

FEBRUARY 2021



Housing Action Plan

City of Mukilteo **PUBLIC REVIEW DRAFT**

Prepared by:
BERK Consulting



Many members of the community, as well as other city staff, participated and contributed to the preparation of this Housing Action Plan. Their participation and contributions are very much appreciated.

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The Stakeholder Advisory Group (SAG) acted as an informal focus group of community members and various housing professionals. The SAG provided focused review and feedback about housing, housing issues and draft documents to City of Mukilteo staff and the BERK team for the Housing Action Plan. Participation on the SAG does not necessarily indicate endorsement of the strategies in the HAP.

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Introduction

This Housing Action Plan (HAP) addresses current and future housing needs within the Mukilteo community. The City of Mukilteo developed the HAP to better understand what housing challenges are facing residents, workers, and employers and how to best address them. Examples of housing challenges we heard in this process include:

- Older adults may be unable to stay in Mukilteo.
- Families may be unable to find suitable housing or face housing instability due to rising costs and must choose between housing that does not meet their needs and leaving Mukilteo.
- Certain businesses may be unable to hire and retain the best employees because housing prices make them less competitive employers.

Over the past few years, the Washington State Legislature has been exploring ways to encourage housing supply. In 2019, House Bill 1923 authorized grant funding for cities to develop a HAP that a set of housing strategies and an implementation plan.

The strategies contained in this document are intended to encourage the construction of a greater variety of housing types at prices accessible to people with a wide range of incomes. These strategies are based on:

- The thoughtful contributions of the Mukilteo community, including feedback provided at public meetings and comments provided directly to the City;
- The findings of the Housing Needs Assessment (HNA);
- Review of the existing City of Mukilteo Comprehensive Plan and development regulations; and
- Obstacles to bringing housing onto the market observed by staff.

Strategies adopted in this HAP indicate that the City desires to study that item in more detail. Strategies that involve an amendment to the Comprehensive Plan or development regulations would, if pursued, require their own public process.



Housing Needs

BERK prepared a Housing Needs Assessment for the City of Mukilteo in October 2020, updated in February 2021. The seven existing and emerging needs identified in the Housing Needs Assessment include:

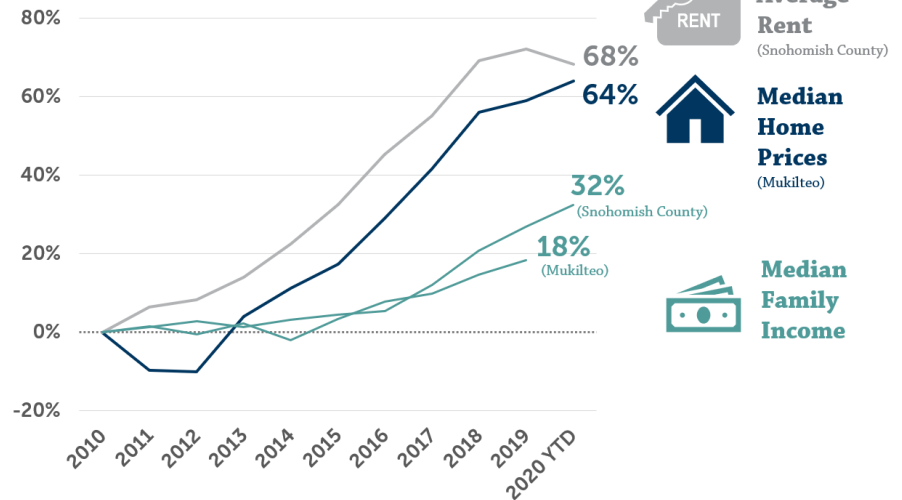
- A lack of entry-level homeownership options.
- A lack of housing options for moderate-income households.
- A need for a greater variety of rental housing.
- A need for a greater variety of housing sizes.
- Housing attainable to Mukilteo's workforce
- A growing need for housing options for older adults.
- Increased housing production to meet the City's growth targets.

A summary of key findings is presented on the following pages. The full Housing Needs Assessment incorporates feedback received from the community and can be found in the List of Exhibits.

