



COMPREHENSIVE PLAN 2016 - 2036

PLANNING COMMISSION LAND USE & TRANSPORTATION REVIEW

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

MAY 3, 2016

ANTICIPATED GROWTH



RCW 36.70A

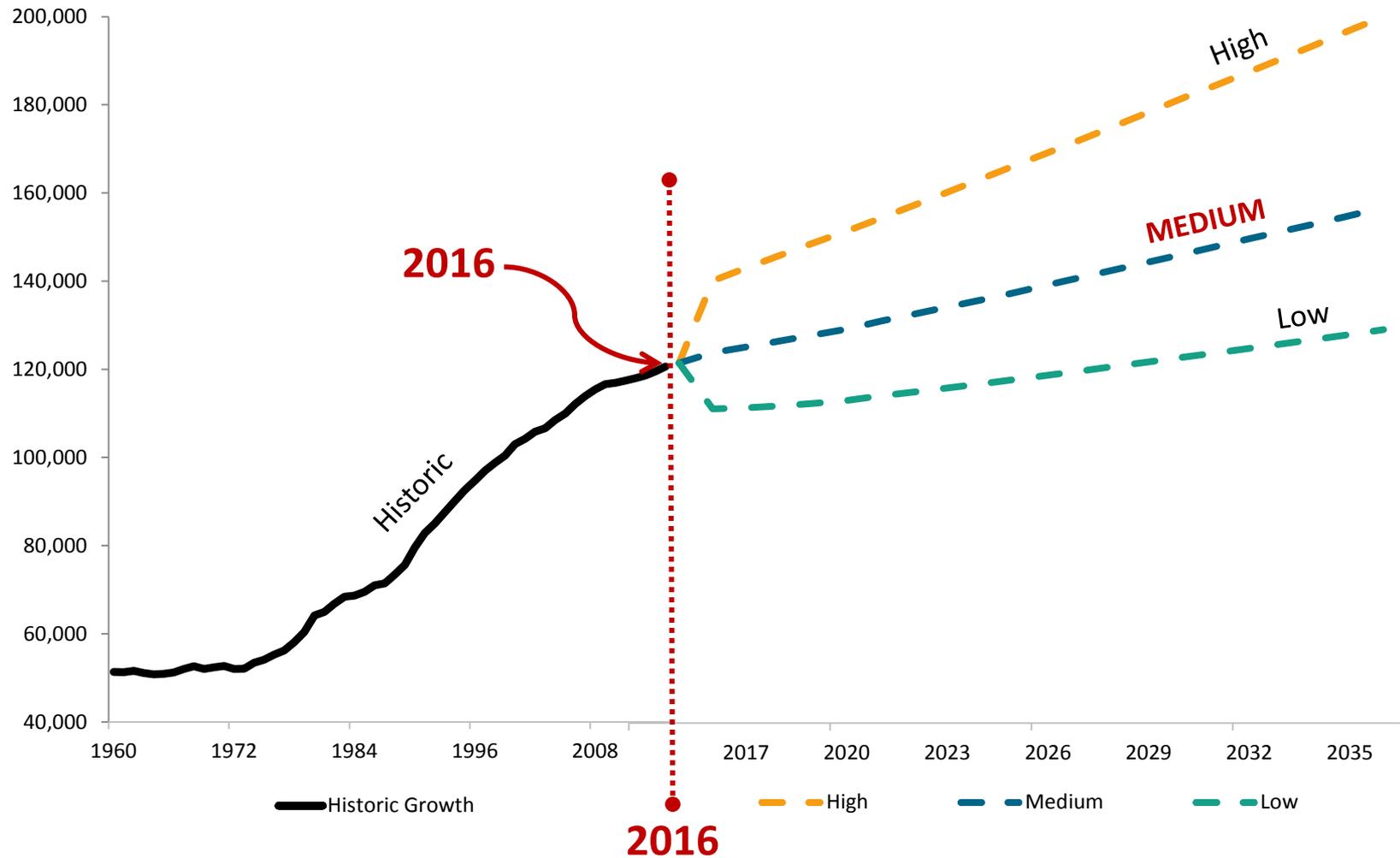
GMA



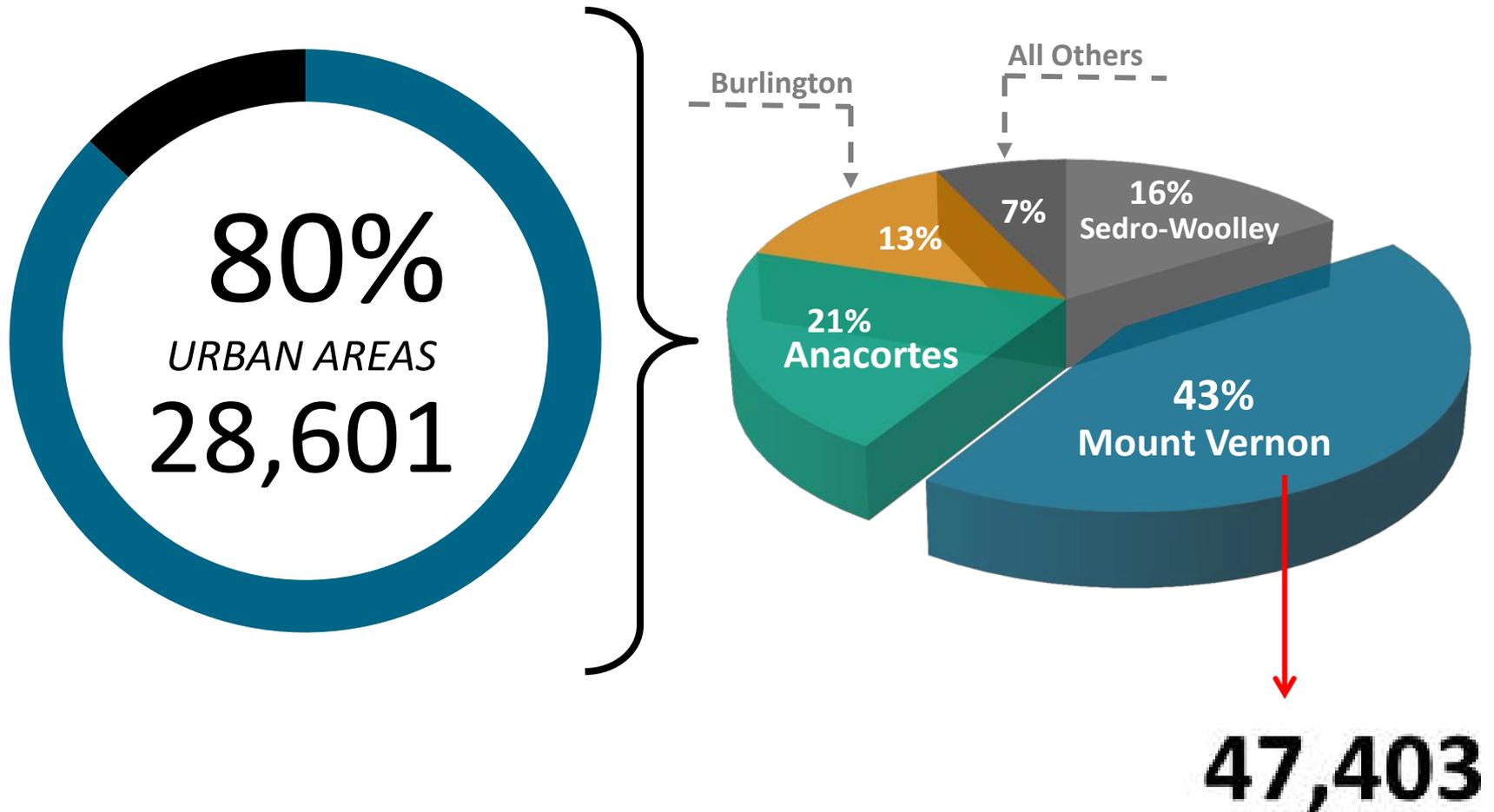
OFFICE OF FINANCIAL
MANAGEMENT (OFM)

