

# City of Snoqualmie

## Housing Strategy Plan

May 2023



# A. TABLE OF CONTENTS

A. TABLE OF CONTENTS .....	2
B. ACKNOWLEDGEMENTS.....	3
C. EXECUTIVE SUMMARY .....	4
D. INTRODUCTION.....	9
E. HOUSING NEEDS ASSESSMENT .....	17
F. HOUSING STRATEGY PLAN.....	24
G. APPENDICES .....	69
APPENDIX 1: REGIONAL HOUSING NEEDS ASSESSMENT .....	70
APPENDIX 2: INDIVIDUAL HOUSING NEEDS ASSESSMENT.....	118
APPENDIX 3: HOUSING POLICY TABLE .....	147
APPENDIX 4: CITY RESOLUTION ADOPTING PLAN .....	171
APPENDIX 5: COPY OF RCW 36.70A.600.....	175
APPENDIX 6: COMMERCE CROSS-WALK.....	179
APPENDIX 7: GLOSSARY OF TERMS AND FUNDING SOURCES.....	181
APPENDIX 8: SUMMARY OF ENGAGEMENT RESULTS.....	187

## FIGURES

FIGURE 1. HOW THE HOUSING STRATEGY PLAN (HSP) WORKS.....	8
FIGURE 2. TIMELINE AND PROCESS GRAPHIC .....	16

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## C. EXECUTIVE SUMMARY





## Introduction

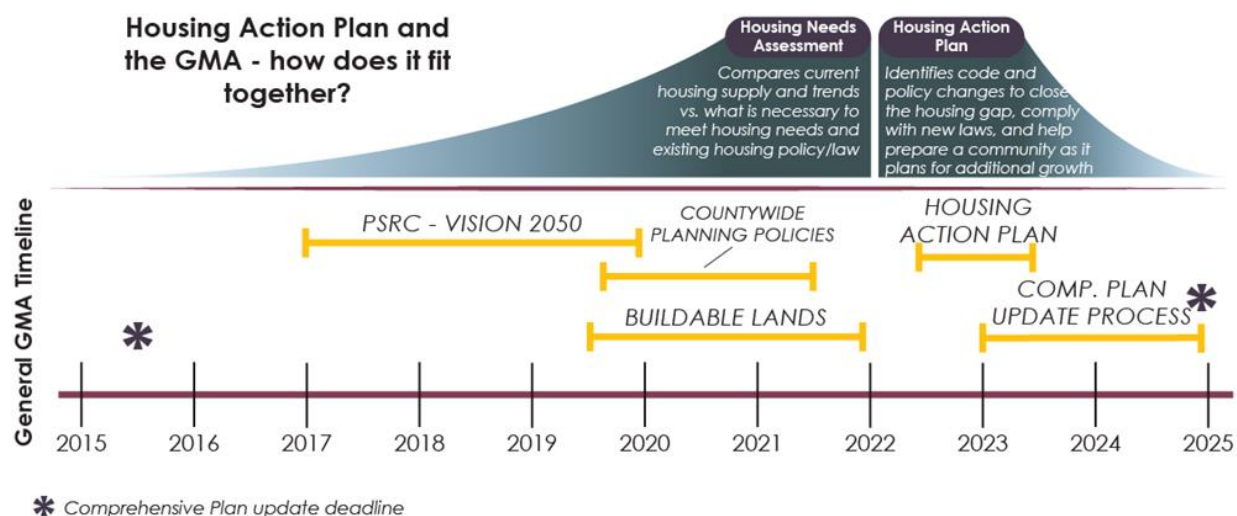
The high costs/rent of housing is a major issue facing our region. As the four-county region (Pierce, King, Snohomish, and Kitsap) continues to grow, adding 1.8 million more people between 2017- 2050, action must be taken so that everyone in communities across the region can find a place to live that is affordable to them and meets their needs.

