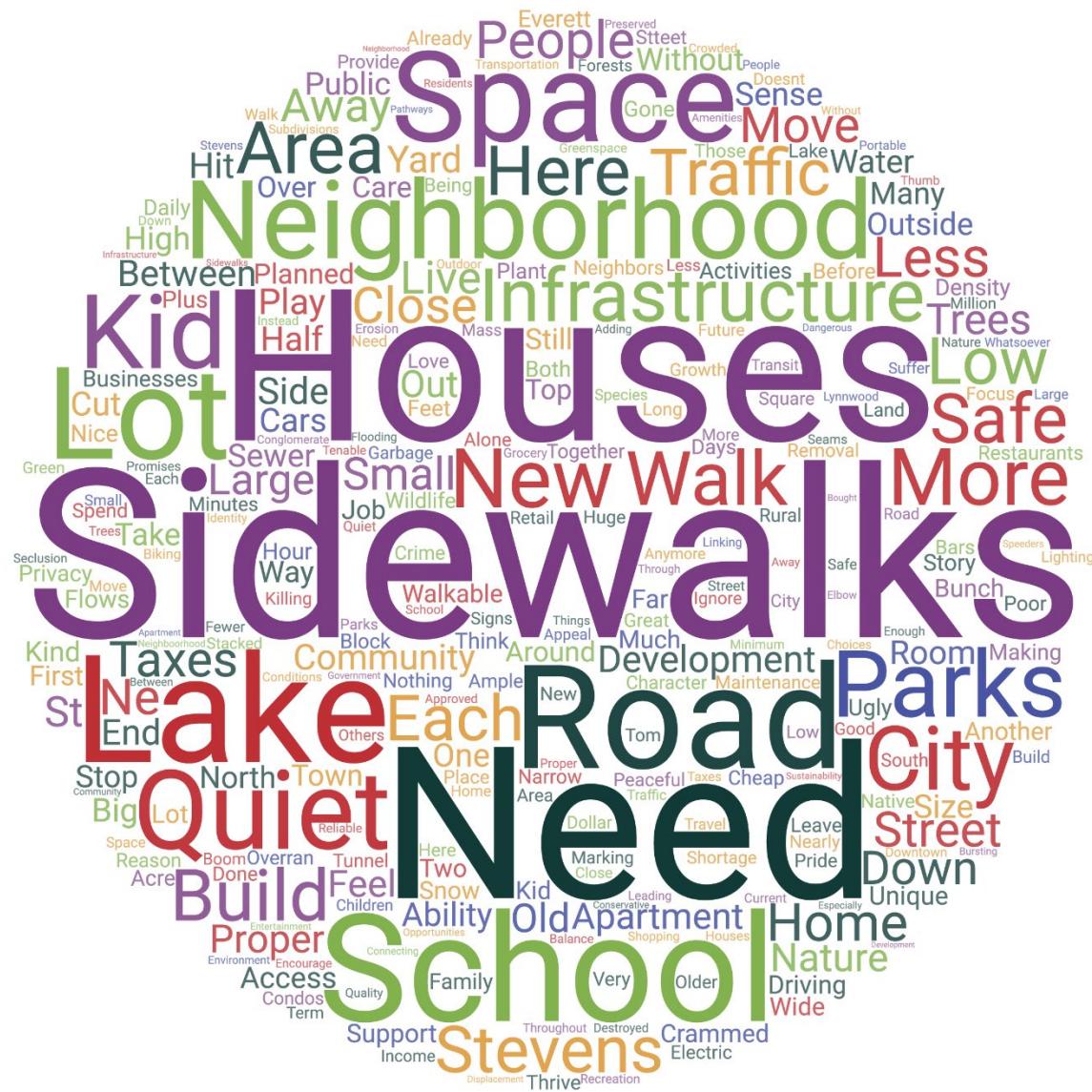


Exhibit 80. Q5: What neighborhood characteristics are most important to you? (“Other” answers)