- LOW
- MEDIUM
- HIGH

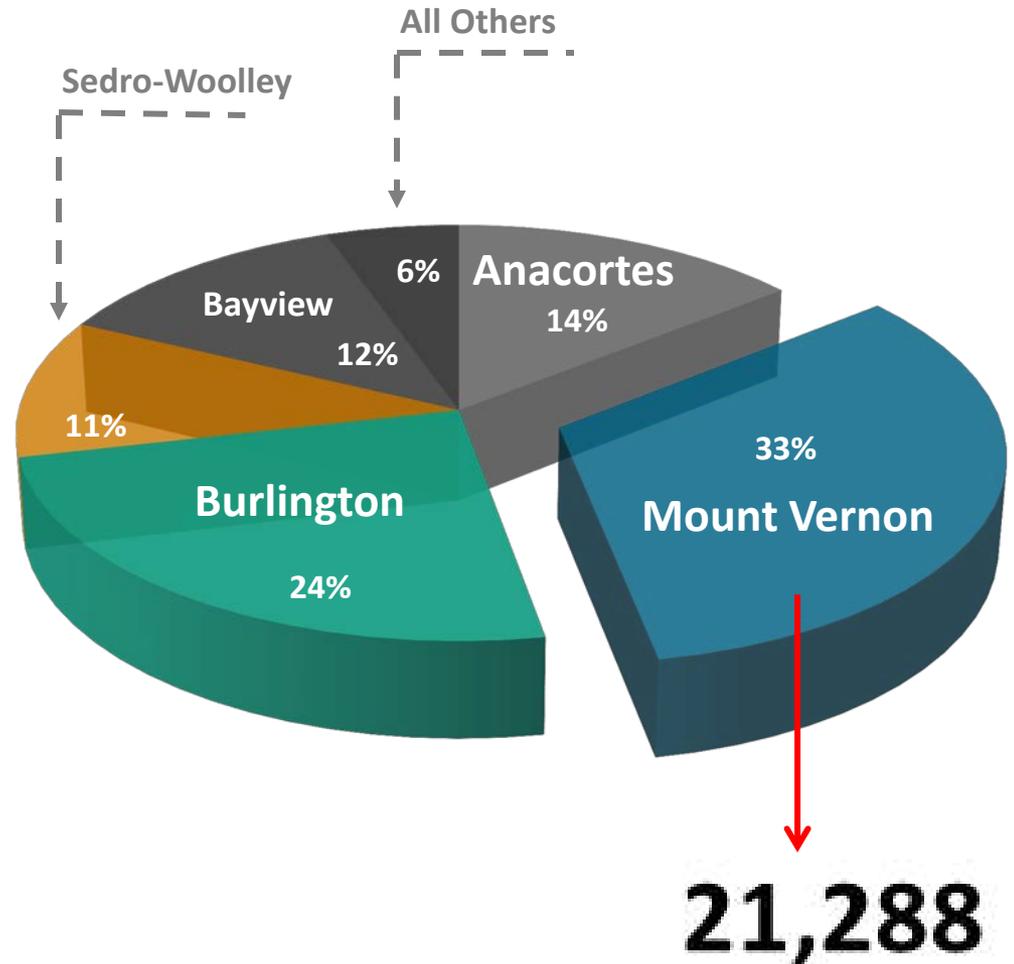
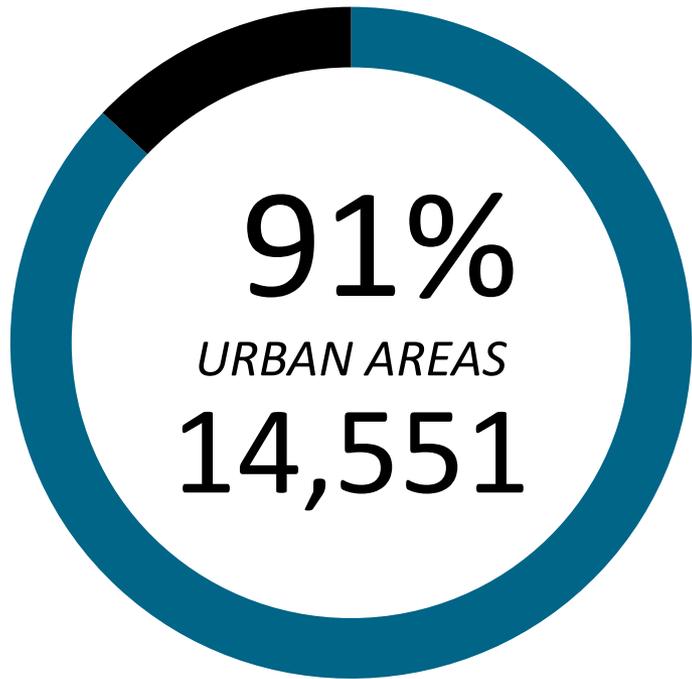
OFM'S FORECASTS