Recognizing the need to focus on housing, the Washington State Legislature passed [House Bill \(HB\) 1923](#), enacted as RCW 36.70A.600, which provides grant funds to help cities develop a Housing Action Plan (HAP). The cities of Snoqualmie, North Bend, Duvall, and Carnation jointly applied for and received HAP funding through the Department of Commerce. The regional approach provides an opportunity for the City to compare housing issues facing the four communities, through the development of a regional [Housing Needs Assessment](#) (HNA). City-specific strategies and actions to address identified housing issues are

then developed in the individual HAP for each community. Snoqualmie has chosen to call their document the “**Snoqualmie Housing Strategy Plan**,” referred to as such or abbreviated “HSP” when speaking specifically about this plan. The grant program more generally will continue to be referred to as Housing Action Plan or HAP.

Overall, this project provides the opportunity to study the existing and future housing needs for the community, engage the community on these important issues, and develop strategies and actions the City can consider in the future.

The timing for this project is ideal as the City is beginning the required 2024 periodic update to the comprehensive plan and development regulations. As part of this process, the City will be evaluating how to accommodate additional population and employment growth, and plan for a variety of housing types and various income levels.



The HSP plays an even more important role in the update given recent legislative changes. In 2021, the Washington State Legislature amended the Housing Element requirements of the Growth Management Act (GMA) through [HB 1220](#).

HB 1220 strengthened the GMA Housing Element in a variety of ways. This includes new language that encourages the availability of affordable housing and requires cities and counties to plan for and accommodate housing that is affordable to all economic segments of the population. This puts a greater responsibility on local government to plan for housing for low- and moderate-income households. The HSP will assist in providing options to do this that Snoqualmie can consider as part of the periodic update.

### **Snoqualmie's housing targets and the Housing Strategy Plan**

The HSP provides several code and policy options the City of Snoqualmie can consider to help address its housing issues. Some of the actions and strategies outlined in the plan will help the City make progress toward planning for its housing target, which is an essential component of the Comprehensive Plan periodic update. However, code and policy options within city limits are unlikely to lead to full accommodation of the City's housing target. Additional ways to

accommodate the housing targets, including but not limited to annexation and planning for the City's Potential Annexation Areas (PAA), may need to be considered. A fuller range of options with which the City could accommodate its housing targets will be further explored as part of the Comprehensive Plan periodic update process.

### **Housing is top of mind for region's residents**

In 2022, the Department of Commerce and Puget Sound Regional Council (PSRC) conducted a survey on twelve different state-wide issues ranging from transportation, climate change, healthcare to housing. What they found is that Washington residents are most concerned with housing costs/rents, homelessness, and overall cost of living. This is not news to state authorities, although it is important to gather input on top-of-mind issues from a large portion of the state population.

The survey's key findings include<sup>1</sup>:

- 78% of respondents say they want more housing options for people in their communities, including seniors, teachers, firefighters, childcare workers, and healthcare workers.
- Housing costs are a top issue for four times as many respondents (39%), compared

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<sup>1</sup> Puget Sound Regional Council & Washington State Department of Commerce Housing Survey, December 2022



to traffic and transportation (8%).

- 74% of respondents have experienced one of more difficulties finding or affording housing.
- 83% of respondents say government agencies should work together to address the need for housing.