Entry-Level Homeownership Options

- Very low vacancy rates, contributing to rising prices.
- Housing prices growing faster than median incomes.
- Housing priced in the \$350,000 - \$550,000 range are generally affordable to moderate-income households. This range is between 12% and 45% less than market prices as of 2020. The gap has increased since then.

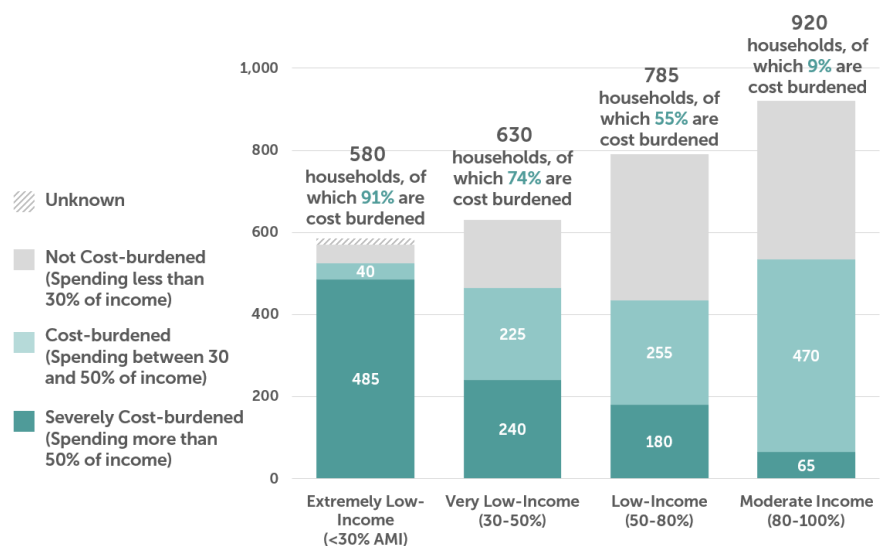
Percent Change since 2010



Sources: Zillow, June 2020; HUD Income Limits, 2010 – 2019; ACS S1901 5-yr estimates, 2019.

Greater Variety of Options for Moderate-Income Households

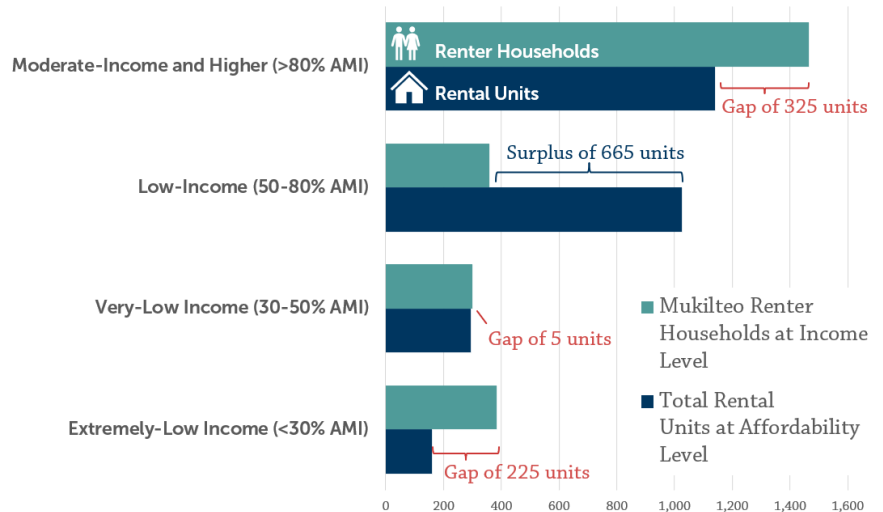
- Despite high incomes, housing cost burden is prevalent in Mukilteo.
- As a percentage of households in each income category, extremely low-income households are most likely to be severely cost-burdened.
- When looking at household type (older adult family, older adult living alone, large family, small family, non-family) and income level, the most common cost-burdened household is one that earns between 80-100% of AMI and is a family of two to four people.



Sources: HUD CHAS (based on ACS 5-yr estimates), 2012 – 2016.