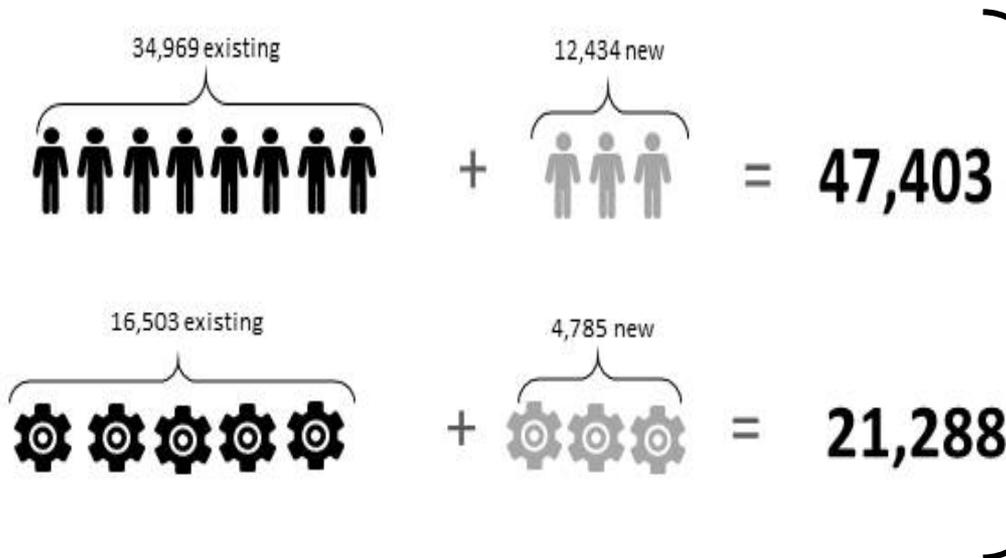
POPULATION DISTRIBUTED



JOBS DISTRIBUTED



BUILDABLE LANDS



**BUILDABLE LANDS
ANALYSIS PROVES
THAT THE CITY CAN
ACCOMMODATE
THIS GROWTH**

TRANSPORTATION ELEMENT

WHY DO WE HAVE A TRANSPORTATION ELEMENT?



...Because no one want to drive through this every day

WHAT DOES A TRANSPORTATION ELEMENT DO?

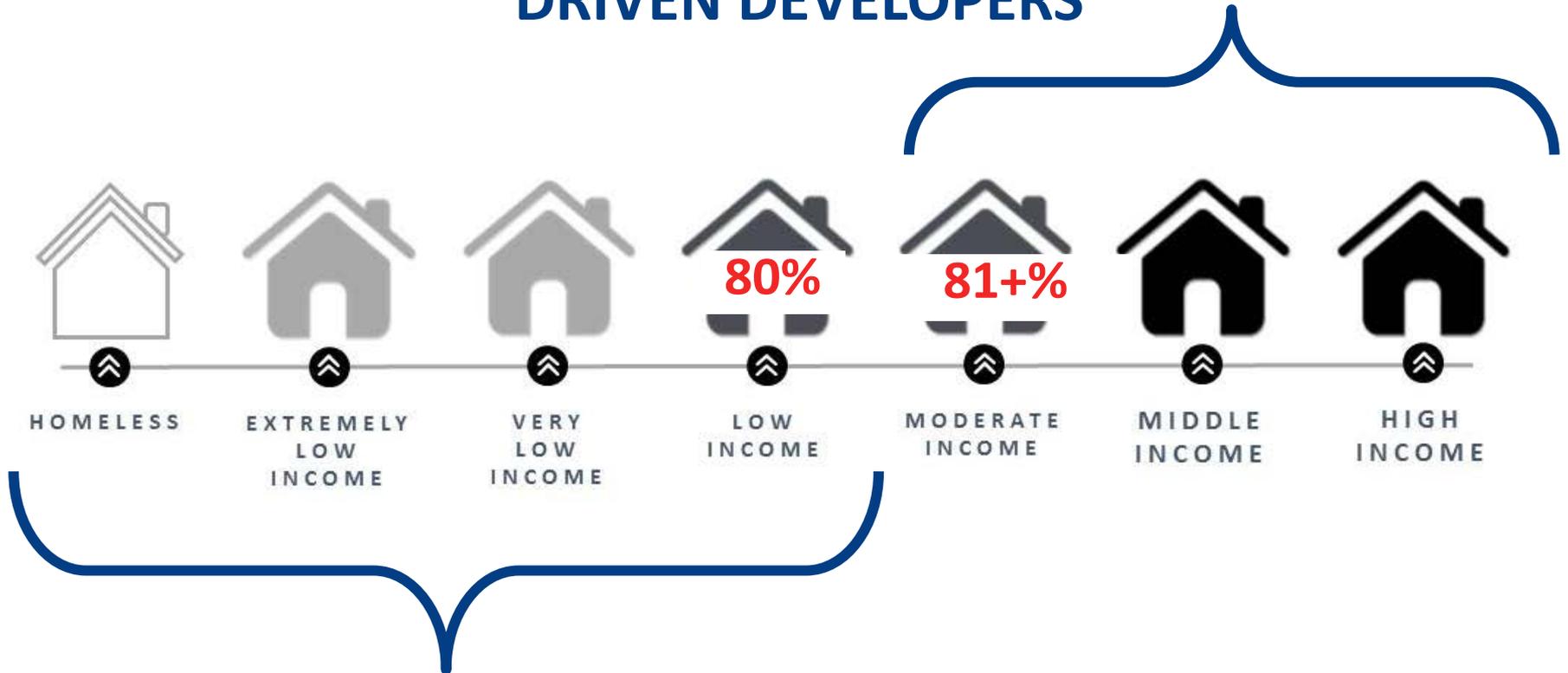
IN THE SIMPLEST TERMS....

**IDENTIFIES TRANSPORTATION IMPACTS &
PROPOSES MITIGATION TO THOSE
IMPACTS**

HOUSING
ITEMS FROM LAST MONTH...

