

## **City of Medina**

### **Housing Action Plan**

*Working Draft: Content Only*

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### **Acknowledgments**

The Housing Action Plan results from many months of dedicated work by The Blueline Group and City of Medina staff. Stakeholders and other public members also provided their time and effort in helping create a roadmap for the future of housing. The Blueline Group honors and appreciates having the privilege of serving Medina's people. As such, Blueline expresses deep gratitude for having the privilege of performing this vital work.

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## **Preface**

This Housing Action Plan (HAP) is made possible by a grant administered by the Washington State Department of Commerce through Engrossed Second Substitute House Bill 1923, commonly referred to as HB 1923. The bill intends to encourage cities to increase residential building capacity for underserved populations. The strategies identified in this plan will inform the City's comprehensive plan and act as the guide for subsequent housing policy implementation.

## **City's Message**

The Housing Action Plan (HAP or Plan) is the City of Medina's tool kit for increasing housing options and affordability in the community to help achieve its vision of a more vibrant, inclusive, and equitable future. While Medina seeks to make meaningful changes in the housing market, addressing the broad range of Medina's housing needs will also need the continued participation of Medina's housing and human service partners. Therefore, the Housing Action Plan complements the City's collaborations, partnerships, commitments, and plans.

***PLACEHOLDER FOR PHOTO A***

## **The Community's Message**

We, the people of Medina, want safe, neighborhood-oriented, high-quality housing that retains the aesthetic character we know and love. We want to maintain the open spaces, community feel, and quick access to larger cities that make Medina unique. Even as we face the challenges the future brings, we will retain the scale and character of the housing we value. To support our community, we will work to lower the cost of living in our City without compromising our high quality of life. We strive to create beautiful housing that serves our entire community.

## **The People's Voice**

***This section will have photos of residents and engagement quotes.***

## **Report Organization and Planning Process**

### **Purpose and Intent**

In late 2021, the City of Medina applied for grant funding allocated by the Washington State Department of Commerce and funded through the Engrossed Second Substitute House Bill (E2SHB) 1923. The bill was designed to grant funding for municipal research to increase the urban residential capacity in cities by evaluating local housing needs and determining actionable steps municipalities can take to improve housing stock, diversity, and affordability to proactively plan for housing that meets current and future needs.

Medina was awarded under E2SHB 1923 and received grant funding to prepare a Housing Action Plan (HAP). The purpose of the housing action plan is to develop a single report that defines community needs, analyzes projected needs, and identifies the most appropriate strategies and implementation actions that promote greater housing opportunities at all income levels.

### **The Planning Process**

The City of Medina worked with the community, local stakeholders, and consultants to understand different perspectives of housing needs, barriers, and concerns to prepare the HAP. Medina initially began the HAP process by conducting the Housing Needs Assessment (HNA) using valid data sources from government and private entities to evaluate (1) who lives in Medina, (2) how affordable is the housing, and (3) could existing residents continue to afford to live here. Data was taken from sources such as the American Community Survey, Puget Sound Regional Council, Washington State Office of Financial Management, and Zillow. The HNA draft was completed and presented to City Council in April 2022. Once the HNA was drafted, the city initiated the public participation process to gain firsthand perspectives of how housing pressures are experienced by residents. A community survey was performed using SurveyMonkey, an online survey tool. Everyone in the city of Medina was invited to participate between May 30<sup>th</sup> and July 25<sup>th</sup>, 2022. The community survey was available both electronically and via hard copies in Medina City Hall. Advertising occurred on the city's website and social media pages. One hundred fifty-four respondents responded to thirty-one questions about housing in Medina.

Two groups of stakeholders were identified to give in-depth feedback on the Housing Needs Assessment and provide direction for future housing development in Medina. Stakeholders were selected based on their history developing in Medina, familiarity with the development and construction of housing, or exceptionally active participants in local governance. A group of community stakeholders attended virtual sessions in July and September 2022, and a group of technical stakeholders attended a separate virtual session in August. Finally, an open house was held in March 2023 encouraging anyone in the community to visit City Hall to ask questions, review data, or provide feedback on potential actions.

**INFOGRAPHIC: THE PLANNING PROCESS****Organization of this Report**

The Housing Action Plan is broken down into the following components:

**Housing Needs Assessment:** A report summarizing key data points on community demographics, employment and income, housing conditions and affordability, and an analysis of the gaps in housing serving different income bands.

**Public Engagement Summary:** A summary of the public engagement activities, efforts, and feedback generated from the public and stakeholders. The summary includes a description of each of the engagement events or activities and a synopsis of overarching themes.

**Regulatory Review and Housing Toolkit:** This section evaluates the strategies and objectives of the HAP to Medina's Comprehensive Plan policies and existing regulations, incentive programs, or partnerships that support housing. The toolkit is a chart describing the existing housing policies and tools in place at the city supporting the development of housing in relationship to community needs.

**Housing Actions:** A list of recommended policies, programs, regulations, and incentives specifically selected based on the community's development pattern, demographics, affordability needs, and characteristics.

## **Part 1: Introduction**

As cities across the Puget Sound Region continue to grow at historic rates, they have also become less affordable, particularly for residents who have called the Pacific Northwest home for generations and lower-income populations. As cities have struggled to keep pace with growing populations, we have seen households priced out, displaced, or even become homeless.

In addressing the housing crisis, the Washington State Legislature passed HB 1923 in 2019, a bill to increase the housing supply in cities across the state. Under this new legislation, cities have been encouraged to take action to increase residential building capacity and promote the development of new housing to address affordability issues and prepare for the periodic Comprehensive Plan Housing element update. One option for cities under this bill is to develop a Housing Action Plan (HAP). The Statute<sup>1</sup> states that the goal of any such housing plan must be to encourage the construction of additional affordable and market-rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes. It should also include strategies that address the for-profit single-family home market.

Medina is no exception in experiencing the impacts of the housing crisis, with nearly a fifth of its households being cost-burdened, meaning over 30 percent of their household income is spent on housing alone. Renter households are disproportionately affected with half of all households experiencing some cost burdens and one-third being severely cost-burdened or spending more than 50 percent of their income on housing. Homeownership affordability is also a critical issue in Medina with median-priced homes costing approximately \$2,858,000 in 2019 requiring a monthly income of \$47,400 to be considered affordable. While about 99% of the city's housing stock is single-family homes, the market forces driving up the prices of land, and a consistent downtrend in the number of homes in the city, there are significant concerns that life-long residents cannot continue to afford to live in Medina. Seniors are especially vulnerable to displacement because their retirement and social security do not change based on inflation. This along with more information was discovered when the City produced its *Housing Needs Assessment* (HNA), which is contained in the appendix of this document.

With further population and housing growth in the region anticipated, proximity to key transportation corridors, and an inability to annex new lands into the city's limits, Medina is at a critical point in planning for housing, which is why the City has prioritized the creation of this *Housing Action Plan* (HAP).

With the baseline data of its current housing needs measured within the HNA and through input from the public, it will be important for the City to monitor the projected growth over the next few years and proactively ensure that the housing needs of current and future populations are met. The HAP creates three strategic objectives to guide decisions regarding the future of housing in Medina:

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<sup>1</sup> See RCW 36.70A.040



- 1. INCREASING THE HOUSING STOCK AND VARIETY**
- 2. PREVENT HOUSING INSTABILITY AND DISPLACEMENT**
- 3. PROACTIVE HOUSING PLANNING FOR FUTURE RESIDENTS**

The first strategy realizes the need to regulate more affordable housing opportunities by incentivizing forms of denser housing types and removing potential barriers to building more affordable units below 80 percent Average Median Income (AMI). While market forces play a major role in determining the affordability of a housing unit, there are other factors that also determine the final cost, such as construction, materials, permitting, and development fees. Smaller forms of housing units can also reduce overall development costs and allow developers to pass down savings to renters and buyers. There is no need for additional single-family homes to be developed: single family homes take up more land per unit and the reduction of available lands increases the cost of vacant or redevelopable lands. As the strategies and actions are generally listed in order of priority, this strategy is Medina’s highest implementation priority.