Greater Variety of Rental Housing

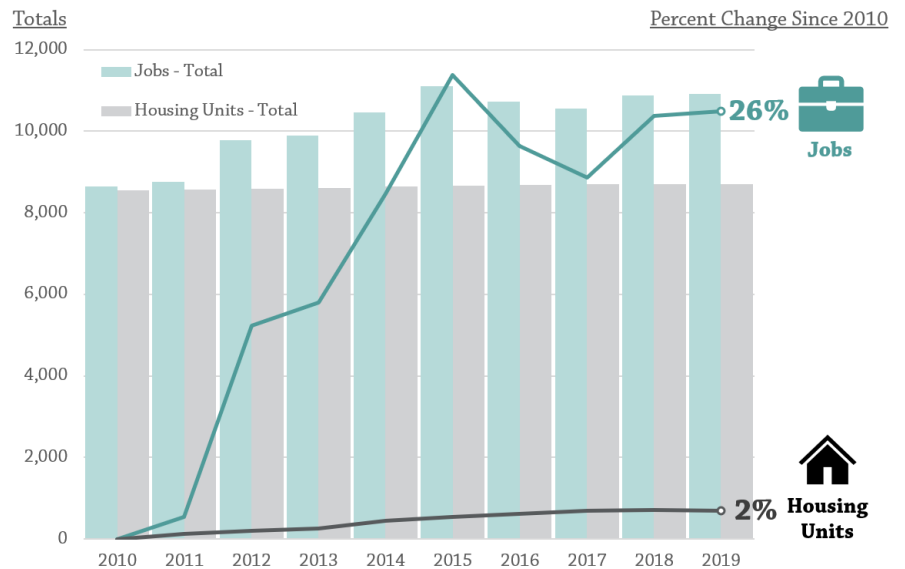
- About 31% of households rent their housing.
- Rental housing costs have increased faster than home prices.
- There are too few rental units available for extremely low-income and very low-income households.
- Low-income households compete with moderate-income and higher income households for limited rental housing.



Sources: HUD CHAS (based on ACS 5-yr estimates), 2012 – 2016.

Housing Attainable to Mukilteo's Workforce

- 94% of Mukilteo's workers live outside the City.
- In 2010, Mukilteo had a balance of jobs and housing with a ratio of 1.01. In 2020, the jobs to housing ratio is now 1.25.
- About 40% of Mukilteo workers earn less than \$40,000 per year (2017 estimate).
- Wages for Mukilteo workers are expected to decline.