HOUSING AND INCOME

**MARKET RATE HOUSING : DEVELOPED BY PROFIT
DRIVEN DEVELOPERS**



**SUBSIDIZED HOUSING : DEVELOPED BY MISSION
DRIVEN AGENCIES/ORGANIZATIONS**

SUBSIDIZED HOUSING

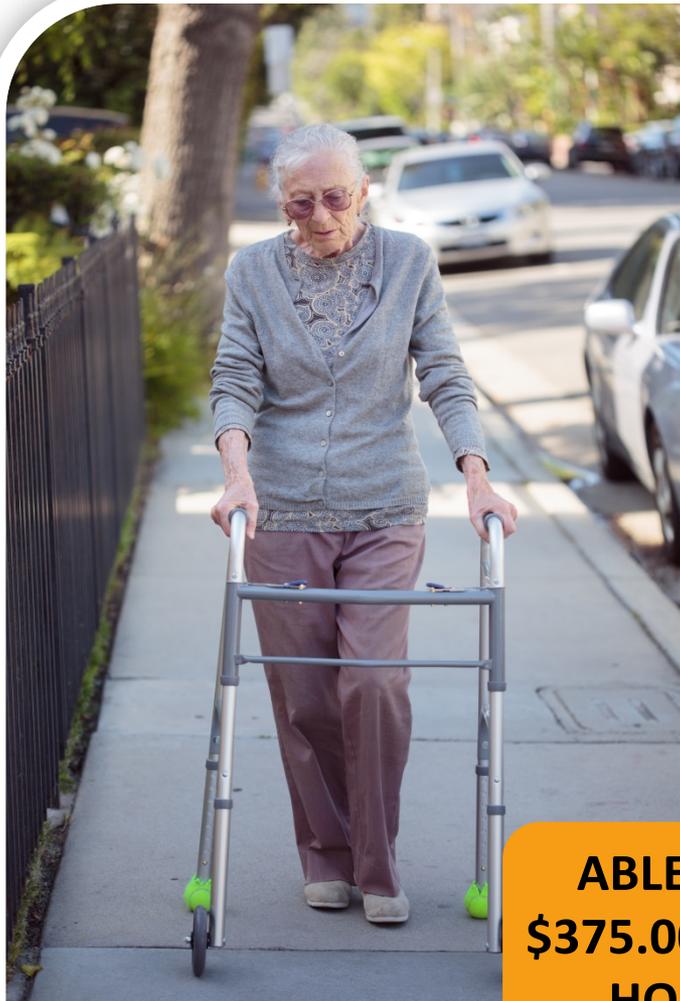


**SUBSIDIZED
HOUSING :
DEVELOPED BY
MISSION DRIVEN
AGENCIES &
ORGANIZATIONS**

WHO IS SUBSIDIZING THIS HOUSING ?

PRIMARILY THE FEDERAL GOVERNMENT

SUBSIDIZED HOUSING (an example)



**ABLE TO PAY
\$375.00/MONTH
HOUSING**

**\$\$ from HUD
to PHA to pay
remaining
housing costs**



U.S. Department of Housing and
Urban Development
HUD

PUBLIC HOUSING AUTHORITIES:
*Section 8 (tenant or project
based), VASH (veterans), 202 for
Seniors, and many others*

SUBSIDIZED HOUSING (an example)



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

**FEDERAL TAX CREDITS
ISSUED TO STATES**

1

Housing developer (usually a non-profit) applies for Federal Tax Credits from the WA Housing Finance Commission.



2

The housing developer sells (at a discounted rate) the Federal Tax Credits to a business, fund, or investor(s) that pay Federal taxes. The \$\$ made by selling these credits pays for construction costs of project



3

The housing developer then has funds to construct their project and the business, fund or investor(s) that purchased the tax credits are able to – over a 10 year period – reduce dollar for dollar their Federal tax bill