Preventing housing instability and displacement for homeowners and renters is another key objective of reducing housing insecurity. . Results from the *Public Engagement Summary* indicate a major community concern that seniors are experiencing the most hardship in housing costs. Feedback also indicates Medina’s education, service, and government workforce cannot afford to live and work in Medina. Recommended actions are intended to provide educational and financial resources for homeowners and renters, with an emphasis on affordable rental units. Medina’s renters are over twice as likely to experience cost burdens than homeowners, and the City should consider methods of relief for life-long residents. The intention of this strategy is to provide immediate support to existing residents with limited changes to the Municipal Code and regulatory processes.

Finally, the third strategy seeks to guide the future of development in Medina by proactively planning for the population and housing growth projections anticipated in 2044 by Washington State and King County. Regulations should be developed with the understanding that Medina may need to look and operate differently in the future to meet the requirements of the Growth Management Act. While the market determines when and if properties can be redeveloped, the city can shape what, how, and where future housing projects are developed and accommodate more affordable housing. The city shall continue to work with partners to contribute funding to and pilot regulations for affordable housing, incentives, and policies increasing investment and availability of affordable homes.

Each strategy can be achieved using the recommended actions included in this report, see *Part 3*. Each action is prescribed to serve certain income level(s), intracity geographical area(s), and type(s) of households. The sections describing the actions are followed by an implementation plan and monitoring program that can lay the framework of the City’s response to meeting its housing needs moving forward.

## **What Is a Housing Action Plan?**

Policies have been developed to help cities meet the changing needs of their communities. HB 1923 encourages cities planning under the GMA to undertake specific actions to increase residential building capacity<sup>2</sup>. The state promotes the development of Housing Action Plans to meet these standards. HAPs determine the current state of housing in the community, anticipate future housing needs, and create actions to fill the gaps between the two. HB 1923 made funding available to supplement the cost of creating Housing Action Plans. The Washington State Department of Commerce is the administrator of these grants and runs programs to help municipalities navigate the requirements of the GMA and HB 1923. Medina has allocated some of these funds to develop this document.

Housing need predictions allow Medina to address future housing problems before they arise. The Housing Needs Assessment (HNA) analyzed differences between the existing housing stock and the future housing needs in the city. Although Medina is wealthy- households in Medina have double the income King County does on average- the cost of housing is also very high. Thirty percent of residents spend more than a third of their income on housing. This cost burden is felt most heavily by extremely low-income groups or those who make 30% of the Area Median Income (AMI)<sup>3</sup> or less. Therefore, the City must create effective policies to accommodate the expanding need for housing affordable to people in the lowest income range.

### **What the Housing Action Plan does:**

The Housing Action Plan also contains a review of the community's housing needs and objectives, an evaluation of existing strategies to understand gaps, and recommendations for Medina-specific solutions. It also sets a policy direction for the City's review of and updates to the comprehensive plan, programs, and regulations that set the stage for housing creation and preservation. Medina's Housing Action Plan is comprised of four significant efforts:

- 1) Evaluating housing needs
- 2) Engaging with the community and stakeholders
- 3) Reviewing existing policies
- 4) Developing strategies guided by principles directly drawn from Washington State legislation.

### **What the Housing Action Plan does not do:**

It does not change policy directly but instead identifies where policy changes and improvements can be made to alleviate the housing stresses residents feel in the community. In addition, Medina does not act as a developer of housing.

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<sup>2</sup> See Appendix E

<sup>3</sup> Income ranges in this document are based on **Area Median Income (AMI)**: This term commonly refers to the area-wide median family income calculation provided by the federal 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. In this report, unless otherwise indicated, AMI refers to the HUD Area Median Family Income (HAMFI). The lowest income range referred to here are those making below 30 percent of the area's median income

**1 PHOTO + INFOGRAPHIC 1 – INFOGRAPHIC ONE REPRESENTS THE LEGISLATIVE CONTEXT****Ensuring Housing for the Future**

As housing costs in Medina continue to rise, there will be fewer opportunities for young and aging Medina residents to have housing stability. Medina is presented with two alternate futures. If Medina does not address the need predicted by the HNA, long-time Medina community members and their children will be forced out to seek housing elsewhere. This could eventually drain the neighborhood-oriented community that has existed since the late 1800s. On the other hand, with thoughtful policies, Medina can avoid creating a burdened and increasingly unaffordable housing market that does not serve its community. If Medina does not plan to address these problems, it can expect occurrences of poverty, homelessness, and a lower quality of life.

However, Medina is well-positioned to honor the city's existing character while continuing to develop a strong sense of community by ensuring all residents can find safe, affordable, and high-quality housing. As Medina and the surrounding region continue to build, the city will be challenged to accommodate its residents by developing effective policies and frameworks. The community can be shaped into a vibrant population with continued single-family scale housing and great access to natural and urban spaces. It is an exciting time for the City of Medina as it moves towards a future that leaves behind unaffordability and preserves the high quality of life residents have come to expect.

**Brief History and Context**

Medina occupies a large peninsula projecting into the central portion of Lake Washington on the eastern shoreline and contains approximately five miles of waterfront property. Seattle lies directly across from the lake to the west, accessed by the SR 520 bridge. Bellevue is also adjacent sharing the southern and eastern boundaries with Medina.

Historically, the Stillaguamish, Duwamish, Cayuse, Umatilla, and Walla Walla peoples inhabited the area where Medina now sits<sup>4</sup> for at least twelve thousand years. The tens of thousands of people living in the area were organized into villages that took advantage of the rich marine and terrestrial resources. The many tribes who inhabited Puget Sound all spoke dialects of the Puget Sound Salish language, facilitating the development of extensive economic and cultural networks. After European colonization, the United States Homestead Act of 1862 permitted settlers to claim land throughout the Western United States, which brought settlers to the Northwest area throughout the second half of the 1800s. Disease and displacement brought by colonization heavily impacted the native tribes, but the traditional culture remains in the Northwest<sup>5</sup>. The City of Medina acknowledges that it is built on native land.

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<sup>4</sup> Native Land Digital. (2022). <https://native-land.ca/>

<sup>5</sup> Watson, K. G. (1999) Native Americans of Puget Sound- A Brief History of the First People and Their Cultures. History Link.org <https://www.historylink.org/File/1506>

***Photo B PHOTOS REPRESENTING NATIVE CULTURE***

The Point Elliot Treaty of 1855 forced all Native Americans to move to reservations, and thus the area was vacant when the first white settlers arrived in the Medina area in the 1870s. Fruit farmers and wealthy landowners purchased properties along the Lake Washington shorelands to develop agricultural and residential areas in the late 1800s<sup>6</sup>. Following the development of a ferry dock and roads by 1900, a grocery store, post office, and a one-room school opened. The community continued to grow alongside access from the west side of Lake Washington. A ferry began service to Medina in 1914, and a bridge opened in 1941. Before incorporation in 1955, the Medina Improvement Club was formed to develop infrastructure in the increasingly popular residential suburb. Growth in Medina subsided in the 1970s as spatial limits set by the lake and adjoining city boundaries coupled with community resistance to higher density or commercial development<sup>7</sup>.

Over the last 50 years, an influx of wealth brought new prosperity to Medina. New technology industry residents have redeveloped homes in the area, juxtaposed against historic, smaller homes. The population has hovered around three thousand residents since 2000, bound by the limited quantity of developable land and the preferred single-family residential character. While Medina has maintained its low-density development pattern, the surrounding Puget Sound has experienced significant population increases.

With a growing population comes a need for more housing. Among many priorities, the Growth Management Act (GMA) was implemented to regulate growth while protecting the environment. As a result, cities like Medina are required to plan for future population increases thoughtfully. This document presents a strategic plan to accommodate anticipated population growth in the region. Implementing the strategies identified in this document will support Medina in meeting all current and future housing needs.