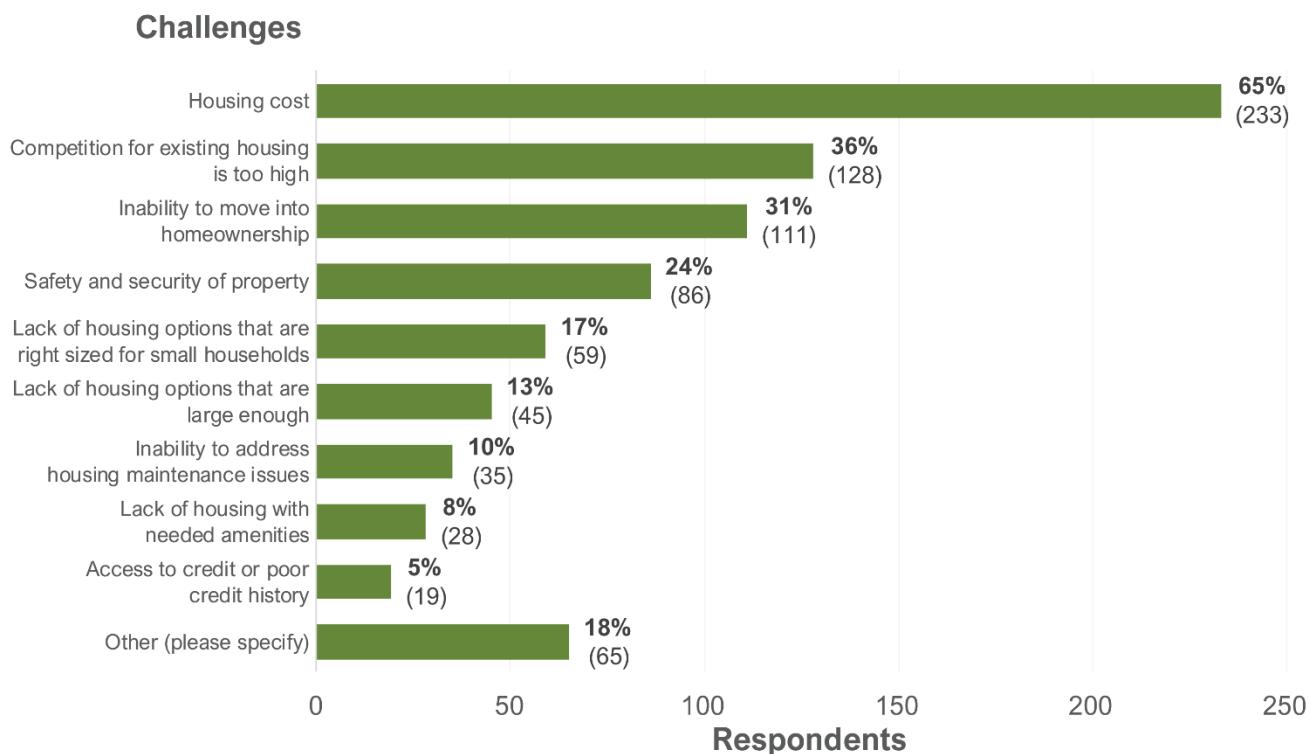
Q6: What housing challenges are people in Lake Stevens facing?

The results reported in Exhibit 81 indicate that the challenges that respondents felt that people were facing Lake Stevens. The most common challenges included **housing costs** (65%), **competition for existing housing** (36%), and **inability to move into homeownership** (31%), suggesting that many of these issues are more related to how people can buy homes in the community, and why some households cannot. Issues related to credit access, low amenities, and needs to address maintenance which would be associated with lower-income households or more marginal housing are given less consideration.

The "Other" responses included several concerns, including:

- Concerns about the impacts of growth and future capacity to accommodate additional housing.
- General concerns about new development, including "overcrowding" and perceptions about the lower quality and higher densities of new subdivisions.
- Lack of housing types and rental options that can accommodate seniors, service workers, and residents that cannot afford more expensive housing.
- Parking issues related to housing.
- The need to preserve natural surroundings.
- Higher taxes.

Exhibit 66. Q6: What housing challenges are people in Lake Stevens facing?



Q7: What three words would you use to describe Lake Stevens today?

To give a broader understanding about the way that respondents saw Lake Stevens today, the survey asked for three words that described their impressions of the community. A word cloud of the responses is provided in Exhibit 82. This highlights several main concepts related to housing and development:

- The most common terms were related to growth or impacts of growth, such as “**crowded**” (52), “**growing**” (46), “**traffic**” (36), “**overcrowded**” (26), and “**congested**” (18).
- The appeal of certain community characteristics was also referenced: “**safe**” (31), “**beauty**” (31), “**lake**” (6).
- There were also several respondents that noted the positive social aspects of the city: “**community**” (24), “**friendly**” (21), “**family**” (14), and “**home**” (11).

(Note that a word stemmer was used for this assessment to combine similar terms, such as “safe” with “safety”, “park” and “parks”, etc.)

The responses highlighted strong positive feelings about local amenities and the importance of the “small town” feel in the community and expressed concerns about future housing growth and coordination of development in the community,

Q8: What three words describe your hopes for Lake Stevens’ future?

A second question asking for three free word answers in the survey provided insight into the respondents’ hopes for the future of Lake Stevens as well. A word cloud for these responses is provided in Exhibit 83. The main themes from these responses include the following:

- “**Safe**” was the top response (55), mentioned by even more respondents than in their current perceptions of Lake Stevens. This is likely a significant and ongoing interest for the community.
- Social considerations were dominant in this list: “**community**” (38), “**friendly**” (20), “**diverse**” (19), “**family**” (10), and “**welcoming**” (9). This again highlights how the respondents appeared to have an interest in preserving the closer-knit social atmosphere in the city.
- “**Affordable**” (32) was also noted as a key consideration for the future of the city.
- Community amenities, largely related to quality of life, were also mentioned: “**school**” (20), “**clean**” (15), “**walkable**” (15), “**sidewalk**” (15), “**infrastructure**” (14), and “**beauty**” (9).

Again, this highlights the importance of local character and quality of life in the future vision of many respondents and may be related to responses to what would be important to change about the current types of development in the community.

Exhibit 67. Q7: What three words would you use to describe Lake Stevens today?



Exhibit 68. Q8: What three words describe your hopes for Lake Stevens' future?



Q9: How much do you agree or disagree with each statement?