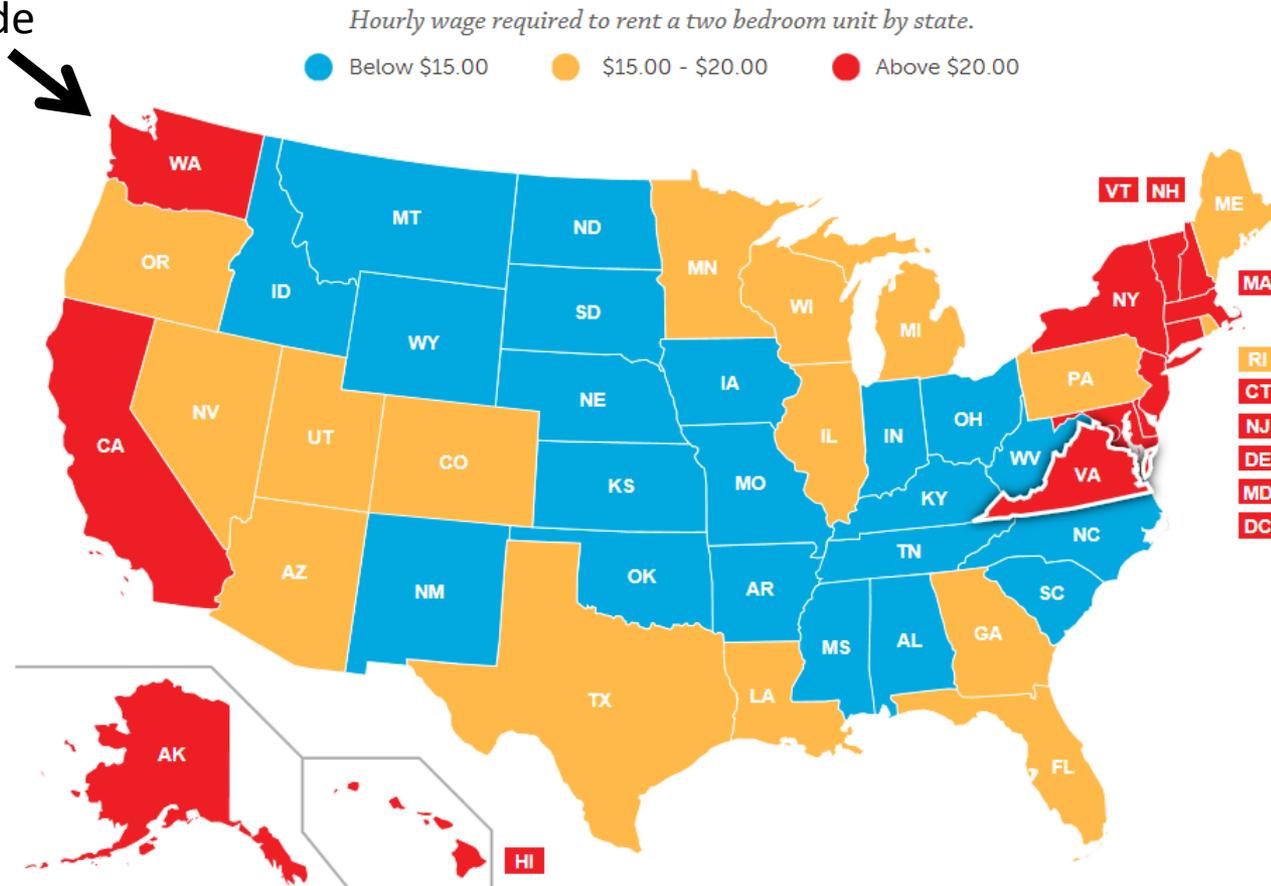
HOUSING CRISIS

- In Skagit County 1 in 4 residents is paying more than 50% of their income for housing leaving them extremely cost-burdened
- 16,900 Skagit County Households cannot afford their housing
- 1,833 families on Housing Authority waitlist
- Residents would need to earn \$19.00/hour to afford a two-bedroom apartment
- 200+ homeless households in Housing Interest Pool

HOUSING CRISIS (LOCAL TO NATIONAL)

In no state can a person working full-time at minimum wage afford a one-bedroom apartment at the Fair Market Rent