***Photo C HISTORICAL PHOTO OF TOWN***

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<sup>6</sup> Blueline, City of Medina. (2022). City of Medina Housing Needs Assessment, Appendix A

<sup>7</sup> Dougherty, P. (2015) Medina- Thumbnail History. History Link.org. <https://www.historylink.org/File/1059>

## **Part 2: Investigation & Findings**

This document is the capstone of the long-term effort of collecting and analyzing community input, public data, and existing policies, among other facets of Medina housing. Quantitative and qualitative public feedback has been collected, and while every Medina resident did not engage in the input process, broad community opinion was captured. Data from state and national sources were analyzed to find trends in housing cost, tenure, job availability, and many other aspects of the housing market. Policy analysis revealed where current legislation is performing and where legal gaps remain. After integrating the results from all avenues of housing assessments, actions were created to fill the gaps between the City of Medina's current housing state and future housing needs.

### **Summary of Findings: Housing Needs Assessment**

A recently issued Housing Needs Assessment<sup>8</sup> showed that Medina's current development trend will not meet the city's needs in 2044. Compared to King County's demographics, there is a significant gap in the Medina population between 25 and 34. This might be due to the lack of housing affordable to this demographic. By comparing the size of households and the number of bedrooms per unit in Medina, there appears to be a lack of smaller units, which could provide more affordable housing for smaller families. Perhaps most importantly, Medina does not have enough vacant or developable land to meet its 2044 growth targets. Medina must demonstrate zoned or planned capacity to meet these targets by the Comprehensive Plan update 2024 deadline. Although there are gaps between Medina's housing stock and what it will need to meet its 2044 housing target of 1,253 units, effective housing policies can create a housing market that meets community needs. The Housing Needs Assessment is included in the HAP under *Appendix C*.

### ***INFOGRAPHIC #4 – HNA SUMMARY PAGE***

### **Summary of Public Engagement: Connecting to People**

Medina's historical trends have encouraged a single-family residential development pattern, and community members feel that other types of residential development would disturb viewsheds, green spaces, and the current quality of life. The community is aware that Medina has a high cost of housing but does not view creating affordable housing as their responsibility. The community recognizes the need for greater affordability but is not keen to change its housing character to meet affordability goals.<sup>9</sup> The Public Engagement Summary is included in the HAP under *Appendix XXX*.

### ***Sharing***

Before public engagement began, a Housing Needs Assessment found gaps between current housing conditions and predicted future housing demand. The results of this assessment were presented at the Medina City Council and shared with stakeholder groups in the Summer of 2022. Engagement at

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<sup>8</sup> See Appendix A

<sup>9</sup> See Appendix B

community events, city staff communication, and Facebook page postings advertised survey efforts.

### ***Listening***

A series of meetings in Fall 2022 asked stakeholders to evaluate the recently issued Housing Needs Assessment and share how they thought more housing should be developed in Medina. These groups discussed current housing deficits and what aspects of Medina must be preserved in the future. A survey was distributed to community members over the summer of 2022 to collect community perspectives on housing issues and solutions.

### ***Exploration***

Housing policies that could help close future residential gaps in Medina were identified for further community discussion. Streamlining building and ADU permitting were explored to hasten infill development. Creating development incentives to increase the density in Medina through specific mixed-use areas, a multifamily area, and allowing more zero-lot-line developments were considered. A senior housing facility was explored as well.

### ***Strategizing***

Strategies explored to alleviate pressure on Medina's housing market were shared with stakeholder groups. Technical stakeholders favored ADUs and streamlined permit processes and thought these strategies would face less community resistance than most other options to increase density. However, they advised that many lots already met lot coverage maximums. Creating new permitted uses and zones, such as multifamily and mixed-use areas, was seen as feasible, but stakeholders advised that Medina politics were not agreeable to their implementation. To fill the need for more affordable senior housing, a mixed-use senior facility and encouraging ADU development to provide passive income were both seen as ways to support the aging population. Stakeholder input was used to develop the housing policies proposed in this document.

### ***Disclaimers: How Accurate is the Information?***

A survey effort was undertaken to collect information on Medina's housing characteristics. The housing survey was designed to gather respondent profiles and their opinion on Medina's housing characteristics. Due to grant funding limitations and difficult access to underserved community members, this survey must be interpreted in the context of the sample it reached. A likely response, non-response bias, and several survey design issues, including rating sequence inconsistencies, lack of non-applicable options, and gaps in answer options, limited the survey. The sample group who responded to this survey was older, whiter, and owned more homes than the Medina population. Therefore, the significance of this survey is limited to the sample it reached.

## **Part 3: Housing Toolkit and Strategies**

### **Housing Strategy Development**

The Housing Action Plan has been developed to provide three concept-based strategy paths aimed to expand housing supply and diversity, retaining the existing community, and improving affordability for future residents. Each strategy pathway is anchored in a guiding principle inspired by lived experiences described in community engagement. Each strategy drives two primary goals, which serve as categorical parameters for subsequently recommended actions. As a part of the implementation, actions are categorized according to type and sequence related to the practical challenges that city staff and applicants face during the development review. Implementation is discussed further in *Part 4*.

### **Strategies**

The following is a summary of three strategy pathways, each with goals and actions that have the most potential for success, given the community's unique needs, development pattern and history, and local perspectives. They strive to address housing supply, diversity, and affordability goals. The resulting actions don't generally work in isolation. Instead, multiple actions can work together to encourage types of housing development with the greatest need.

#### ***Strategy A Increasing Housing Stock and Variety***

##### **Guiding Principle: *Ensuring Different Kinds of Homes for Every Kind of Person***

Based on the existing housing supply, 1,132 housing units, and the projected housing target of 1,253 units, an increase in density is a necessary consideration to meeting the **XX** new housing units needed, especially considering that Medina does not have enough vacant or re-developable land to meet those 2044 growth targets under any of the existing Single Family Residential zones. Higher density housing forms that blend into existing low density residential developments, such as townhomes, duplexes, triplexes, and cottage homes, could provide a greater density of housing without compromising the existing feel of the city. Any opportunity for increased density and infill is a critical opportunity to provide more housing at potentially more affordable rates.

Affordable housing is critical in supporting the livelihoods of workers who otherwise could not live in Medina. Market-rate housing is unlikely to be affordable for households with incomes attributed to a teacher, police officer, retail clerk, home health aide, or childcare provider. In 2021, the median value of a home was \$3,548,000 and the bottom-tiered home values have increased by 147% since 2010, now valued at \$2,615,000. For these households, even home maintenance costs, let alone rent or mortgage payment costs – can be unaffordable.

Not only does an increase in density or “Middle Housing” have the potential to meet Medina’s housing growth target and provide more affordable units, but it can also meet the reported needs of older families and smaller households. Medina’s population skews older with an average age of 46.8 years old and over half of the older adults (62+) that are cost-burdened are



low-income (<80% AMI). Additionally, Medina’s average household size is 2.73 persons. About 8% of the City’s housing stock is a one- or two-bedroom unit even though over half of all households contain one or two people and small families make up the largest group of households that are cost-burdened. “Invisible housing” has a smaller unit size, resulting in a more cost-effective and easier to maintain unit which is more manageable for an older or smaller household.

Increasing the housing supply is a critical need for the city if it is to continue housing families and their children who have historically called it home. A wider variety of homes allow the people who have historically lived here to remain while accommodating the education and government workers that operate the city’s municipal services. Increasing housing variety is necessary due to the limited buildable lands and high land values and is desirable because it can shape the future housing stock to naturally support people of different ages and incomes.