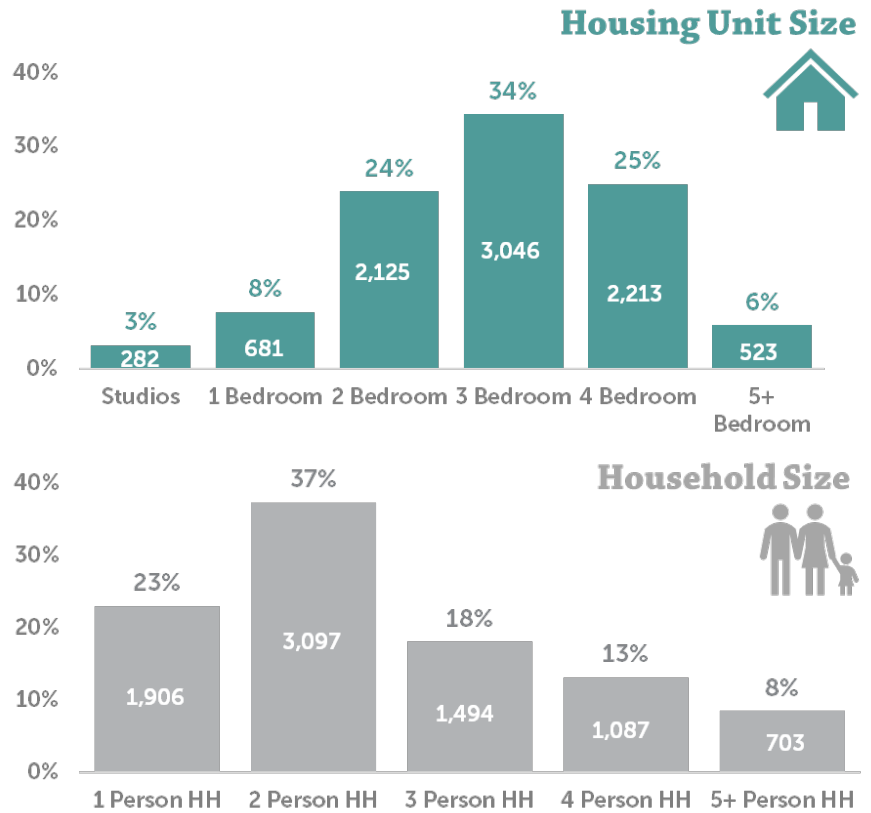


Sources: OFM 2010 – 2019; PSRC Covered Employment Estimates 2010 – 2019.



Greater Variety of Housing Sizes

- Most households in Mukilteo include 1 or 2 people.
- Most housing units have 3 or more bedrooms.

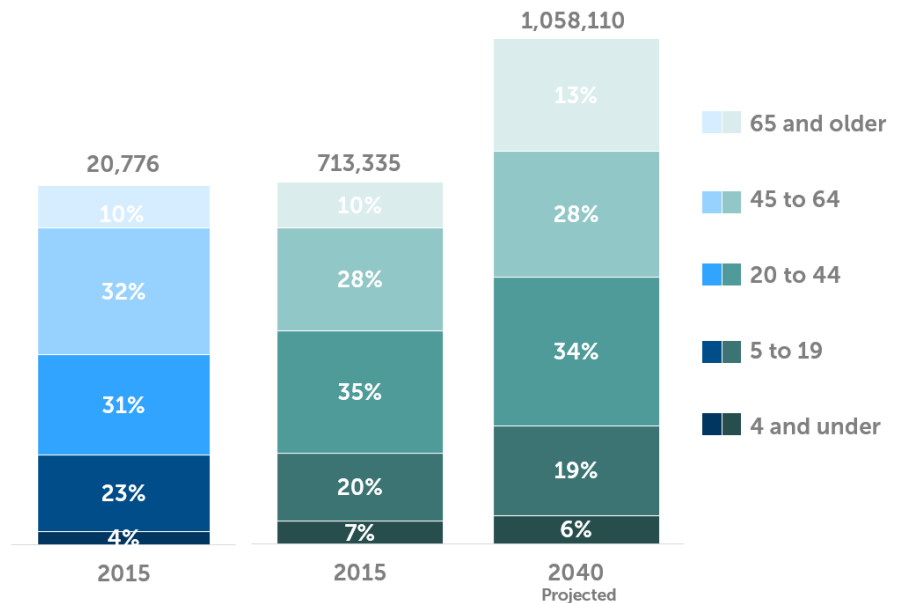


Sources: ACS DP04 & B250095-yr estimates, 2014 – 2018.



Housing Options for Older Adults

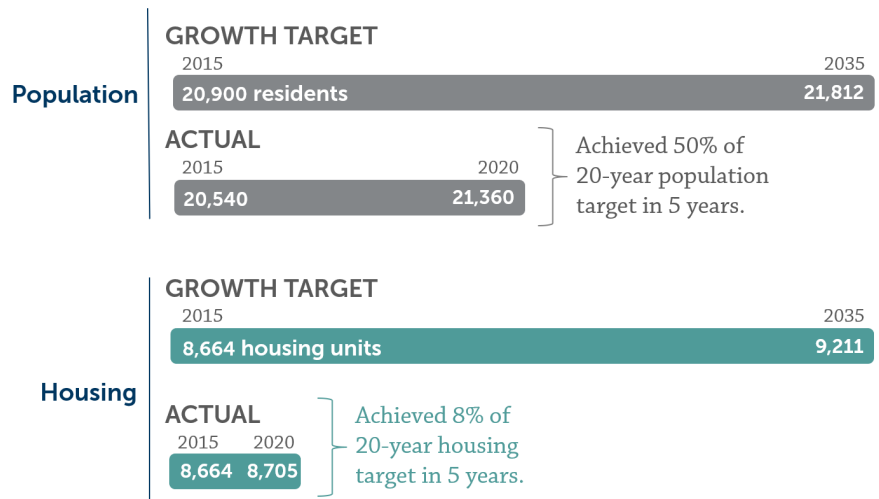
- As of 2018, about 15% of Mukilteo's residents are over the age of 65.
- About one third (36%) of today's older adult households are experiencing housing cost burden.
- 36% of older adults live in low-income households.



