

JUNE 2021



Housing Action Plan

City of Mukilteo

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 with 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 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.

Addressing Displacement

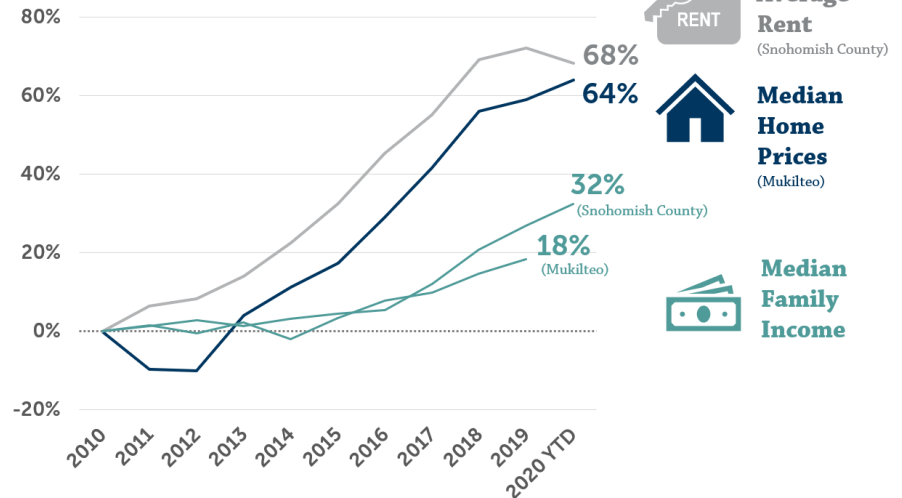
Displacement occurs when a household is forced to move against their wishes due to increased housing costs and redevelopment pressure on lower-cost housing. While the HNA found Mukilteo at low risk for displacement, the HAP includes strategies to minimize displacement, particularly of older adults at risk of economic displacement due to rising housing costs. The recommended strategies include educating about programs to help residents stay in their homes and expanding senior housing options.



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.