**Goal 1:** Remove barriers in housing regulations to support a greater housing supply

- Action A.1.1 Infill Development
- Action A.1.2 Up-zoning
- Action A.1.3 Density Bonus
- Action A.1.4 Fee Waivers or Reductions
- Action A.1.5 Reduce Minimum Lot Sizes

**Goal 2:** Legalize forms of Missing Middle Housing

- Action A.2.1 Duplex
- Action A.2.2 Townhome
- Action A.2.3 Triplex
- Action A.2.4 Fourplex
- Action A.2.5 Cottages
- Action A.2.6 Live/Work Units

***Strategy B Preventing Housing Instability and Displacement***

**Guiding Principle:** Retaining our existing community while opening our doors to newcomers.

Due to dramatically rising housing costs, Medina must take action to minimize resident displacement if the city wishes to maintain its community. Although the city has a very high median household income- \$212,377 a year- a range of incomes exists within the city. Non-family households on average make \$53,571 per year. Lower-income people who have lived in Medina for a long time but can no longer afford to stay in their current home because of increased costs may be unable to find a housing alternative that allows them to remain in their communities. A variety of factors culminate in a risk of community displacement.

Although Medina households make significantly more money than the County at large, very high housing costs result in cost-burdened households. Since 2013, home values in Medina





have increased by more than 120%, with lower-tier homes outpacing the average home price increase. Although the median income in the County has increased significantly -- 35% over the same period -- this increase has not kept pace with the inflating cost of housing. These rising prices impact people acutely if they experience a loss of housing. A person who recently lost housing can find themselves without an option comparable to their old housing. This is especially true for those who earn less than 80% of the area's median income. Housing affordable to people in this group is likely very competitive: this group has significantly less housing available to them than those who earn more than the area median income. Seniors, for example, are on a fixed income and experience the brunt of increased property values and property tax rates. With property values in Medina consistently rising, seniors are especially vulnerable to displacement because they are unable to change their income.

Reasons beyond rising housing prices make preventing displacement a priority. Nearly two-thirds of the housing stock in Medina was built before 1989. Residents who live in these older structures face increasing repair and maintenance costs over time, accentuating cost burdens. The burden felt by renters in Medina is also significant, with 52% of renters being cost-burdened, and a third of all renters experiencing severe cost burdens. A renter who faces the loss of housing is likely to encounter obstacles in finding comparable housing.

Avoiding housing displacement will preserve the community, neighborly atmosphere that Medina residents have come to love. Only 56% of residents are satisfied with the costs of their housing, and nearly a third of residents are concerned about being able to live in Medina in the future. Residents recognize that housing costs are rising in their city, but they feel that measures to preserve affordability should not come at the expense of their current quality of life. Measures to prevent housing instability and minimize the displacement of vulnerable residents will help preserve the neighborhood character of Medina residents feel strongly about.

**Goal 1:** Minimize displacement of vulnerable, low-income, homeowners.

- Action B.1.1 Direct Household Assistance
- Action B.1.2 Foreclosure Resources
- Action B.1.3 Preservation and Rehabilitation Incentives

**Goal 2:** Support low-income renters and encourage rental developments.

- Action B.2.1 Tenant Protections
- Action B.2.2 Fee Waivers or Reductions
- Action B.2.3 Direct Household Assistance
- Action B.2.4 Multifamily Tax Exemption
- Action B.2.5 Short-Term Rentals

***Strategy C Proactively plan for the housing of future residents.***

**Guiding Principle: Meeting Housing Needs Now and Into the Future**

To meet the housing needs of all economic segments for current and future Medina residents, the City must ensure housing availability for those that are cost-burdened and in lower-income brackets. In Medina, renters experience the most financial strain, with 22% of renters being cost-burdened and 30% being severely cost-burdened. In 2019, the median rent in Medina was \$2,855 which was more than twice that of King County's median, \$1,606. About 71% of renters can afford the median rental cost, but consideration must be made to the households that struggle to afford rent.

As for extremely low- (earning less than 30% AMI) and very low-income (earning 30- 50% AMI) renter households, Medina lacks rental units to support existing residents within these income levels. There is a surplus of affordable units at the 50-80% AMI bracket which, if remained vacant for long enough, could potentially fill the need for rentals in lower brackets. However, King County's rental vacancy current sits at 3.3% and is considered healthy, but is trending towards scarcity and will lead to continued rental price inflation. Mixed-income housing may need to be introduced and codified in Medina to meet the needs of the various types of households that are low-income.

Another facet to consider is the combined costs of housing and transportation. Housing is considered affordable when no more than 30% of a household's income is spent on housing. In Medina, a very low-income individual spends 113% of their income on housing and transportation and a single-parent family spends 73% of their income on housing and transportation. Considering 96% of Medina's workforce lives outside the City, commuting is inevitable and an added cost of living. This leaves very little room for affording essentials like food let alone saving money for a down payment for a home.

The Growth Management Act requires Medina to plan for every economic segment existing within the city, and without additional regulations or programs supporting development of affordable housing the city will continue to struggle meeting the needs of residents earning below 50% of the household average median income (approximately \$106,000).

**Goal 1: Regulatory Support for Affordable Housing Development**

- Action C.1.1 Affordability Covenants
- Action C.1.2 Inclusionary Zoning
- Action C.1.3 Down payment Assistance

**Goal 2: Encourage Affordable Housing through Incentives and Policies**

- Action C.2.1 Credit Enhancement
- Action C.2.2 Local Programs to Help Build Missing Middle Housing
- Action C.2.3 Alternative Homeowners



- Action C.2.4 Strategic Marketing of Housing Incentives
- Action C.2.5 Permit Fee Waivers for Affordable Housing

## **ACTIONS SUMMARIES**

Under these strategies, the City of Medina should continually build on resources, collaboration, and public understanding to improve the implementation of housing strategies. By establishing partnerships and collaborations with organizations that serve low-income households, the cities can ensure that they are directing their resources and enacting policies that best serve the people who need it most. The following section summarizes each of the recommended actions with implementation and coordination considerations.

- Action A.1.1 Infill Development
  - Description: Infill development is the process of developing vacant or underused parcels within existing urban areas that are mostly developed. This development process aims to combat urban sprawl by increasing housing supply and density near existing resources and infrastructure such as utilities and transportation services. Additionally, infill development works jointly with urban growth boundaries where designated growth limits of urban areas necessitate the infill. The city can encourage infill development by creating infill incentive programs or addressing barriers to development on small lots.
- Action A.1.2 Up-zoning
  - Description: Upzoning increases allowable densities by relaxing the zoning code's bulk requirements or increasing floor area ratios. This reduces the cost per unit and increases supply, decreasing the pressure on rent or mortgages. The goals are to encourage denser development, increase housing supplies, and ultimately improve housing affordability and mobility for renters and homeowners. Upzoning would create more opportunities to increase housing supply and variety.
- Action A.1.3 Density Bonus
  - Description: Density bonuses are an incentive-based tool that allows developers to increase the maximum allowable development on a property, whether through increasing developed square footage or increasing the number of developed units to a greater amount than what is ordinarily allowed by the existing zoning code. In exchange for increasing density, the developer commits to help the City achieve public policy goals. Public policy goals can include a certain number of below-market or affordable units in the proposed development. The developer is then able to recoup some or all of the forfeited revenue associated with constructing affordable or below-market units. The City



can provide density bonuses to encourage housing supply and housing types where existing amenities are within close proximity to the development.

- Action A.1.4 Fee Waivers or Reductions
  - Description: Fee waivers reduce the up-front cost of construction for residential development, allowing the potential to increase housing supply in the City. Fees, such as impact, utility connection, and project review fees, can significantly increase the end cost of residential unit development. The City should establish a process to support fee waiver policies to increase housing supply and type. This could be done by creating standard guidelines that identify which housing type is eligible for fee waivers, a schedule to determine what portion of fees can be waived, and a formal application process for interested developers to request these funds. Outreach should be conducted to ensure developers are aware of these incentives.
  