To understand the priorities of different housing issues, the survey included a panel question that listed several options for what Lake Stevens may need and allowed respondents to rank their agreement on a five-point spectrum from “Strongly agree” to “Strongly disagree”. This included:

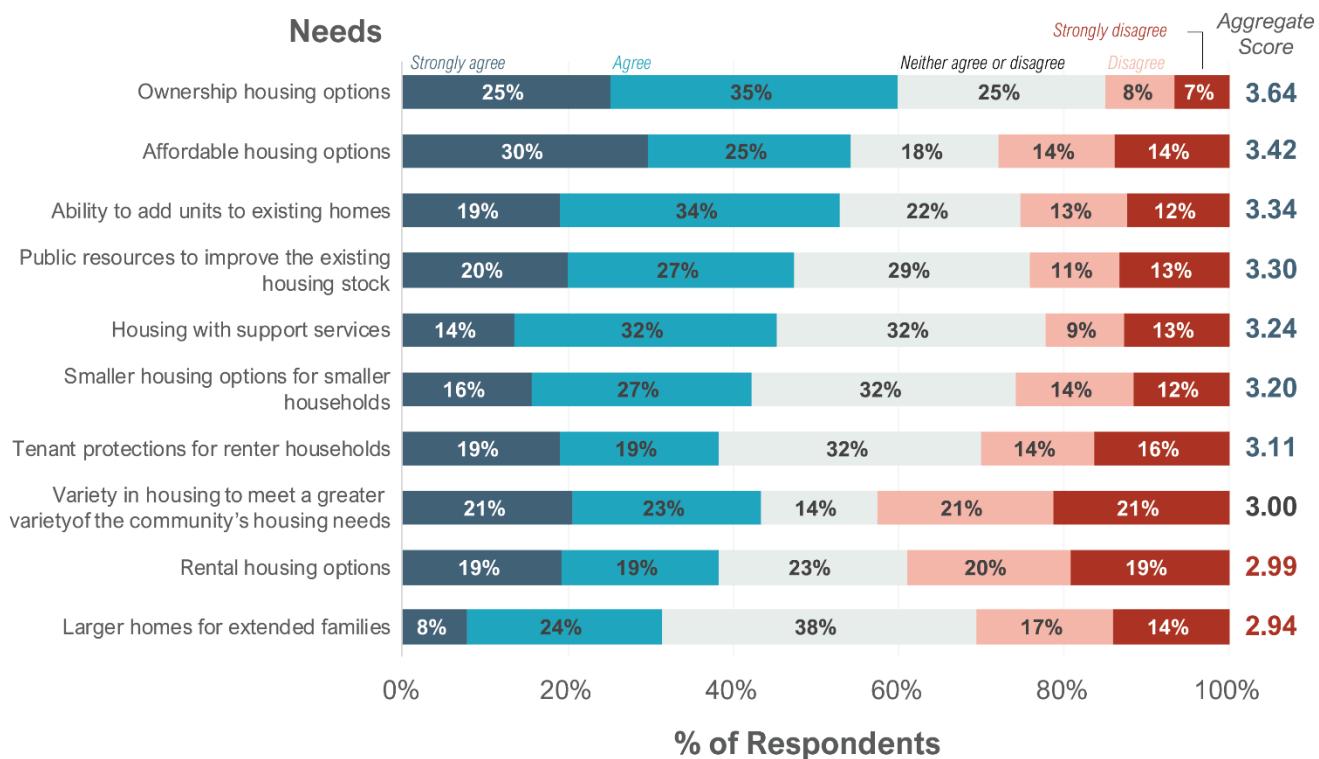
- Variety in housing to meet a greater variety of the community’s housing needs.
- Affordable housing options.
- Rental housing options.
- Ownership housing options.
- Tenant protections for renter households.
- Smaller housing options for smaller households.
- Larger homes for extended families.
- Ability to add units to existing homes.
- Housing with support services.
- Public resources to improve the existing housing stock.

The results are provided in Exhibit 84, ordered by an aggregate score of the responses.

Overall, this indicated the following:

- Most respondents agreed or strongly agreed that Lake Stevens needed more **ownership housing** (60%) and **affordable housing** (55%), and current owners needed the **ability of add units**, such as accessory dwelling units (53%) **to existing homes**. This indicates that the respondents were focused on what city policies could do with respect to traditional types of owner-occupied housing.
- While no point in the survey did most people disagree with the sentiments expressed, certain elements related to diversity of housing received neutral or more negative than positive sentiment in aggregate. This included: **variety in housing to meet community needs** (3.00 aggregate score), **rental housing options** (2.99), and **larger homes for extended families** (2.94). Although these results do not point to complete opposition to housing choice, it does indicate there is less agreement locally on the importance.

Exhibit 69. Q9: How much do you agree or disagree with each statement?



Q10: What housing goals do you think Lake Stevens should prioritize?