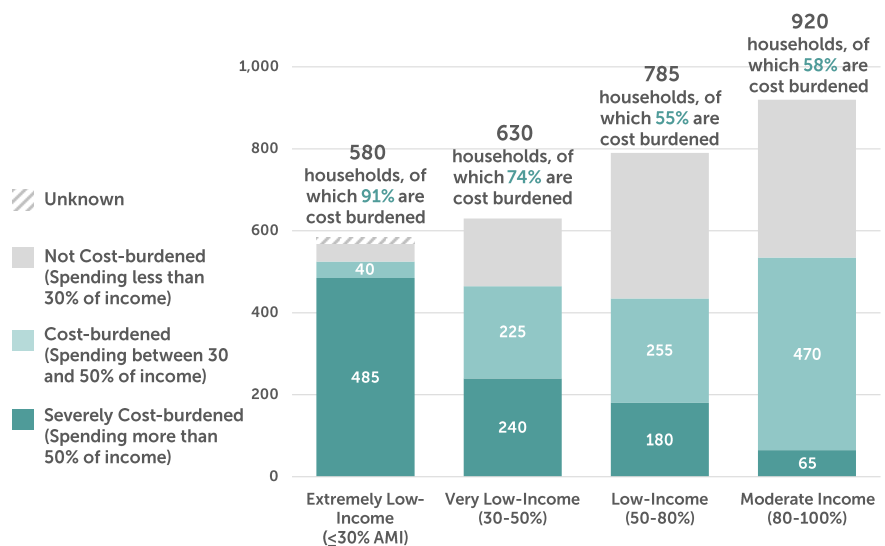
Percent Change since 2010



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

Greater Variety of Options for Moderate-Income Households

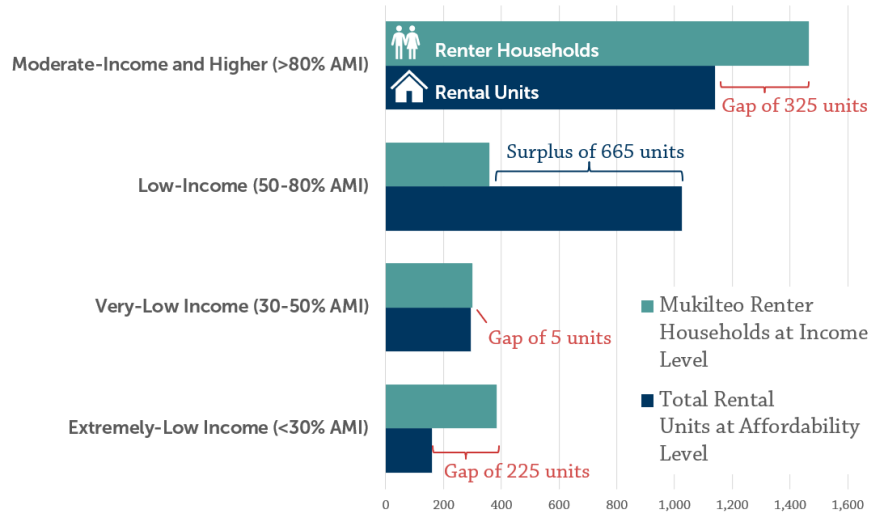
- Despite high incomes, housing cost burden is prevalent in Mukilteo.
- As a percentage of households in each income category, extremely low-income households are most likely to be severely cost-burdened.
- When looking at household type (older adult family, older adult living alone, large family, small 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

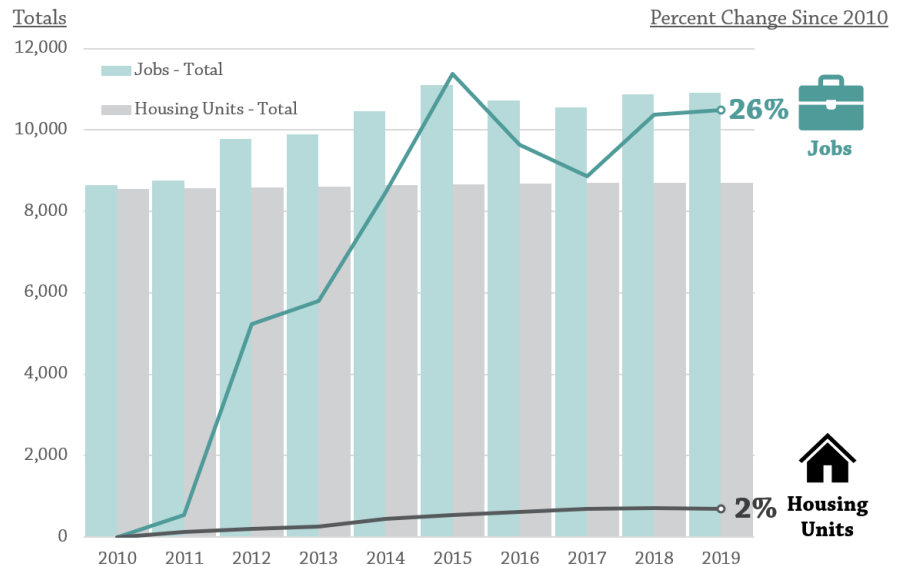
- About 31% of households rent their housing.
- Rental housing costs have increased faster than home prices.
- There are too few rental units available for extremely low-income and very low-income households.
- Low-income households compete with moderate-income and higher income households for limited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