- Action A.1.5 Reduce Minimum Lot Sizes
  - Description: Minimum lot size refers to the smallest allowable portion of a parcel determined to be usable for the proposed structure, provided applicable development standards are met. Permitting development on small lots allow for a variety of housing types including townhomes, duplexes, or triplexes while increasing the overall housing supply in the City. Smaller lot sizes also promote affordability from requiring less land, fewer resources to build smaller homes, and drawing fewer municipal resources.
  
- Action A.2.1 Duplex
  - Description: A duplex is a stand-alone small form of missing middle housing with two dwelling units in a single structure on a single property. Often the two dwelling units have separate entrances. A duplex can vary in size, style, and form to blend in with the existing character and aesthetic of a neighborhood or community. This can be advantageous to increase housing supply and type without compromising the overall aesthetic of the community.
  
- Action A.2.2 Townhome
  - Description: A townhome is a form of missing-middle housing that includes several units in a horizontal row or stacked vertically on a parcel. They can vary in size, shape, and form to be the most compatible to the existing character of a neighborhood or community. Many units share a wall with their neighbors. Like a single-family home, a townhome can provide both private living space and private yard space, yet it increases the housing supply of a city more than a single-family home.



- Action A.2.3 Triplex
  - Description: A triplex is a small to medium type of missing middle housing that includes three units in a horizontal row or stacked vertically on a parcel. These developments can vary in size, style, and form to match the existing character and aesthetic of a neighborhood or community.
- Action A.2.4 Fourplex
  - Description: A fourplex is a small to medium type of missing middle housing that includes four units in a horizontal row or stacked vertically on a parcel. These developments can vary in size, style, and form to match the existing character and aesthetic of a neighborhood or community.
- Action A.2.5 Cottages
  - Description: Cottage Housing is a type of missing middle housing that generally allows for small 1 or 2 story houses that may be attached or detached and are recognizable are arranged around a common interior courtyard. Houses are small, generally 700-1,200sf. Those dimensions may naturally allow for moderate-income housing that is well suited to seniors and small families. They blend easily in single family neighborhoods, appear similar to two single family houses from the street, and fit well into large lots or assemblages of 2-3 small lots. These characteristics make cottage housing great for meeting both community character and housing supply goals.
- Action A.2.6 Live/Work Units
  - Description: Live/ Work units are a type of missing middle housing designed to be used both as residential and commercial structures. Broadly, this can include any instance where people live and work in the same space, such as work from home offices. Often, live/work units are purpose built small to medium sized structures which consist of dwelling units above or behind a ground floor space that accommodates a range of commercial or office uses. This type of development is often specific to mixed use zones and allows an integration of economic and housing opportunities.
- Action B.1.1 Direct Household Assistance
  - Description: Direct household assistance programs can be implemented through many different mechanisms, but they all provide monetary assistance directly to low-income renters, owners, first-time homebuyers, and any other vulnerable groups. Forms of assistance can include monthly rent and utility support, grants, or loans. This assistance can be distributed directly through the city or through partnerships with community-based organizations.
- Action B.1.2 Foreclosure Resources



- Description: Foreclosure intervention counselors serve as intermediaries between homeowners and financial institutions to advocate for at-risk homeowners in need of budgeting assistance, refinanced loan terms or repaired credit scores. Cities can use a housing trust fund to support these programs, or community land trusts can step in to purchase foreclosed property, helping to restore ownership for residents. The Washington State Foreclosure Fairness Program provides homeowners foreclosure assistance by offering free housing counseling, civil legal aid, and foreclosure mediation.
- Action B.1.3 Preservation and Rehabilitation Incentives
  - Description: Home rehabilitation assistance – City money, such as funds from the Sales and Use Tax, can be provided to low-income homeowners for critical repairs, weatherization, tree preservation services, and potential efficiency upgrades to keep homes habitable. These incentives preserve affordable homes in the community and help prevent displacement.
- Action B.2.1 Tenant Protections
  - Description: The City should adopt a comprehensive policy that expands the rights of tenants, especially as the number of renters in the city increases. A comprehensive policy to enhance tenants’ protections should:
    - Extend notice periods for rent increases; lease terminations; and the need to vacate due to renovations.
    - Prohibit discrimination based on source of income.
    - Require landlords to provide a summary of rights and past code violations to tenants.
    - Create an option to pay security deposits and last month’s rent in installments.
    - Establish a relocation assistance program.

If this policy is adopted, the City should partner with community-based organizations to educate tenants and landlords of their rights and responsibilities. The City could also explore ways of providing funds to community-based organizations to serve as landlord-tenant liaisons that can enforce the policy. Money could be supplied from a housing trust fund. The trust fund could also be used to establish the relocation assistance program.

- Action B.2.2 Fee Waivers or Reductions
  - Description: Fee waivers reduce the up-front cost of construction for residential development, allowing the potential to increase housing supply in the City. Fees, such as impact, utility connection, and project review fees, can significantly increase the end cost of residential unit development. The City should establish a process to support fee waiver policies to increase housing supply and type. This



could be done by creating standard guidelines that identify which housing type is eligible for fee waivers, a schedule to determine what portion of fees can be waived, and a formal application process for interested developers to request these funds. Outreach should be conducted to ensure developers are aware of these incentives.

- Action B.2.3 Direct Household Assistance
  - Description: Direct household assistance programs can be implemented through many different mechanisms, but they all provide monetary assistance directly to low-income renters, owners, first-time homebuyers, and any other vulnerable groups. Forms of assistance can include monthly rent and utility support, grants, or loans. This assistance can be distributed directly through the city or through partnerships with community-based organizations.
  
- Action B.2.4 Multifamily Tax Exemption
  - Description: A multifamily tax exemption (MFTE) is a waiver of property taxes to encourage affordable housing production and redevelopment in “residential targeted areas” designated by cities. The goal of MFTE programs is to address a financial feasibility gap for desired development types in the target areas, specifically to develop sufficient available, desirable, and convenient residential housing to meet the needs of the public. MFTE programs are designed to encourage denser growth in areas with the greatest capacity and significant challenges to development feasibility. The MFTE can be paired with inclusionary zoning to improve the financial feasibility of a project under affordability requirements. Cities can even limit MFTEs specifically to projects that solely contain income-restricted units to encourage affordability most effectively.
  
- Action B.2.5 Short-Term Rentals
  - Description: Short-term rentals are sometimes perceived to have a negative impact on the availability of housing for full-time residents, as investors may purchase properties to rent them to visitors and others with short-term needs. This could create displacement pressure, and is also related to issues of housing supply. Some jurisdictions, particularly in places with higher levels of tourism and visitation, have taken steps to regulate or even ban short-term rentals in an effort to maintain existing housing stock to meet the needs of their residents. The city could consider such regulations if it determines that short-term rentals are negatively impacting housing availability for full-time residents.
  
  - Implementation Considerations:



- Action C.1.1 Affordability Covenants
  - Description: Affordability covenants are specific language in a property deed that restricts the sale of housing to a certain price and to a certain buyer group. These covenants can help ensure that housing is held in the same affordability bracket through multiple sales. Affordability covenants can take many forms, often catering to either the specific level of affordability which is to be preserved or the specific income group which is to be served. These covenants are often encouraged through partnerships between the city, non-profit organizations, and developers.
  
- Action C.1.2 Inclusionary Zoning
  - Description: Inclusionary zoning programs require developers to either provide affordable units within a development or provide an in-lieu fee. Projects with inclusionary requirements benefit from not having density limits, a 12-year Multifamily Tax Exemption (MFTE), reduced permit fees, and reduced impact fees. The policy directly creates affordable housing in a semi-standardized manner. The program could be improved by tracking participation over time and adjusting incentives as needed. Finally, the requirements could be revised so that developers may offer fewer units in exchange for more 2- and 3-bedroom units suitable for families. Inclusionary zoning programs can also be tailored to target for-sale housing, requiring affordable for-sale units in larger developments. Affordable units provided through inclusionary zoning are deed restricted in perpetuity to preserve affordability.
  