10th
Nationwide

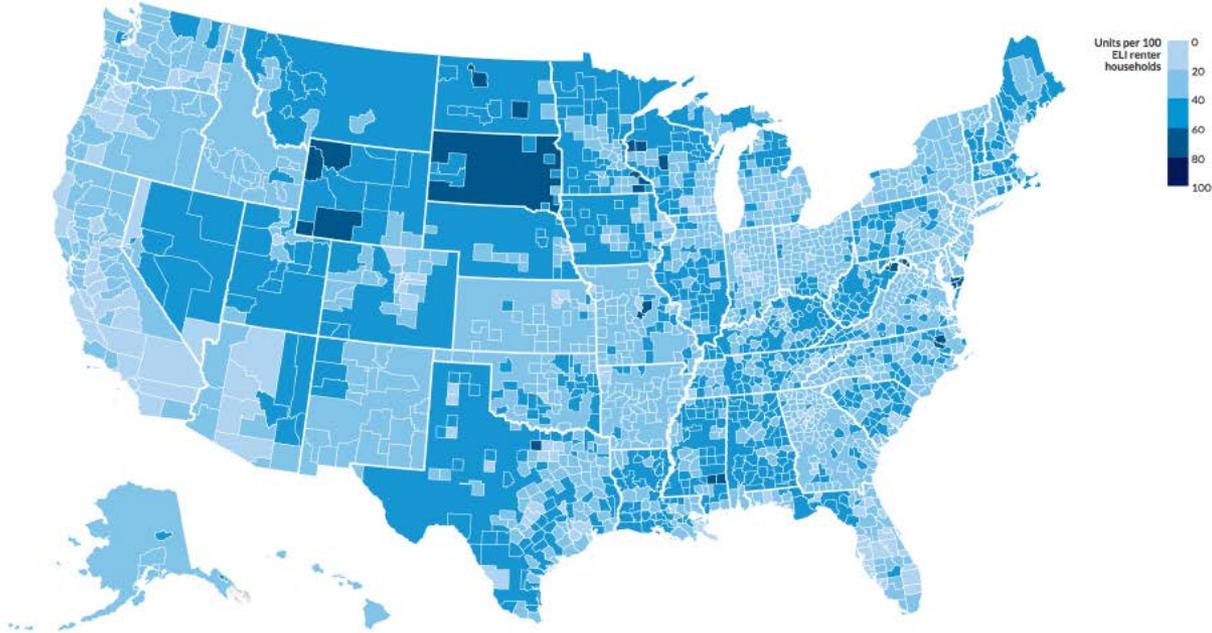


HOUSING CRISIS (LOCAL TO NATIONAL)

“WITHOUT EXCEPTION, THERE’S NO COUNTY IN THE U.S. THAT HAS ENOUGH AFFORDABLE HOUSING”

- Urban Institute (President Lyndon Johnson founded in 1968)

Number of Adequate, Affordable, and Available Housing Units for Extremely Low-Income Renters by County, 2013



Sources: 2011, 2012, and 2013 ACS 1-year sample data from the Integrated Public Use Microdata Series merged with data from HUD on income limits and households receiving rental assistance.

HOUSING CRISIS

These national comparisons are provided not as a way to suggest that there's nothing that the City can do to help this crisis.

RATHER....

To put these issues into perspective and to underscore the City's role in mitigating some of these issues

FOR EXAMPLE...

SAY THAT 1,833 HOUSING UNITS
APPEARED IN THE CITY FOR ALL OF
THOSE ON THE HOUSING
AUTHORITY'S WAITING LIST

THERE ARE FEW HOUSING
VOUCHERS (OR OTHER SUBSIDIES)
AVAILABLE TO SUBSIDIZE THIS
HOUSING – WHO IS GOING TO PAY
THE RENT FOR THESE UNITS?