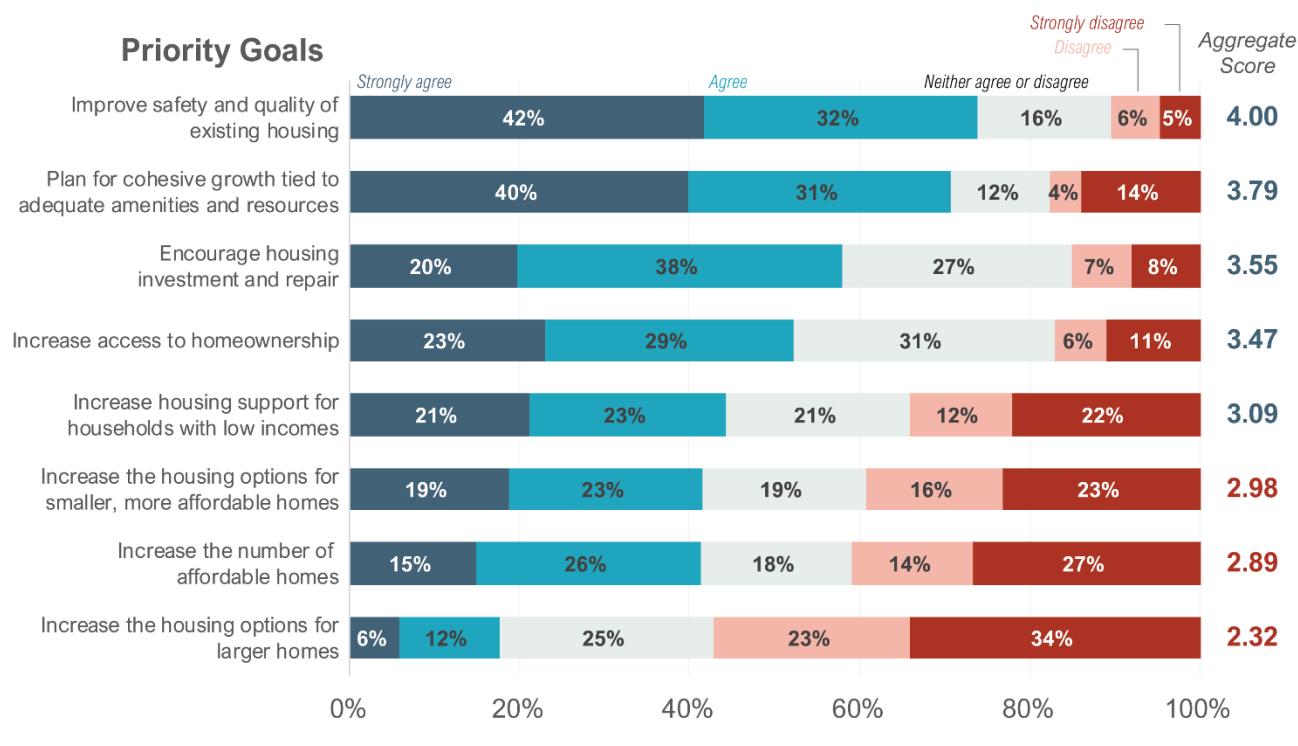
Respondents were also asked to rank whether they agree or disagree (on a five-point scale as above) with prioritizing the following housing goals in the Housing Action Plan:

- Plan for cohesive growth tied to adequate amenities and resources.
- Increase the number of affordable homes.
- Increase the housing options for smaller, more affordable homes.
- Increase the housing options for larger homes.
- Encourage housing investment and repair.
- Increase access to homeownership.
- Increase housing support for households with low incomes.
- Improve safety and quality of existing housing.

The results provided in Exhibit 85 highlight the following:

- A clear majority of respondents agree on two priorities: **improving the safety and quality of existing housing** (74%) and **planning for cohesive growth tied to adequate amenities and resources** (72%). This is aligned with the previous responses that highlight the importance of examining the impacts of growth on the community.
- A majority of respondents also agreed that **encouraging home repair** (58%) and **increasing access to homeownership** (52%) should be priorities in local housing policy.
- Conversely, about 57% of respondents noted that local housing policy **should not increase the housing options for larger homes**. This suggests that while smaller lots are seen as being a sign of overcrowding, policy itself should not be focused on encouraging larger homes in the community.
- Although there was no majority opposition, there was slightly negative sentiment regarding **smaller homes** (2.98) and **affordable housing options** (2.89). In these cases, positive responses were more likely only to agree, while negative responses were more towards strong disagreement.

Exhibit 70. Q10: What housing goals do you think Lake Stevens should prioritize?



Q11: What growth strategies do you think would be best for Lake Stevens?

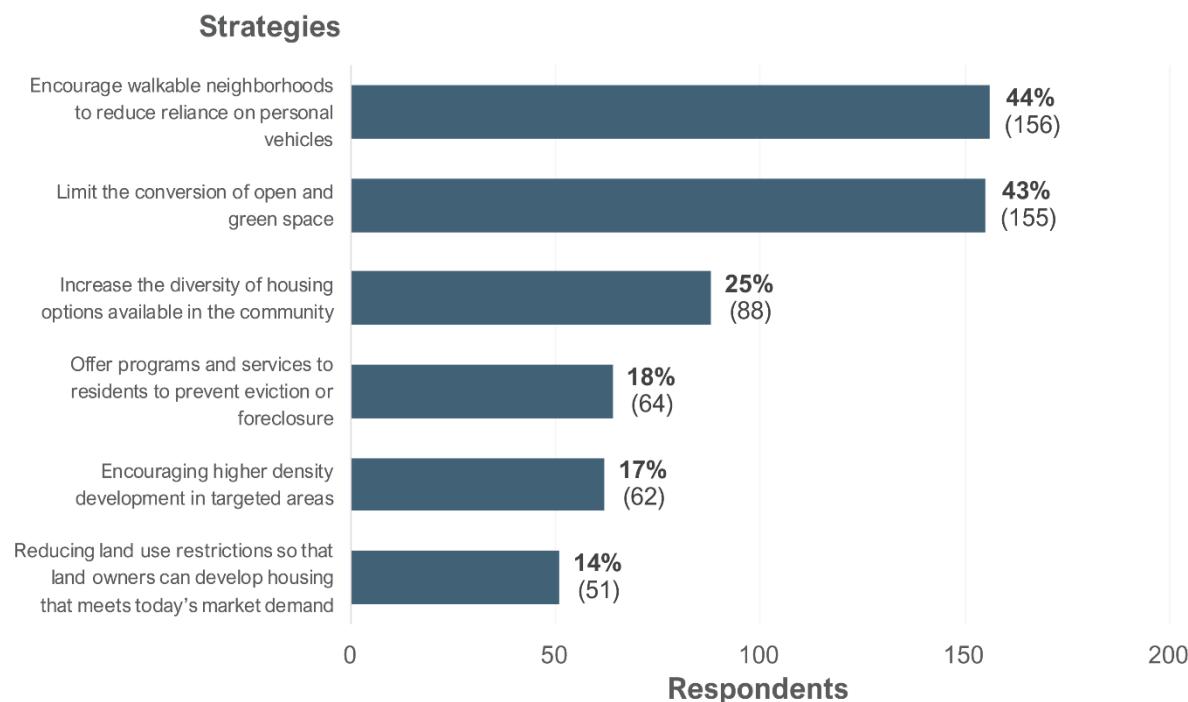
The final question provided an opportunity for respondents to highlight their preferences for growth strategies in Lake Stevens, with the understanding that the state has mandated the city meet certain growth targets. These strategies include:

- Encouraging higher density development in targeted areas.
- Reducing land use restrictions so that landowners can develop housing that meets today's market demand.
- Limit the conversion of open and green space.
- Encourage walkable neighborhoods to reduce reliance on personal vehicles.
- Increase the diversity of housing options available in the community.
- Offer programs and services to residents to prevent eviction or foreclosure.

The results, provided in Exhibit 86, indicate that no strategy was noted by a majority of respondents. However, they do indicate several points to consider in policy development:

- The most popular responses were related to maintaining local quality of life, including **encouraging walkable neighborhoods** (44%) and **limiting the conversion of open and green space** (43%). This is related to concerns expressed previously about sidewalks and future growth impacts.
- The least popular responses related to supporting pro-tenant policies (18%), encouraging higher densities (17%), and reducing land use restrictions to encourage more housing (14%). This suggests some resistance to efforts that would encourage more growth in the community.

Exhibit 71. Q11: What growth strategies do you think would be best for Lake Stevens?



Community Advisory Council

The Lake Stevens Community Advisory Council works to identify issues, prioritize support, and ensure that the diverse character of the community is represented in decision-making processes regarding diversity and inclusion. Committee members reflect the racial, ethnic, and socioeconomic diversity of the Lake Stevens area, and the mission of the Council includes:

- Advising the city on diversity, equality, inclusion, and accessing strategies and policies that improve outcomes for all.
- Assisting the city in strengthening the relationship with diverse community groups.
- Leading the community in thought-provoking discussions which support cultural understanding, mutual respect, and inclusivity.

At a regular meeting of the Council, staff from BERK Consulting provided a handout about the housing needs in Lake Stevens and moderated a discussion about several housing-related questions. Major points from the discussion included the following:

How are housing needs changing?

- Lake Stevens has a good school system; it will remain appealing to households with children.
- There are lots of people struggling, and it's likely that there will be a lot of foreclosures in the future.
- Rents are rising to unaffordable levels; it's hitting everyone.
- Lots of families are leaving Lake Stevens because the landlords are increasing rents.

- People are losing jobs, or their jobs are being downgraded.

What housing options does Lake Stevens need more of?

- There is too limited of a supply of housing affordable to people with low incomes. Additional apartments would be very helpful.
- Townhomes could also help, but there are too few to make a difference.
- The city needs family-sized apartments with 2 to 3 bedrooms.
- Housing options that mix housing types can help keep neighborhoods integrated by age.
- More income-restricted housing is needed.
- Homeownership options affordable to younger households:
- College-age students want to come back to Lake Stevens but are not able to buy a starter home. There is no room for young families here.
- Smaller homes start at \$600–800K, which is out of reach for most.
- One person shared that his son left the Marine Corps and couldn't find anything affordable in the city for him and his wife.
- There are no condo options so that young people can start building equity as a place to start.
- Rent-to-own options would be helpful.

Where should new housing go?

- One person noted that some increases in density will be necessary to achieve more affordable housing.
- One person suggested adding apartments over the grocery store. There was some agreement that that would be okay.
- Between the water main and powerlines, there are significant constraints on where new housing can be developed in Lake Stevens.
- One person said that the city needs more transit-oriented development near areas where bus lines are available.
- Someone rebutted that there will be limited transit options in Lake Stevens. People can arrange private carpools to the future light rail stations or transit, but the trestle is constrained.
- A person expressed a concern that bringing in condos near the downtown will create too much traffic and create a need for more parking. Someone suggested that condos be located next to the freeway.

Community Workshop 1

At a regular meeting of the Lake Stevens Planning Commission on November 29, 2022, BERK staff provided a short presentation about housing needs and coordinated a table mapping exercise. As part of this exercise, participants were asked to provide feedback on a large map of the city and identify considerations about growth and where they believed new housing in the community could be included.

To facilitate this, we provided toy blocks as a means of representing different types of housing to be accommodated in the community. This included:

- 2x2 grey blocks representing ADUs and infill housing in existing neighborhoods.
- 2x4 purple blocks representing new duplex, triplex, 4-plex, and townhome “missing middle” style residential development.
- 2x6 white blocks representing new multi-unit housing, up to “five over one” mixed-use development.