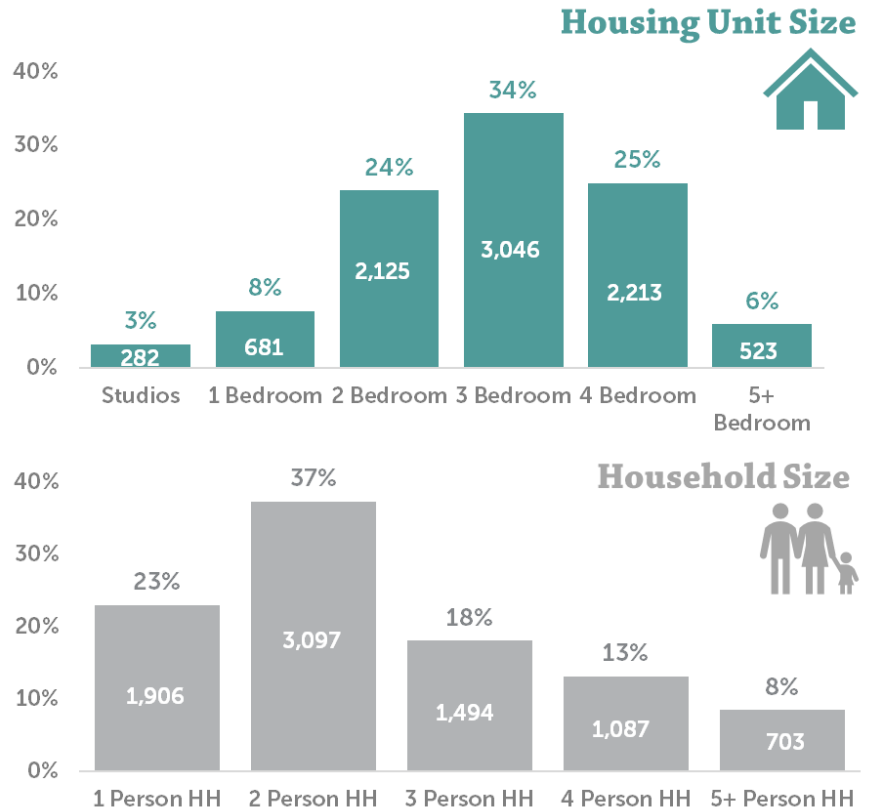


Sources: OFM 2010 – 2019; PSRC Covered Employment Estimates 2010 – 2019.



Greater Variety of Housing Sizes

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

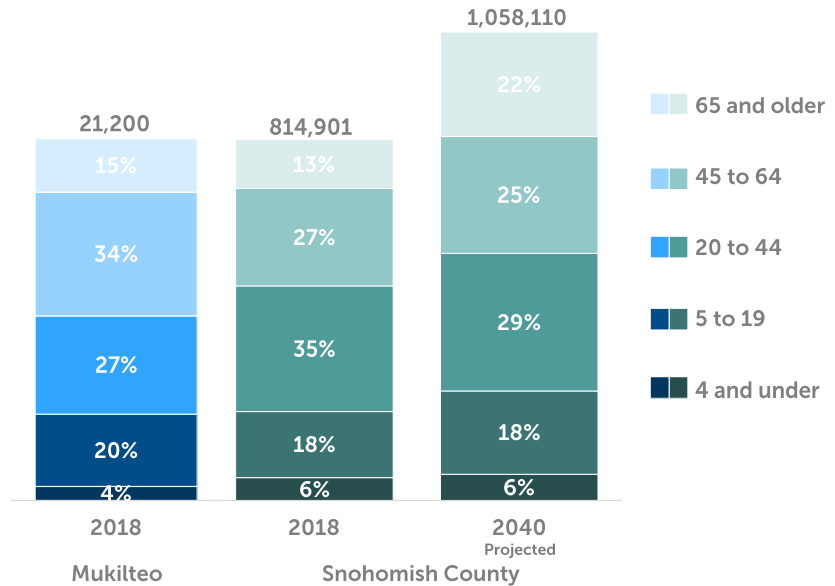


Sources: ACS DP04 & B250095-yr estimates, 2014 – 2018.



Housing Options for Older Adults

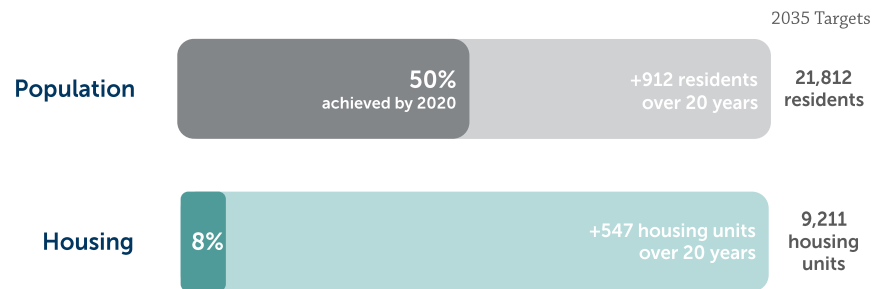
- As of 2018, about 15% of Mukilteo's residents are over the age of 65.
- About one third (36%) of today's older adult households are experiencing housing cost burden.
- 36% of older adults live in low-income households.



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.