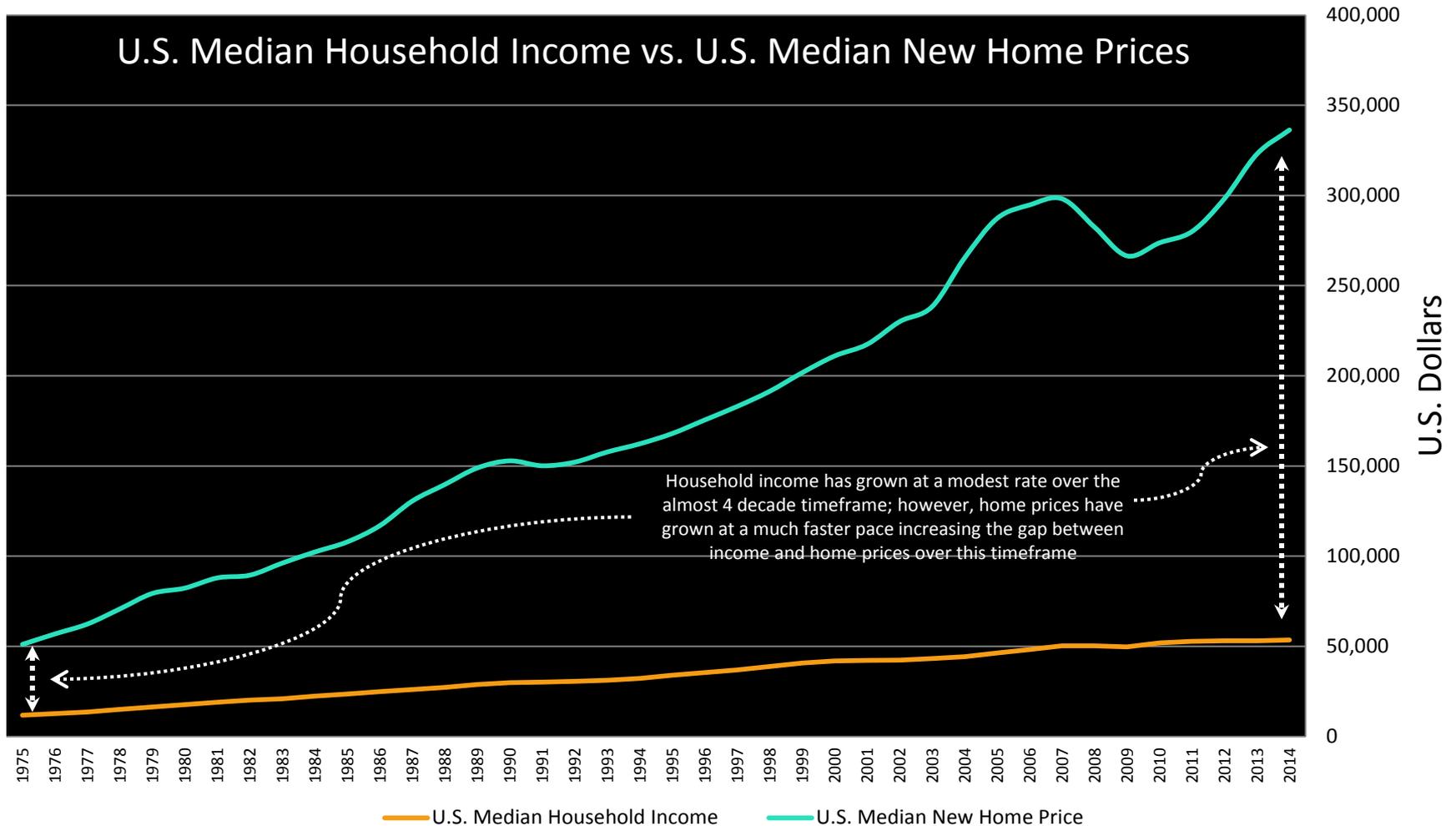
HOUSING CRISIS

SO...WHAT IS THE ANSWER?

Since this is a national issue the City's is not alone is seeking ways to mitigate. National experts from HUD, NLIHC, and Urban Institute) all point to the following:

1. Correlation between home prices and income
2. “Perfect Storm” of events with lingering effects:
 - Sub-prime mortgage crisis, many American's lost their homes, home ownership is now out of reach for many of these causing an increased demand for rentals
 - Federal budget cuts in FY 2013 (Sequestration) meant that HUD wasn't able to provide housing vouchers for 74,000 families – many other Federal programs also deeply impacted.

HOME PRICES AND INCOME



SOLUTIONS??

What does the City currently do:

1. Currently have over 1,300 housing units that are subsidized (vouchers, project based, Habitat for Humanity, Housing Trust of Skagit, tax incentives, etc)
2. Zoning allows a variety of housing types and densities
3. Unlimited density in our C-1 zone – and Master Plan is done
4. Accessory Dwelling Units (ADUs) – no impact fees
5. Federal CDBG funds from HUD that the City applies for:
 - Home Trust of Skagit (\$50,000.00, down payment assistance for 2 low income households)
 - SC Community Action Agency: \$45,000.00 (housing and case management for homeless families serving 140 persons and financial assistance for low-income serving 3,000)
 - Catholic Housing Services: \$41,000.00 (used to rehabilitate low-income rental housing – 10 households)

SOLUTIONS??

If increasing density in the City is the #1 SOLUTION every City in the Nation would be doing this and this national crisis would be mitigated.

So...why isn't this being done?

Four (4) most dense cities in the U.S.:

NEW YORK

SAN FRANCISCO

LOS ANGELES

HONOLULU

**ALL ARE WITHIN
THE TOP 10 MOST
UNAFFORDABLE
CITIES –**

NLICH

SOLUTIONS??

HOMELESS:

Focus on securing funding for supported housing – FEDERAL & STATE FUNDS

Housing First and Rapid Re-Housing

Ensure adequate long term funding in terms of live in staff and wrap around services

Do not need located via density requirements

LOW INCOME:

Require a % of new homes to be affordable housing

Currently no requirement that new units be affordable

Smaller scale infill sites could be identified to have their density increased to duplex or townhouse development more similar to nearby density

Provide assistance with rehabs of existing housing

SUBSIDIZED HOUSING (an example)



1

U.S. TAX REFORM ACT OF 1986 - U.S. Department of Treasury issues Federal Tax Credits to U.S. States based on the State's population and a multiplier (2016 = 7,170,351 x 2.35 = \$16,850,325.00)

Housing developer (usually a non-profit) applies for Federal Tax Credits from the WA Housing Finance Commission.

The amount of tax credits is based on eligible construction costs multiplied by the number of low-income units being provided multiplied by the tax credit basis (4% or 9%). Housing developer is required to rent/lease to low-income residents over a specified timeframe.

The LIHTC is an indirect federal subsidy that finances low-income housing.

In 2014 this program cost the Federal Government 6.7 BILLION dollars
(Congressional Budget Office, 2016)

In addition to reducing Federal taxes banks can also improve their CRA rating by "investing" in these projects

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2

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3