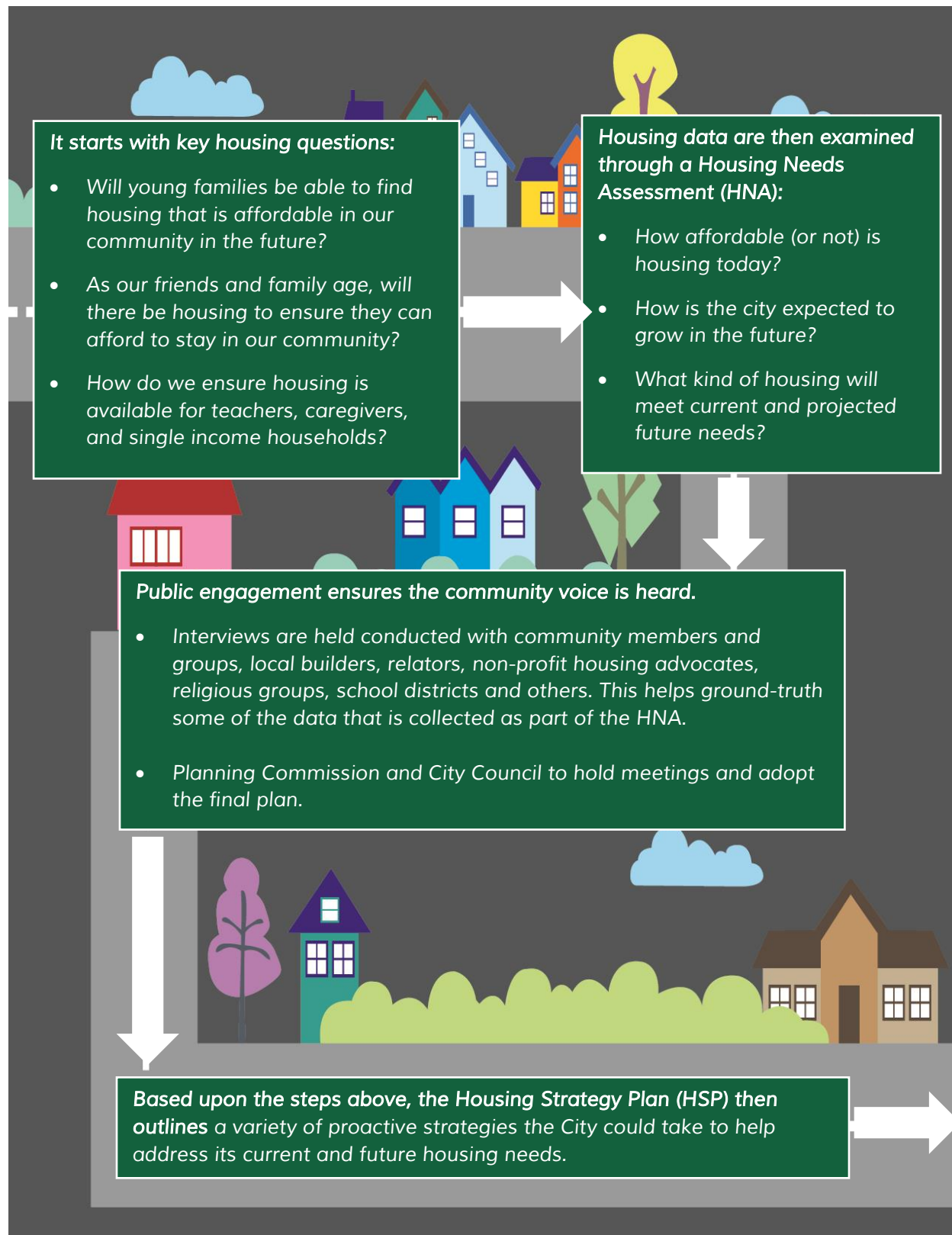
The Comprehensive Plan, Housing Action Plan, and Middle Housing

Analysis are all efforts made by multiple agencies (state, city, regional organization, community members) to help address the housing issues Washington State residents are facing. Each of these projects gives elected officials tools and solutions to begin moving in the right direction. The state has acted on housing-related issues and over the coming years, we should begin to see the benefits of this work.



Photo credit: LDC, Inc.

Figure 1. How the Housing Strategy Plan (HSP) works





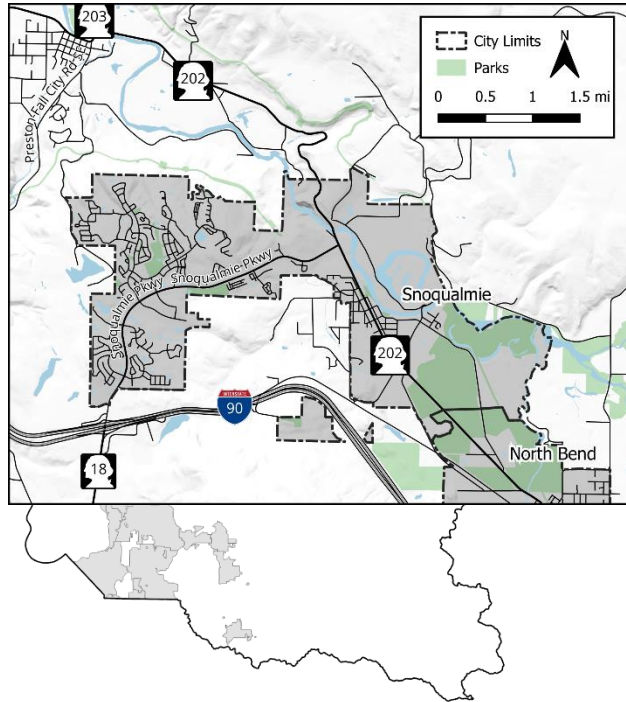
## D. INTRODUCTION





## COMMUNITY PROFILE

Snoqualmie, located in central King County, is home to just over 14,000 people. Situated 28 miles east of



Seattle, the community is best known regionally for Snoqualmie Falls and access to outdoor recreation.