- Action C.1.3 Down payment Assistance
  - Description: The Washington State Housing Finance Commission offers down payment assistance for income qualified people. The assistance typically involves a loan covering a portion of the down payment that is repaid when the house is next sold. Recipients are required to take a homebuyer education class in addition to meeting income requirements to qualify. The City can provide information on these programs to potential homeowners, especially low-income residents, and potential first-time homebuyers.
  
- Action C.2.1 Credit Enhancement
  - Description: Credit enhancement programs make affordable housing projects more attractive for developer investment. The city could back loans or bonds for affordable housing projects, reducing the financing cost for the developer. In turn, the developer would place a form of affordability restriction on the housing units often for a limited period. This schema allows developers to maintain profit on affordable housing projects and provides more affordable housing to a community.





- Action C.2.2 Local Programs to Help Build Missing Middle Housing
  - Description: There are opportunities to encourage “missing middle” housing types in the City. The City should consider opportunities for both rental and home ownership, particularly smaller home ownership units that support young adults and seniors. Allowing smaller homes on the housing market lowers the barrier to homeownership, which allows people to build equity through ownership while maintaining the scale of the city. The City may also benefit from considering zoning adjustments to residential zones that regulate based on form and bulk, allowing greater flexibility for unit density. Regulation based on form allows the city to maintain the current character while increasing housing capacity.
  
- Action C.2.3 Alternative Homeowners
  - Description: The city could encourage the development of alternative homeowner models, specifically those which provide benefits that many traditional market mechanisms cannot. There are a variety of models the city could implement, such as community land trusts, limited equity cooperatives, and lease purchasing programs. The goal of these programs is to support low- and moderate-income families as they build equity. Community land trusts separate the ownership of the land from the buildings with the goal to hold the land in a state of affordability while allowing homeowners control and security of their property.

Limited equity cooperatives build resale price restrictions into developments which are derived from a formula that determines the price properties can be sold for. Limited equity cooperatives involve a group of residents who all have shares in the cooperative. This cooperative is often created as part of the development process. Lease purchasing programs allow potential buyers to lease a house for a period before they buy it. This allows the buyer to build credit and save enough money to purchase it. Implementing these alternative homeowner models could stabilize housing prices in the city.

- Action C.2.4 Strategic Marketing of Housing Incentives
  - Description: Housing incentives work best when the development community is aware of their benefits. Due to the often-buried nature of municipal code, there may be a lack of awareness that the city offers these opportunities. The city may consider developing marketing materials for this and other affordable housing incentives, including a website dedicated to clearly demonstrating the incentives available and the benefits which they can confer to typical projects. This could



include a publicly available framework showing a range of expected outcomes for projects with a given set of attributes.

- Action C.2.5 Permit Fee Waivers for Affordable Housing
  - Description: Waiving permit fees for affordable housing can reduce the cost of building affordable housing, which can in turn reduce costs for consumers. Fees, such as impact fees, utility connection fees and project review fees, can significantly increase the end cost of residential unit developments. This action allows affordable housing developers to apply for the city to waive permitting fees for projects serving renters at or below 60% of the AMI. The amount of money saved by the waived fees varies based on individual project specifics, and the city ultimately would have discretion over the applicable scenario and exact amount of the reduction.

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## Part 4: Implementation Plan

It is essential to understand the steps necessary to implement the strategic recommendations. This Implementation Plan is intended to guide budgeting and work planning for the City, coordination with partners, and ongoing efforts to update City policies.

The design, adoption, and implementation of a housing action plan require sophisticated, durable, and dedicated leadership from a diverse group of local stakeholders such as government officials, businesspeople, labor unions, clergy, educators, public safety employees, and low-income advocates. Moreover, the administration of the action plan and long-term compliance monitoring with affordability covenants can be labor-intensive and requires expertise. Often, small cities must design and adopt a housing action plan effectively and ensure professional implementation and administration over the long run. Implementation is also part of a cycle that involves the entire housing action plan. Appendix B includes the Implementation Plan which describes the following:

- HAP Action Number and Strategy
- Immediate next steps to take to prepare for implementation
- Timeline
  - Near Term: 0-2 years
  - Mid Term: 3-5 years
  - Long Term: Over 6 years
- Indicators of Success
- Challenges

### IMPLEMENTATION CONSIDERATIONS

Although several actions described in this section are involved with implementing the Housing Action Plan, there are topic areas in the Plan that will require further coordination and guidelines for detailed tasks.

#### LAND USE STUDY

The City should determine specific land-use changes and zoning districts to achieve increased creation and diversity of housing. In addition, this study should be coordinated with and inform the Comprehensive Plan updates and highlight opportunities for the following changes to the Code and Comprehensive Plan policies:

- Minimum density requirements across different zoning districts to reduce lower-density development.
- Targeted rezoning of specific locations to allow for increased development densities, especially in areas close to transit options.
- Implementation of a new Residential Multi-Family (RMF) zone to provide an option for a higher-density residential zoning district.
- Allowances for new housing types in residential areas.



The Study should focus on identifying changes that would result in new capacity and diversity in the city's housing stock. To support this objective, it should examine the feasibility and likelihood of development under different land use changes and highlight options that would help achieve a diversity of housing types and sizes across the city through development, redevelopment, and infill across the city. Ongoing efforts should be coordinated to monitor these changes' long-term effects and adjust these policies and provisions as needed.

**HOUSING FUNDING STRATEGY**

The City should develop a coordinated strategy to determine how these funding sources should be applied to maximize the yield of affordable housing and address critical gaps in the availability of local affordable housing.

**CONTINUED PARTNERSHIPS**

The City currently collaborates with A Regional Coalition for Housing (ARCH), a partnership between King County and East King County Cities. ARCH's goal is to preserve and increase the housing supply for low and moderate-income households in the region by developing housing policies, strategies and regulations, administering housing programs, coordinating city investments in affordable housing, and assisting people in the search for affordable rental and ownership housing.

The City of Medina has been a member of ARCH since 1999 and each year, the City allocates funds to the General Fund for Affordable Housing. Funds are awarded to individual affordable housing projects through ARCH. A continued partnership between Medina and ARCH is imperative in achieving the strategies and actions outlined in the Housing Action Plan.

**ONGOING MONITORING AND REVIEW**

Ensuring that these programs have the intended effects and will meet the overall goals identified in this Housing Action Plan and the Comprehensive Plan will require long-term efforts to monitor the development of market-rate and affordable housing in the City. Because of this, the overall implementation of the HAP should be reviewed with a series of indicators and regular reviews within the next five years.

**COMPREHENSIVE PLAN POLICY INTEGRATION**

A substantial portion of the actions identified in this Housing Action Plan will either need to be implemented directly through changes to the Comprehensive Plan or will need to be supported through changes to policies in the Comprehensive Plan. Because of this, these revisions should be specifically identified and incorporated into the initial planning processes for the Comprehensive Plan update. Therefore, under the recommendations in this document, the following steps would be necessary to coordinate potential revisions for the Comprehensive Plan update:

**Policy Focus:** Develop a series of clear policy statements based on recommendations from the HAP that reinforce the commitment of the City in specific topic areas related to housing, including racial equity in the real estate market, anti-displacement efforts, and the demand for diverse housing types.

**Housing Goals:** Amend the goals for housing development based on the projections included in this report. These may be adjusted to account for revisions to the Countywide Planning Policies but should consider the identified need for additional housing across income categories in the community.

**Residential Land Use Study:** Coordinate a detailed review of current zoning and development feasibility to determine potential areas where increased development densities and new housing types would result in more housing. This assessment establishes recommended places where zoning regulations should be changed through targeted rezones, minimum density requirements, and allowances for new housing types within these areas. These changes should be provided as revisions to the land use map and related policies in the Comprehensive Plan.