Exhibits 87, 88, and 89 include the maps from the session, which were presented by the smaller tables to the entire group at the end of the discussion. Major elements discussed included the following:

- **Higher-density development should be sited close to planned centers.** Generally, the participants noted that denser multi-unit housing should be accommodated within existing centers, such as Lake Stevens Center, Downtown, and the 20th St SE Corridor. This housing was envisioned as one component of a mix of uses in these areas, with other retail and services supporting this density. Access to transit would be more reliable in these areas, especially at the park-and-ride serving Lake Stevens Center.
- **Individual neighborhood sites were more ideal for middle housing options.** Sites identified for middle housing across all maps were largely targeted locations distributed throughout the community. These sites were based more on local knowledge about locations where more density would be appropriate both for the site and the neighborhood.
- **Opportunities identified for infill and ADUs were vaguer and broader.** Participants were more challenged in this exercise to find locations where infill and ADUs should be targeted. One table in fact dropped all blocks onto the map and clarified that this represented broad, even distribution throughout the city (and not a flotilla of houseboats). However, they did note a number of large-lot single-family houses in the city that would be perfect for intensification.
- **Transit was seen as the major limiting factor for density.** From this discussion, one of the major considerations for increasing density was good transit access, especially with respect to commuting options. One group identified additional transit routes that would be effective in supporting many of their goals with growth.³⁷

³⁷ As noted in an interview with Community Transit (described in more detail below), current transit service in Lake Stevens is limited and largely associated with supporting commuters (30-minute peak service). Expanding this

- **Industrial areas for residential uses.** One group noted they would be open to the development of some residential uses in the Lake Stevens Industrial Center, potentially aligned with types of industrial development that would be compatible.

service in the future would be constrained by resource availability and may not be at the level to support more intensive forms of transit-oriented development (TOD).

Exhibit 72. Community Workshop Table Map 1.

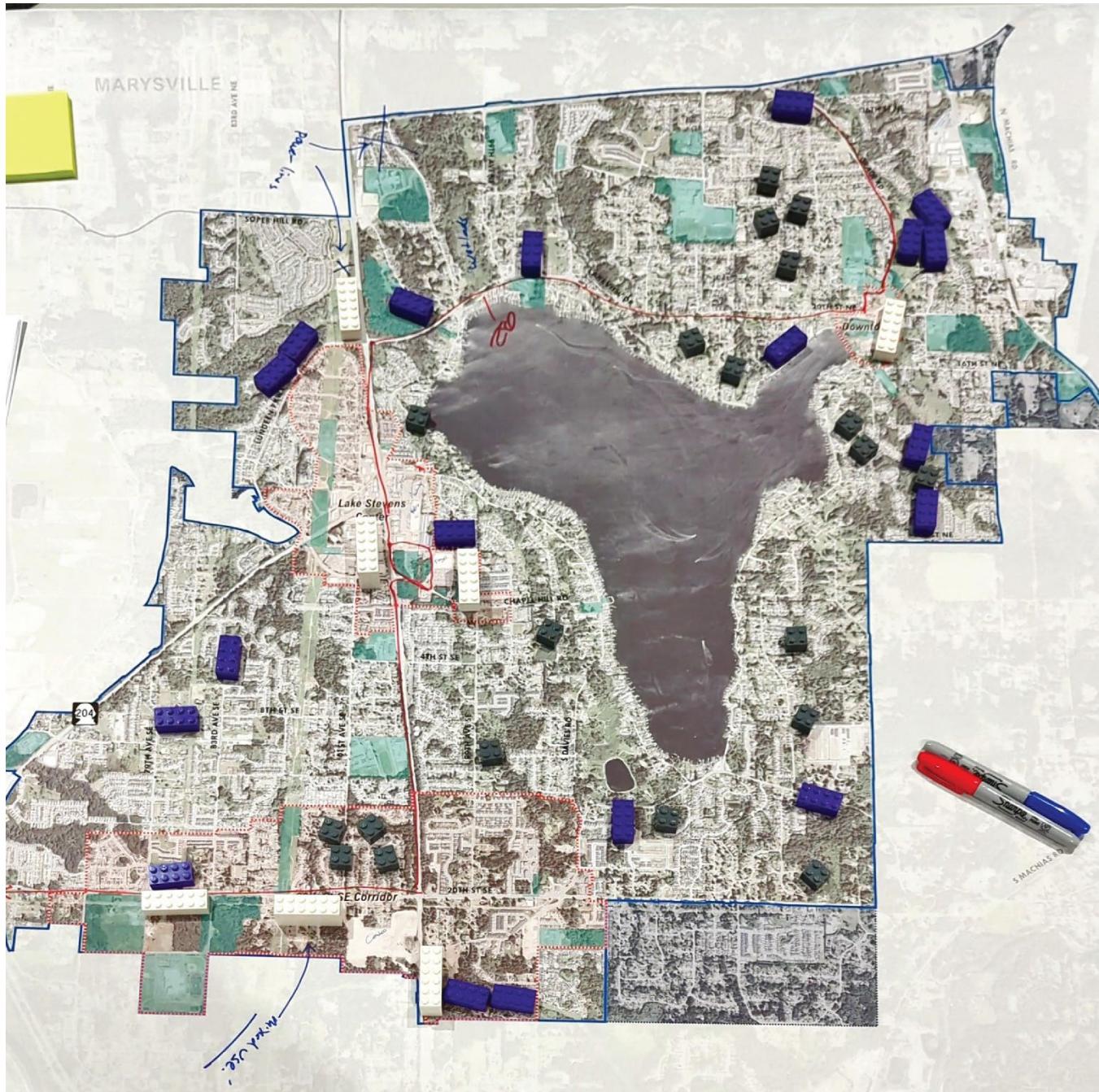
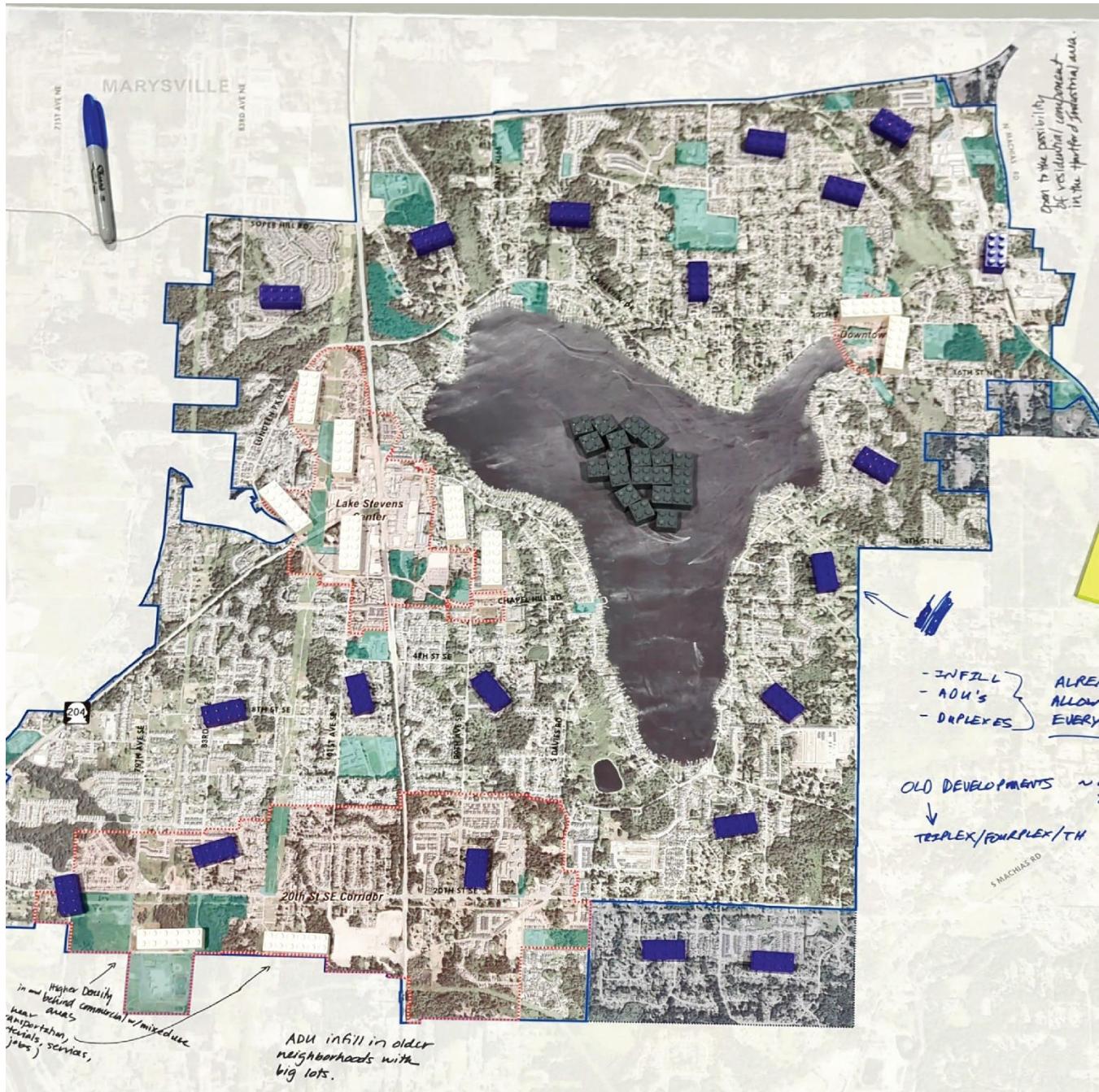