Sources: ACS S0101 5-yr estimates, 2011-2015; OFM, 2019.

Housing to Accommodate Future Growth

- Housing production has not kept pace with population growth.
- The City has added an estimated 41 units of its 547-unit target, or approximately 8%, since 2015.
- The rise in demand for housing (population growth) relative to the change in supply (housing growth) has contributed to rising housing prices and rents in Mukilteo.



Sources: OFM, 2020; City of Mukilteo Comprehensive Plan 2035.



Strategies to Address Housing Needs in Mukilteo

Table 1 identifies the housing needs identified in Mukilteo and the overall strategies to address those needs. The following pages contain a detailed summary of each strategy, including a description, housing needs met, specific items for consideration, and the results of community feedback from the Stakeholder Advisory Group and Community Meeting #2.

Table 1. Matrix of Strategies and Identified Housing Needs

		Needs→							
← Strategy Categories		Entry-Level Homeownership Options	Options for Moderate-Income Households	Greater Variety of Rental Housing	Housing Attainable to Mukilteo's Workforce	Greater Variety of Housing Sizes	Housing Options for Older Adults	Housing to Accommodate Future Growth	
	Accessory Dwelling Units			●		●	●	●	
	Cottage Housing	●	●			●	●	●	
	Duplexes	●	●	●	●	●		●	
	Townhomes	●	●			●		●	
	Mixed-Use Development			●	●	●	●	●	
	Process Improvements	●	●	●	●	●	●	●	
	Zoning Improvements	●	●	●	●	●	●	●	
	Housing Programs		●				●		
	Additional Community-Driven Strategies	●	●	●	●	●	●	●	

Category

Accessory Dwelling Units



Accessory Dwelling Units (ADUs) are small units on the same lot as a primary dwelling unit. ADUs can be interior, attached, or detached and placed to the side or rear of the primary dwelling unit.

In Mukilteo, ADU regulations were first adopted in 1996 and most recently updated in 2009. There are several challenges to building ADUs in Mukilteo, including: size and bedroom limits, owner-occupancy requirements, parking requirements (4 off-street spaces total for each property), and minimum lot sizes. These challenges constrain design options, limit owner flexibility, and increase the costs of adding ADUs and required parking. The current regulations eliminate the option of building ADUs for many property owners.

Strategy: Review Accessory Dwelling Unit Regulations

Specific Areas for Additional Study:

- Proportion and unit size limits, bedroom limits, parking and/or lot size requirements
- Owner-occupancy requirement
- Noticing requirement

Needs Addressed

- Greater Variety of Rental Housing
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth

Community Feedback

Support

- Owner-occupancy requirement
- Lot size requirement
- Noticing requirement

Mixed Support

- Proportion and unit size requirements
- Bedroom limits

Category

Duplexes

Duplexes are two independent units in a single building. Units can be side by side, stacked, or a combination of the two. This type of housing was often incorporated into pre-war residential neighborhoods but became rare with the rise of larger single-family housing in the 1950s. Some communities are now encouraging duplexes in neighborhood settings as a source of more affordable housing and a tool to accommodate housing demand, provided they meet design standards.

In Mukilteo, duplexes are a permitted use only in multifamily zones and some commercial zones. This location requirement constrains capacity on a housing form that has potential to fit in other zones within minimum lot size and design standard requirements.