### **Proportionality and Gaps in Funding**

The Housing Action Plan identifies several barriers to housing that need to be addressed at the county, state, or federal level. Proportionality becomes evident when cities the size of Medina are not the best suited to leverage sufficient funding to meet the needs identified in this plan.

This plan's actions, implementation, and monitoring require funding. This is especially true for actions intended to create affordable housing for the most vulnerable and lowest-income households. While the measures adopted are designed to fill the gap in housing affordability, they need state and federal government relief to make the outcomes of those actions a reality. Loss of funding at either the state or federal level can have severe impacts at the local level, and this is where proportionality becomes an important consideration.

Therefore, an essential part of implementation is not only the funding for the construction and maintenance of low-income housing but future legislation that enables small cities like Medina to control, monitor and maintain housing affordability and the outcomes of the actions once they are implemented.

## Part 5: MONITORING PLAN

### Monitoring: The City and Community Stewardship

The following section summarizes a monitoring plan that describes who is a part of measuring the performance of the actions and how they will do it. The monitoring plan includes a regular collection of data with a completed report and is offered to those determining budgets for city council review. One stated purpose of the Housing Action Plan is to assist the City in preparing for the next Comprehensive Plan update. Along these lines, several “strategies” do not directly result in housing creation. Instead, each of the three strategies contains a framework for systematically meeting the goals of each principle. For example, some of the actions include monitoring local efforts. They are an integral part of the city’s efforts to understand local needs, to help assess the effectiveness of overall efforts and specific actions, and to help inform future planning efforts. These often require ongoing efforts to monitor local conditions and evaluate the impact of different actions.

Recommended indicators are provided below and describe how progress toward goals can be evaluated. This would include assessing data for Medina and surrounding communities for comparison. However, one of the significant challenges with this complete suite of indicators is that information on Medina residents, including renters and homeowners, can take time for the City to collect promptly. While data from the State Office of Financial Management and Zillow are typically up-to-date, available sources of household-level information, such as the American Community Survey, often need to catch up due to the reliance on surveys. Because of this, the time scale of these indicators should be explicitly considered and explained in any reporting.

<b>Guiding Principles</b>			
A. Increasing Housing Stock and Variety B. Preventing Housing Instability and Displacement C. Proactively Plan for the Housing of Future Residents.			
<b>Action</b>	<b>Indicator</b>	<b>Purpose</b>	<b>Sources</b>
Action A.1.1 Infill Development	Housing development completed, total and by housing type  Monitoring underutilized buildable lands	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. After determining the total buildable capacity, the city can find how much buildable capacity remains. Infill development seeks to close this gap.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing
Action A.1.2 Up-zoning	Housing development completed, total and by housing type  Monitoring total housing capacity	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. By tracking the total housing capacity, the city can see if up-zoning has resulted	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing

**Guiding Principles**

- A. Increasing Housing Stock and Variety
- B. Preventing Housing Instability and Displacement
- C. Proactively Plan for the Housing of Future Residents.

Action	Indicator	Purpose	Sources
		in more housing units or has continued to develop solely single-family residential units.	
Action A.1.3 Density Bonus	Housing supply by income band  Monitoring the proliferation of the public benefit identified.	Housing supplies for low- and moderate-income households can be essential to understand if there are shortfalls, specifically with lower-cost housing in the city, and whether new development and existing stocks can meet changing needs.  The identified public benefit which may be exchanged for additional density in the density bonus schema should be tracked through time to analyze the success of the program	US Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates Zillow CoStar  Internal City permit tracking.
Action A.1.4 Fee Waivers or Reductions	Housing development completed, total and by housing type  Tracking increase in construction of fee-waived housing types.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced  By tracking the proliferation of the encouraged housing type, the city can see if developers are taking advantage of this program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal City construction permits tracking
Action A.1.5 Reduce Minimum Lot Sizes	Housing development completed, total and by housing type  Track average lot size with improved structures	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced  A decreasing average lot size associated with housing units indicates that developers are taking advantage of the reduced minimum lot size.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing
Action A.2.1 Duplex	Housing development completed, total and by housing type  Track the number of preapplication meetings related to Duplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced.  Trends in preapplication meetings related to duplexes showcase developer interest in the duplex programs.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal city meeting tracking.
Action A.2.2 Townhome	Housing development completed, total and by housing type	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing



**Guiding Principles**

- A. Increasing Housing Stock and Variety
- B. Preventing Housing Instability and Displacement
- C. Proactively Plan for the Housing of Future Residents.

Action	Indicator	Purpose	Sources
	Track the number of preapplication meetings related to the townhome development	new housing units of different types are produced. Trends in preapplication meetings related to townhomes showcase developer interest in the townhome programs.	Internal city meeting tracking.
Action A.2.3 Triplex	Housing development completed, total and by housing type  Track the number of preapplication meetings related to triplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to triplex showcase developer interest in the triplex program.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal city meeting tracking.
Action A.2.4 Fourplex	Housing development completed, total and by housing type  Track the number of preapplication meetings related to the Fourplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to the fourplex showcase developer interest in the fourplex program.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal city meeting tracking.
Action A.2.5 Cottages	Housing development completed, total and by housing type  Track the number of preapplication meetings related to cottage development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to cottages showcase developer interest in the cottage programs.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal city meeting tracking.
Action A.2.6 Live/Work Units	Housing development completed, total and by housing type  Track the number of preapplication meetings related to living/work unit development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to living/work units showcase developer interest in living/work unit programs.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal city meeting tracking.



**Guiding Principles**

- A. Increasing Housing Stock and Variety
- B. Preventing Housing Instability and Displacement
- C. Proactively Plan for the Housing of Future Residents.

<b>Action</b>	<b>Indicator</b>	<b>Purpose</b>	<b>Sources</b>
Action B.1.1 Direct Household Assistance	Use of City funds and incentives to support income-limited households	It is essential to understand how the City's funding and incentive programs are being used to support vulnerable and easily displaced households. To use these funds most effectively, tracking their expenditure and use allows adjustment to the program in the future.	City tracking of housing expenditures
Action B.1.2 Foreclosure Resources	Homeownership rates, total and by race/ethnicity  Monitor the prevalence of Foreclosures in Medina.	Understand the access of households to homeownership in Medina, especially BIPOC and other groups that have often been challenged to access homeownership in the past. This could help the city understand how foreclosures impact the city's population. The success of the foreclosure resources program can be measured through the change in foreclosures before and after. Continued monitoring can show which resources and advertisements are the highest impact.	US Census Bureau, American Community Survey, 5-year estimates  City tracking of foreclosures.
Action B.1.3 Preservation and Rehabilitation Incentives	Use of City funds and incentives to support the development of income-restricted housing units  Create and monitor a housing preservation inventory	In addition to general targets for creating new rent-restricted housing for low-income households, it is also essential to understand how the City's funding and incentive programs are being used to support these goals. Monitoring a housing preservation inventory allows the City to have better information on the affordable housing that exists in their jurisdiction. The city can then create more targeted programs that address real needs.	City tracking of housing expenditures.  City tracking of existing affordable housing units. HUD CHAS.
Action B.2.1 Tenant Protections	Eviction rates for renters in the City.	Tracking eviction rates in Medina can help show what effect tenant protections are having on protecting renters from evictions.	City tracking of renter evictions
Action B.2.2 Fee Waivers or Reductions	Housing development completed, total and by housing type.  Tracking increase in construction of fee-waived housing types.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced  By tracking the proliferation of the encouraged housing type, the city can see if developers are taking advantage of this program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing  Internal City construction permit tracking
Action B.2.3 Direct Household Assistance	Use of City funds and incentives to support income-limited households	It is essential to understand how the City's funding and incentive programs are being used to support vulnerable and easily displaced households. To use these	City tracking of housing expenditures

**Guiding Principles**

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- B. Preventing Housing Instability and Displacement
- C. Proactively Plan for the Housing of Future Residents.