Exhibit 73. Community Workshop Table Map 2.



Exhibit 74. Community Workshop Table Map 3.



Group Interview

To provide insight from local and regional experts and representatives of organizations working in the area, we coordinated a focus group meeting to discuss major considerations for housing policy in Lake Stevens. Originally, this was intended to be split into two distinct groups, with local nonprofits and community organizations in a separate group, but given a lack of response from identified organizations, a combined meeting was seen as being most effective.

As part of initial outreach, we provided an RSVP to participants that included a priming question to prepare for the meeting: *“What is the one issue with housing in Lake Stevens that is the most important to cover as part of a citywide housing strategy?”* The responses included the following:

- A balanced supply of housing. Make sure a percentage of your housing supply is for homeownership and not just meet the GMA requirement by stacking multifamily in high-traffic areas. Balance of housing product types will serve your citizens best.
- Where to build the new homes.
- A variety of different housing ownership options in the city.
- Encouraging a diversity of housing stock.
- Remaining buildable lands and how to develop based on population targets.
- Working to find space for multi-use housing/commercial/retail and encourage developers to build these types of developments.

The group interview was held on March 20, 2023, with four representatives from local development interests, the city’s chamber of commerce, and nonprofit housing development. Major themes explored during this discussion included the following:

- **Support for affordable housing is not sufficient to build the types of affordable housing needed.** This can be challenging for cities trying to meet certain identified targets for low-, very low-, and extremely low-income housing, as the resources are not available, and the city does not have the resources to incentivize this type of construction. This is especially important given the new state and county-level housing targets provided by household income category.
- **More intensive housing options will be shifted to arterials and centers.** Given the targets for housing and limits on land capacity, new growth will have to be accommodated through multi-unit development and infill projects. This will mean that projects may be targeted for areas that will not impact existing residential neighborhoods, which may place the focus of more intensive development along Highway 9.
- **Homeownership options are important.** Although the focus of affordable housing is on rental properties, it can be important to encourage homeownership of smaller and more affordable units as well. This can help to build household wealth and encourage households to move into more appropriate housing later in their life cycle when they might need more space. This could be accommodated through condos and unit lot subdivisions, among other tools.