Table 1. Matrix of Strategies and Identified Housing Needs

		Needs→							
← Strategies			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
	Comprehensive Plan Updates		•	•	•	•	•	•	
	Housing Programs		•	•	•	•	•	•	
	Senior Housing				•	•	•		



Category

Comprehensive Plan Updates



Cities articulate their long-term vision for growth in their comprehensive plans. The comprehensive plan is a required part of Washington's growth management approach. Every eight years, cities must revisit their comprehensive plans and update language and policies to ensure progress is made to meet current and emerging housing needs.

Strategy: Review Comprehensive Plan Language

Potential Topics for Future Consideration:

- Identify specific actions and metrics in Policies HO4 and HO5
- Identify methods to consider the impact of fees on housing in Policy HO6
- Clarify the intent of Policy LU2 to recognize how diverse housing types can be compatible
- Clarify Policies LU6 and LU11 regarding impacts between diverse housing

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
- Minimizes Displacement



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

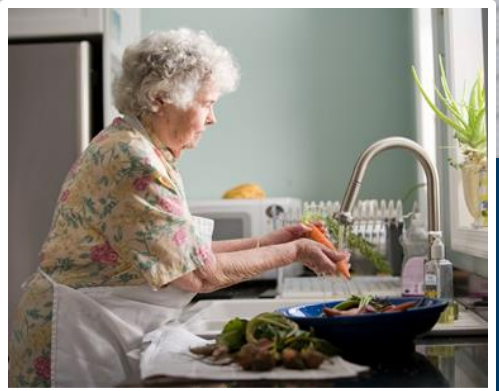
Potential Topics for Future Consideration:

- 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

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



Category

Senior Housing

The following strategy was suggested by the community to help address the needs identified in the HNA.

Strategy: Expand Senior Housing Options

Potential Topics for Future Consideration:

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

Needs Addressed

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



Implementation Plan

The Housing Action Plan focuses on strategies that can be implemented within a five-year time frame. Table 1 provides more detail on the strategies, implementation process, and timeline.

Each strategy can be implemented through a different process:

- Comprehensive Plan Update. Cities planning under the Growth Management Act (GMA) must complete periodic updates of their comprehensive plan every eight years. Mukilteo is scheduled to update its comprehensive plan in 2024. The comprehensive plan update process includes extensive public outreach and opportunities to provide input.
- Development Regulation Update. Cities planning under GMA must complete periodic updates of their development regulations to be consistent with the comprehensive plan and State law. Mukilteo also considers proposed amendments to the comprehensive plan and development regulations every year during their annual docket process. This process also process includes extensive public outreach and opportunities to provide input.
- Program Education. City staff would dedicate time and resources to identify and educate the public about existing programs.

Each strategy can be accomplished in the mid-term with the 2024 Comprehensive Plan update.

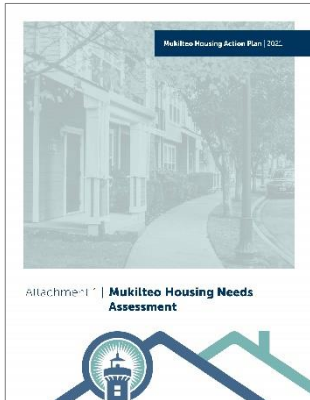
Table 1. Implementation Matrix

Strategy	Implementation Process	Timeline
Review Comprehensive Plan Language	Comprehensive Plan Update	Mid-Term
Educate About Programs to Help Residents Stay in Their Homes	Program Education	Mid-Term
Expand Senior Housing Options	Program Education Development Regulation Update	Mid-Term



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 land use regulations and housing policies to identify strategies to meet the identified housing needs.



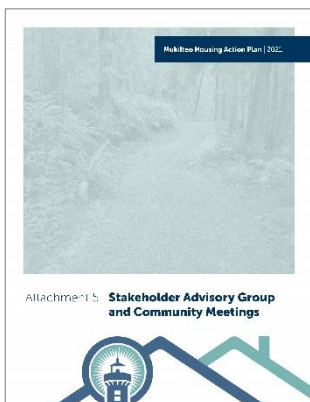
Attachment 3– Community Input

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

Presents summaries of the four Stakeholder Advisory Committee meetings, the two Community Meetings and a meeting of the Mukilteo Youth Advisory Committee (MYAC).