Action	Indicator	Purpose	Sources
		funds most effectively, tracking their expenditure and use allows adjustment to the program in the future.	
Action B.2.4 Multifamily Tax Exemption	Housing development completed, total and by housing type  Monitor tenancy and rent per unit type.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced.  There are a number of data points which state law requires cities with multifamily tax exemptions to report. This information may also be useful for the city to understand the dynamic state of affordable housing in the city. This information might be best collected through a third-party nonprofit.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing  City tracking of affordable housing.
Action B.2.5 Short Term Rentals	Number of short term rentals available in the City  Monitor the number of short-term rental permits annually distributed by the City	If the number of short term rentals are regulated in the city, ensuring that regulations are followed is key to increasing housing available for city residents and limiting what is used for short-term rentals  Short-term rental permits control the number of short-term rentals in the City and bring to compliance any short term rentals that have not sought permits.	Short term home rental websites such as Airbnb, Vrbo, and Perfectplaces.  City tracking of short term rental permits
Action C.1.1 Affordability Covenants	Housing cost burden by household type and income category  Monitor the number of deeds recorded with affordability covenants.	In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing.  The change in number of deeds recorded in the city with affordability covenants provides a metric of success for any encouragement the city does of affordability covenants	US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates US Census Bureau Public Use Microdata Sample data, 5-year estimates City tracking of deeds with affordability covenants.
Action C.1.2 Inclusionary Zoning	Housing cost burden by household type and income category  Number of affordable units	In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing. Tracking incentive usage over time can help the city identify what the appropriate incentive level is to encourage incentive	US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates US Census Bureau Public Use Microdata Sample data, 5-year estimates  Internal City tracking

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Action	Indicator	Purpose	Sources
	Tracking incentive usage over time	usage and maximize affordability benefits.	
Action C.1.3 Down Payment Assistance	<p>Homeownership rates, total and by race/ethnicity</p> <p>Track the number of applicants who successfully qualify for down payment assistance.</p>	<p>Understand the access of households to homeownership in Medina, especially BIPOC and other groups that have often been challenged to access homeownership in the past.</p> <p>The number of applicants that qualify for down payment assistance can provide the City with some understanding of the number of households that would benefit from these loans.</p>	<p>US Census Bureau, American Community Survey, 5-year estimates</p> <p>Washington State Housing Finance Commission</p>
Action C.2.1 Credit Enhancement	<p>Housing cost burden by household type and income category</p> <p>Track the number of permits for affordable housing that use credit enhancement.</p>	<p>In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing.</p> <p>The number of permitted projects that use credit enhancement can determine the successfulness of this bond or loan among developers.</p>	<p>US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates</p> <p>US Census Bureau Public Use Microdata Sample data, 5-year estimates</p>
Action C.2.2 Local Programs to Help Build Missing Middle Housing	<p>Housing development completed, total and by housing type</p> <p>Track the number of and successful application of programs created to help build missing middle housing.</p>	<p>Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced.</p> <p>Tracking the number and successful application of programs that address missing middle housing can help determine where the City's efforts should be placed in incorporating missing middle housing.</p>	<p>Internal City construction permit tracking</p> <p>King County Assessor's Office</p> <p>WA State Office of Financial Management Postcensal Estimates of Housing</p>
Action C.2.3 Alternative Homeowners	<p>Housing cost burden by household type and income category</p> <p>Track the number of permits approved for projects under alternative homeowners.</p>	<p>In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing.</p> <p>Tracking the number of alternative homeowner projects can measure the popularity of this process among developers and what improvements can be done to encourage these models.</p>	<p>US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates</p> <p>US Census Bureau Public Use Microdata Sample data, 5-year estimates</p>

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Action	Indicator	Purpose	Sources
Action C.2.4 Strategic Marketing of Housing Incentives	Tracking incentive usage over time	Tracking incentive usage over time can help the city identify what impact advertisement of housing incentives is having on their usage.	Internal City tracking Feedback with Active Developers
Action C.2.5 Permit Fee Waivers for Affordable Housing	Housing supply by income category  The number of waivers issued for affordable housing permits.	Housing supplies for low- and moderate-income households can be essential to understand if there are shortfalls, specifically with lower-cost housing in the city, and whether new development and existing stocks can meet changing needs.  Tracking the number of waivers for affordable housing permits can determine the successfulness or popularity of this process among developers. This can inform the City of its effectiveness in encouraging affordable housing.	US Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates Zillow CoStar

**Maintaining: Measurable Indicators of Success**

To achieve success, small cities must follow many of the same steps and incorporate many of the same elements as programs in larger urban and better-financed cities. However, these jurisdictions also face various limitations unique to their location and size. With that in mind, several small cities that were successful in their action plans typically demonstrate the following characteristics:

**Political Commitment**

Political champions are essential in any community. However, in small cities where governance and politics can be deeply personal, courageous and proactive leadership is needed to negotiate with individuals who have entrenched beliefs and are unwilling to consider everyone's perspective.

**City Specific Implementation**

Small cities must carefully evaluate their housing needs and market dynamics and design and adopt programs best calibrated to local conditions while balancing financial limitations. For example, it may make sense to start with a relatively modest affordability percentage or consider one form of middle housing at a time. However, given the relatively small scale of existing residential development, it would be impractical to establish a high development-size threshold to trigger a requirement from the housing action plan or address multiple new regulatory actions at one time.

Likewise, many of the most successful programs offer property owners options rather than a rigid “take-it-or-leave-it” or “one-size-fits-all” approach. Typically, this involves negotiation and a menu of incentives to help offset the costs of producing the below-market-rate units. Such flexibility may include design concessions, such as smaller streets, sidewalks, set-backs, fewer parking stalls, and reduced or waived fees. Alternatives to on-site development by the developer may also be offered, including land dedications, credit transfers, and in-lieu fees.

### **Simple and Sustainable Administration**

Finally, to overcome the capacity challenge, small cities must often depend on volunteers from the community to support a successful housing action plan. To achieve political support and simplify administration, some jurisdictions have adopted streamlined programs that provide limited or no alternatives to onsite development by market-rate developers to eliminate the possibilities that the jurisdiction will be burdened with fees or land that will require it to act as a de facto developer. However, this must be carefully weighed against the benefits of a more flexible menu of incentives and alternatives. Outsourcing the most complex and cumbersome components of implementation to capable contractors, such as nonprofit organizations, is another option to relieve administrative staff and increase program effectiveness.

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## **Appendix A: Glossary**

**Affordable housing:** Housing is typically considered to be affordable if total housing costs (rent, mortgage payments, utilities, etc.) do not exceed 30 percent of a household's gross income.

**AMI:** Area Median Income. The benchmark of median income is that of the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area median family income, also sometimes referred to as the HAMFI. The 2018 AMI, which was \$103,400, is used in this report. This measure is used by HUD in administering its federal housing programs in Snohomish County.

**Cost-burdened household:** A household that spends more than 30 percent of its gross income on housing costs.

**Fair Market Rent:** HUD determines what a reasonable rent level should be for a geographic area and sets this as the area's fair market rent. Section 8 (Housing Choice Voucher program) voucher holders are limited to selecting units that do not rent for more than fair market rent.

**Housing Choice Vouchers:** Also referred to as Section 8 Vouchers. A form of federal housing assistance that pays the difference between the Fair Market Rent and 30 percent of the tenant's income. HUD funds are administered by Public Housing Agencies (PHA).

**Median income:** The median income for a community is the annual income at which half the households earn less and half earn more.

**Severely cost-burdened household:** A household that spends more than 50 percent of its gross income on housing costs.

**Subsidized housing:** Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.



## Appendix B: IMPLEMENTATION PLAN

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**Appendix C: HOUSING NEEDS ASSESSMENT**

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**Appendix D: PUBLIC ENGAGEMENT SUMMARY**

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**Appendix E: REGULATORY REVIEW**

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## Appendix F: TABLES AND FIGURES

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**Appendix G: WORKS CITED**  
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