Strategy: Review Duplex Regulations

Specific Areas for Additional Study:

- Expanding where duplexes are a permitted use
- Consider additional limitations, such as location, lot size, and/or design standards



Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Rental Housing
- Housing Attainable to Mukilteo's Workforce
- Greater Variety of Housing Sizes
- Housing to Accommodate Future Growth

Community Feedback

Support

- Duplexes in additional zoning districts, with or without constraints
- Duplexes with design constraints

Mixed Support

- Duplexes with location and lot size constraints

Other Community Suggestions

- Allow duplexes on lots 1.5 times minimum lot size of the underlying zone



Category

Cottage Housing

Cottage housing is smaller scale detached single-family residential housing with a central, common open space. This housing form is attractive to empty nesters, singles, couples, and even small families. They are compatible with low-density residential neighborhoods.

In Mukilteo, cottage housing was first adopted in 2004 and most recently updated in 2016. There are several challenges to building cottage housing in Mukilteo, including location (cottage housing is only allowed in alternate zones from townhomes), design standards (current regulations incentivize uninhabitable second stories and dictate specific architecture), ownership type (subdivision of lots is currently prohibited), and the review process (requires a public hearing for a conditional use permit).

Strategy: Review Cottage Housing Regulations

Specific Areas for Additional Study:

- Add cottage housing as a permitted use in zones where townhomes are allowed
- Allow for cottage housing subdivisions
- Consider eliminating the public hearing requirement
- Review cottage housing design standards

Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth

Community Feedback

Support

- Cottage subdivisions

Mixed Support

- Allowing cottage housing in more zones
- Increasing design flexibility

Less Support

- Eliminating public hearing requirement for cottages



Category

Townhomes



Townhomes are dwelling units that share walls with other residential units but have their own individual access, a private garage, and are typically owner-occupied. Townhome buildings usually contain between three to six units. Because they are attached, townhomes are more affordable than detached single family homes and can offer affordable home-ownership options and housing diversity to a city. They are also a good option for transitioning between multifamily residential uses or commercial development and low-density neighborhoods.

In Mukilteo, townhomes are allowed in alternate zones from cottage housing and are allowed at up to 13 units per acre.

Strategy: Review Townhome Regulations

Specific Areas for Additional Study:

- Add townhomes as a permitted use in zones where cottage housing is allowed

Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Housing Sizes
- Housing to Accommodate Future Growth

Community Feedback

Mixed Support

- Allowing townhomes in more zones



Category

Mixed-Use Development

Mixed-use development contains a mix of uses such as residential, retail, office, or commercial services all in one building. The organization of mixed-use developments can be vertical with residential uses on top of commercial, or horizontal with residential behind or next to retail. Mixed-use developments can provide convenient access between work, home, and other services without the use of a vehicle. They also offer additional customers for neighborhood business and can increase the variety of housing options in a city.

In Mukilteo, there are specific design standards that require vertical or horizontal separation of commercial and residential uses for mixed-use development proposals. These requirements effectively prohibit the construction of live-work units, which are able to serve as more affordable, “incubator” units for small businesses.

Strategy: Review Mixed-Use Development Regulations

Specific Areas for Additional Study:

- Review the commercial requirement for mixed-use projects to allow live-work units

Needs Addressed

- Greater Variety of Rental Housing
- Housing Attainable to Mukilteo’s Workforce
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth

Community Feedback

** Feedback only collected from Stakeholder Advisory Group*

Support

- Commercial requirement for mixed-use projects *

Other Community Suggestions

- Review barriers to housing development in Downtown Business District development standards
- Review barriers to housing development of a Town Center



Category

Process Improvements



Providing a predictable, efficient, and user-friendly permitting process can encourage new housing construction by reducing perception of risk among developers and lowering their administrative carrying costs. There are several ways that a jurisdiction can improve the permit review process including: simplifying procedures for projects with lower impacts, expediting review for certain types of development that the community wishes to encourage, and increasing department staffing during busy cycles, among others.