Snoqualmie is a bedroom community for the greater Seattle area but has been growing rapidly in population and local employment opportunities.

Above: Snoqualmie in relation to King County.

Below: Vicinity map of Snoqualmie.

The city is located on ancestral territory of the Snoqualmie Tribe, a group of Native American peoples

from the southern Salish Sea region of Washington State. The region is rich in deer, elk, and salmon and sustained Indigenous populations since time immemorial. The Snoqualmie Tribe originally lived along the Snoqualmie River from North Bend to the junction of the Skykomish and Snoqualmie Rivers. Today, the city of Snoqualmie is approximately 6.5 square miles located in the Snoqualmie Valley between North Bend and Fall City.

Snoqualmie has grown by nearly 60 percent since 2010 for an average annual growth rate of 3.99 percent. This reflects the dichotomy of Snoqualmie's history – the older core of the small city in the floodplain of the Snoqualmie River, and the Snoqualmie Ridge master-planned community to its west, which grew rapidly after 2000, eclipsing the older core of the city in size.

Snoqualmie's median age is 36.3 years, and median household income is more than \$159,000 per year. Nearly 8 in 10 housing units are single-family detached homes. The median home is worth \$1,131,037. The city will need 1,079 new housing units to account for its projected growth out to 2044 but only has capacity for 167.



## PROJECT OVERVIEW

The development of this plan has engaged the community in an important conversation about housing. Key questions include:

- Will there be enough housing that is affordable to all households?
- Do the homes being built today meet the needs and means of current and future residents?
- How will the City meet the housing needs of an aging population?

To begin to answer these important questions, Snoqualmie, North Bend, Carnation, and Duvall commissioned an analysis of housing data. The so-called Regional Housing Needs

Assessment ([Appendix 1](#)) looked at a range of metrics across all four cities, including demographics, workforce, housing market, and land capacity. An individual HNA looked more in-depth at city-specific data and issues. The HNA summary, located in [Chapter E](#) (with full individual HNA located in [Appendix 2](#)) provide important insights on issues like:

- How affordable (or not) is housing today?
- How is the city expected to grow in the future?
- What kind of housing is necessary to meet current and future needs?

The intersection between key housing issues identified by the community and data highlighting current and

### House Bill 1923 Requirements for a Housing Action Plan

- Quantify existing and projected housing needs for all income levels, including extremely low-income households
- Develop strategies to increase the supply of housing, and variety of housing types
- Analyze population and employment trends, with documentation of projections
- Consider strategies to minimize displacement of low-income residents resulting from redevelopment
- Review and evaluate the current housing policies
- Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups
- Include a schedule of programs and actions to implement the recommendations of the housing action plan

future housing needs leads to the development of a HAP (in this case, HSP). The HSP, located in [Chapter F](#), outlines strategies and actions to ensure the City offers the appropriate supply and type of housing to meet future demand for all income levels.

Housing strategies are focused on important topics such as:

- Providing a wider variety of housing types
- Providing incentives for new rental housing
- Bringing down the cost of development
- Preventing and mitigating displacement
- Improving the permit process

The actions identified within the HSP are regulatory and policy changes focused on implementing the strategies listed above. A variety of options have been identified for the City to consider moving forward. Pros and cons for adopting certain code changes, and the identification of other jurisdictions who have considered similar changes, assist in making this a user-friendly document for Snoqualmie moving forward.

### House Bill (HB) 1923

In 2019, the legislature passed HB 1923, encoded as [RCW 36.70A.600](#), to assist cities in developing a HAP that will encourage 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. The cities of Snoqualmie, North Bend, Carnation, and Duvall applied for and received a grant to develop a regional HNA and individual HAPs in accordance with HB 1923.