- **Accommodating local workers can be essential.** One of the challenges in the local community is that while the city is not a major job center, there are some government, retail, and service jobs in Lake Stevens. For many of these employees, it may not be possible to find living arrangements close to where they work. For people such as teachers, this can be considered a significant issue to not be able to live in the community that they teach in. Finding affordable housing solutions that can help welcome these folks into the community as residents can be important and may even help with the competitiveness of local businesses that rely on this type of labor.
- **Regional strategies are looking at surplus lands owned by religious organizations and schools.** Providing stable housing can be essential for lower-income households that are facing housing insecurity. Accommodating affordable housing options in places like Lake Stevens can be challenging, however, especially given the availability of affordable land for development. Some nonprofits and other affordable housing partners have worked with religious organizations (such as churches) and schools to use the surplus lands they had set aside for expansion for targeted low-income affordable housing options instead.
- **Revisions to previous data will be essential in planning future housing capacity.** An attendee noted that changes in local conditions and specific site-level knowledge will be necessary to make sure the information on housing development capacity is accurate. Many of the sites identified through the County Buildable Lands Report may be less developable due to site conditions not examined through that previous process. This will be essential to get right, as expansion of urban growth areas will not likely be allowed in the foreseeable future.
- **Development conditions are difficult.** Although regional housing production has been a challenge in general due to approvals, available land for development, construction costs, etc., recent increases in interest rates have had a significant impact both on developers and homebuyers.
- **Despite the city's work, development approvals can still have some local roadblocks.** While the attendees were complimentary of the city's approach to streamlining development approvals and receiving permits in a timely fashion, they also indicated that one of the biggest challenges was now with approvals from other districts. These approvals can also tend to slow down their projects and provide additional delays to construction.

Interview with Community Transit

Given the importance of transit to the potential for intensification in Lake Stevens, we held a discussion with Community Transit staff to understand their long-term strategy regarding different transportation options in Lake Stevens.

As part of this meeting (conducted on March 21, 2023), we discussed the following:

- **Resource constraints limit future expansion planning.** After disruptions to ridership after the COVID-19 pandemic, Community Transit and other transit authorities have been impacted by reductions in fare revenue, perceptions of a lower demand for transit, and

challenges with maintaining workforce levels. As such, this could impact future expansion of transit in Lake Stevens, especially without demonstrated potential for demand first.

- **Linkages with light rail.** Over time as Sound Transit light rail expands service into Snohomish County, a major focus for service will be on feeder lines to light rail stations. This may impact the focus and alignment of transit service to and from Lake Stevens, especially for commuters to downtown Seattle.
- **Exploration of different service models.** Given the challenges with available resources, Community Transit and other agencies are working to provide alternative approaches for service delivery that can address these limitations. For example, Lake Stevens will be serving as a pilot for a micro-transit service coordinated by Community Transit. This would involve relying on smaller vehicles for on-demand trips as opposed to larger buses. While this may not replace the utility of fixed bus routes, it could allow for more households to accommodate trips through alternate options and support less total car use in the community.
- **Revisiting service routes with potential increases in demand.** Although there are no immediate plans to increase service in Lake Stevens, this may be dependent on changes in development and potential customers for transit. If the city experiences significant development that is more dense and better able to be served by transit, Community Transit may elect to revisit planning and potentially increase service in areas which could support more ridership.

Major Findings

Based on the information received from the different engagement activities, there are several key lessons for consideration as part of future housing policy in Lake Stevens. This includes the following:

- **At different events, people have talked about how affordable housing is a problem in the region and how more homes are needed.** At every event, people have said that housing problems in the region are a major concern. Even people that already own their own homes know that it can be hard for other households to find a place to live. This highlights that many people do understand the general need for more housing, although there can be some strong differences about how to address the problem locally.
- **Concerns have been raised about the form and types of recent development which could affect future city housing initiatives.** Based on the results of the survey, it seems that some residents have been concerned about issues related to growth in the community. Some of the effects, like "overcrowding," could simply be related to any new development that might occur. However, comments about sidewalks, green space, and infrastructure suggest that people are feeling that local systems may be challenged in dealing with the effects of more development. Some of these problems are being managed by the city through investment in new sidewalks and other initiatives, but this may be an ongoing concern raised with future housing initiatives.
- **The local focus on owner-occupied housing will need to shift to address state-mandated housing targets.** The focus on owner-occupied housing in the community has been clear from the comments and feedback, and new housing development should consider a range of options for housing available for purchase. However, owner-occupied housing alone will not meet the income-based housing goals for future growth. The city will need to keep engaging with the community as policies to implement these requirements are developed.
- **Addressing transportation issues will be a necessary component to accommodating new growth.** Lake Stevens residents are concerned about traffic, and many people have said that new, denser development should be supported by transit in part as a response to these concerns. Efforts to build multi-unit housing to accommodate new growth should be coordinated with plans for future transit and walkable communities that can reduce car trips.
- **Focusing on high-quality, high-amenity neighborhoods to meet perceived housing needs will be essential for policy.** A major sentiment expressed in engagement was the idea that Lake Stevens is a community with strong local amenities and a "small-town feel". However, despite concerns expressed about perceived challenges to local character, many respondents indicated the importance of a sustainable and welcoming community that can be accessible to seniors and new homebuyers. Encouraging housing solutions that can consider and support local amenities and be seen as assets to the community at large will be more favored by residents.