Strategy: Improve Permit Processing

Specific Areas for Additional Study:

- Streamlining the Land Use and Development Review procedures in MMC 17.13

Strategy: Review Subdivision Procedures

Specific Areas for Additional Study:

- Increase the lots allowed in a short subdivision from four (4) to nine (9)
- Allow administrative review of final full subdivisions (currently Council review)

Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Rental Housing
- Housing Attainable to Mukilteo's Workforce
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth

Community Feedback

* Feedback only collected from Stakeholder Advisory Group

Support

- Increasing short subdivision from maximum four (4) lots to nine (9) lots*
- Allowing administrative review of final full subdivision*

Other Community Suggestions

- Develop a policy or program to better reach underrepresented groups in public outreach and processes in housing policy decisions

Category

Zoning Regulations

Cities can implement regulatory improvements to make housing development easier and faster and increase housing supply. Revisiting bulk regulations and evaluating permitted uses can result in reduced costs for development and increase housing available for long-term use.

Strategy: Review Bulk Regulation Standards

Specific Areas for Additional Study:

- Improve setback consistency across single-family zones, review lot coverage standards, and/or review hard surface limits

Strategy: Adopt Short-Term Rental Regulations



Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Rental Housing
- Housing Attainable to Mukilteo's Workforce
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth

Community Feedback

** Feedback only collected from Stakeholder Advisory Group*

Support

- Reviewing setback consistency*
- Short-term rental regulations



Category

Housing Programs

Cities provide a one-stop resource for information of interest to the community. Many existing programs are in place to assist homeowners and tenants with various aspects of housing. Through its website and targeted outreach efforts, the City is able to provide additional assistance and education to residents about programs that may be available to them.

Strategy: Educate About Programs to Help Residents Stay in Their Homes

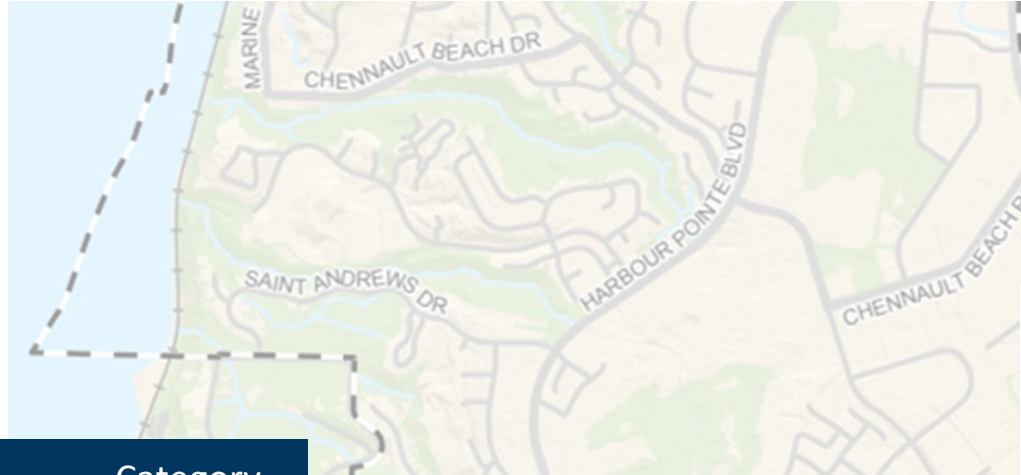
Specific Areas for Additional Study:

- Participate in or provide education about housing preservation program(s)
- Participate in or provide education about down payment assistance and homebuyer education programs
- Participate in or provide education about landlord and tenant assistance program(s)
- Provide education about house sharing / roommate programs



Needs Addressed

- Greater Variety of Options for Moderate-Income Households
- Housing Options for Older Adults



Category

Additional Community-Driven Strategies

Community members suggested additional strategies to help address the identified needs. The strategies include:

Strategy: Expand Senior Housing Options

Specific Areas for Additional Study:

- Add housing choice for seniors (e.g. low-rise, multi-family residential), and/or incentivize ADA accessibility and senior-friendly features

Strategy: Review the City's Zoning Framework

Specific Areas for Additional Study:

- Consider consolidating zoning districts
- Consider a six (6) dwelling unit / acre minimum density for single-family zones
- Develop inclusionary zoning standards
- Consider impacts of climate migration on future population growth

Strategy: Complete the Midtown Mukilteo Overlay

Specific Areas for Additional Study:

- Allow for higher density lots and/or allowing multi-family west of SR 525

Strategy: Consider Completing Annexation

Needs Addressed

- Entry-Level Homeownership Options
- Greater Variety of Options for Moderate-Income Households
- Greater Variety of Rental Housing
- Housing Attainable to Mukilteo's Workforce
- Greater Variety of Housing Sizes
- Housing Options for Older Adults
- Housing to Accommodate Future Growth



Implementation Plan

The Housing Action Plan focuses on strategies that can be implemented within a five-year time frame. The matrix below provides more detail on recommended strategies, timeline, cost and level of effort, and type.

Definitions for the timeline are:

- Short-term strategies can be accomplished soon and are not dependent on any additional funding or changes to the Comprehensive Plan.
- Mid-term strategies can be accomplished with the 2024 Comprehensive Plan update
- Long-term Strategies can be accomplished after the 2024 Comprehensive Plan update

Table 1. Implementation Matrix

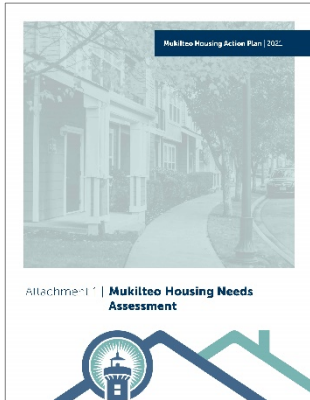
Recommended Strategy	Timeline	Cost and Level of Effort	Type
Review Accessory Dwelling Unit Regulations	Short-Term	Medium	Development Regulation Streamline Permitting
Review Duplex Regulations	Long-Term	Medium	Development Regulation
Review Cottage Housing Regulations	Mid-Term	Medium	Development Regulation Streamline Permitting
Review Townhome Regulations	Mid-Term	Low	Development Regulation
Review Mixed-Use Development Regulations	Mid-Term	Low	Development Regulation
Improve Permit Processing	Ongoing	Medium	Streamline Permitting
Review Subdivision Procedures	Short-Term	Low	Development Regulation Streamline Permitting
Review Bulk Regulation Standards	Mid-Term	Medium	Development Regulation



Recommended Strategy	Timeline	Cost and Level of Effort	Type
Adopt Short-Term Rental Regulations	Mid-Term	Medium	Development Regulation
Educate About Programs to Help Residents Stay in Their Homes	Mid-Term	Medium	Program
Expand Senior Housing Options	Mid-Term	Medium	Program Development Regulation
Review the City's Zoning Framework	Long-Term	High	Comprehensive Plan Development Regulation Streamline Permitting
Complete the Midtown Mukilteo Overlay	Long-Term	High	Comprehensive Plan Development Regulation
Consider Completing Annexation	Long-Term	High	Comprehensive Plan Development Regulation

List of Exhibits

The following exhibits provide detailed information to support the strategies in this document. Please refer to them for additional information. All exhibits are available on the City of Mukilteo Housing Action Plan website.



Attachment 1 – Mukilteo Housing Needs Assessment

Presents a community profile, workforce profile, housing inventory, and analysis of housing gaps.



Attachment 2 - Mukilteo Housing Policy Review and Recommendations

Presents an evaluation of the City's existing housing policies and land use regulations to identify strategies to meet the identified housing needs.



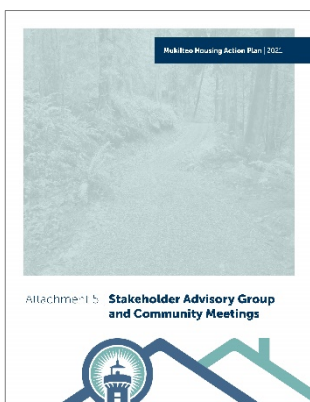
Attachment 3– Community Input

Presents comments and input submitted by community members and stakeholders over the course of the project.



Attachment 4– Interview Findings

Presents a summary of interviews conducted at the beginning of the project. Interviewees include a broad section of stakeholders and all members of city council.



Attachment 5 – Stakeholder Advisory Group and Community Meetings

Present summaries of the four Stakeholder Advisory Committee meetings and the two Community Meetings.