The Washington State Department of Commerce ("Commerce") deadline for the adoption of a HAP is June 30, 2023. A copy of the statute created by HB 1923 is available for reference in this Plan in [Appendix 5](#).

### Plan Impact on Housing Prices

Housing affordability (or lack thereof) is a big issue in the region. There are many reasons why housing has become so expensive, and cities can only address certain aspects of the problem. While the City could reduce fees for certain housing types, consider additional areas to allow for higher density housing, or provide more options for senior housing, they do not control fluctuating economic costs such as labor shortages or the rising cost of lumber, for example.

This Plan is a piece of a larger puzzle that aims to help address important housing issues in our region. If many communities in our region takes the steps that Snoqualmie is taking as part of this Plan, it will have a positive overall impact on housing affordability issues in the region.

## GOALS AND OBJECTIVES

As noted in the Snoqualmie's Comprehensive Plan, almost half of the city's homeowner and renter households are classified as cost-burdened by rising housing costs, meaning they pay more than 30 percent of their income toward their housing. The City has developed the HSP to address this and other housing issues.

### Goals

- Assess Snoqualmie's housing needs
- Through a public engagement process, develop strategies addressing housing needs for the residents of Snoqualmie
- Prepare a HSP that is consistent with the housing element of the City's Comprehensive Plan and addresses goals and policies

### Objectives

- Develop strategies and recommendations to increase the supply and types of housing needed in Snoqualmie
- Develop zoning, regulatory, and incentive strategies to support housing that meets the needs of Snoqualmie
- Evaluate and refine existing housing policies and actions
- Develop recommendations based on HNA data

- Identify a schedule of actions to implement the recommendations of the HSP
- Craft potential solutions for Snoqualmie in light of actions and issues elsewhere in the valley

## PUBLIC PARTICIPATION

The HSP was developed with a range of public engagement. The intent of engaging the public is to better understand what the people of Snoqualmie envision for their housing future.

### Interviews

Interviews were conducted with groups identified by City staff. This involves interviewing community-based organizations (CBOs), including non-profit housing advocates, local builders and/or realtors, faith-based organizations, and general community groups to better understand their values and priorities and to hear any recommendations they have for how best to engage people who live, work, and play in Snoqualmie. Ten interviews were conducted in total, representing various community groups or individual community members.

The project team asked questions about community engagement and housing, which can be read in [THE Summary of Engagement Results in Appendix 8](#). The overarching themes that were revealed through the interviews were the high cost of housing, need for more housing options for seniors, support for and



concern surrounding some proposed changes, and more.

### Website

The City and project team developed a section on the City's [Affordable Housing webpage](#) and a [press release](#) and hosted the Draft Housing Action Plan and final Individual Housing Needs Assessment on the Konveio web platform. This allows the public to comment on interactive documents.

## PLAN ELEMENTS

The goals and objectives described in the previous section are implemented through the development of this plan as well as the regional and individual HNAs.

### Housing Needs Assessment (HNA) – High Level Findings

Snoqualmie is a highly desirable place to live, offering unique character and beautiful natural surroundings. As the city and surrounding region have grown, the demand for a limited supply of housing has also grown. The following are high-level findings.

- Rents and home values in Snoqualmie are rising faster than incomes. This makes affordability a challenge, especially difficult for households earning below the median annual income.
- Snoqualmie has a median age of 36.3 (up from 32.5 in 2010)

and an average household size of 3.04 people per household.

- As of 2019, 2,900 people employed in the city lived outside the city and 5,067 people lived in the city and worked elsewhere. Only 322 people both worked and lived in the city.
- Snoqualmie has grown 60 percent since 2010. Roughly 421 units have entered the permitting pipeline since 2019.
- In addition to the lack of overall available housing, the portion of Snoqualmie's population that is aged 65 and older. This will create added pressure as well as a need for more accessible housing. Therefore, providing a variety of housing types will ensure there is housing for all.

### Housing Strategy Plan (HSP) – High Level Approach

The HSP pairs the HNA findings with community goals to bring forward an identifiable set of actions and strategies the City can consider. The HSP is organized in the following sections:

- Review of Snoqualmie's existing housing policies
- Development of strategies to address the housing goals
- Actions to implement each of the housing strategies

The strategies in this Plan are:

- Provide a wider variety of housing types
- Provide incentives for new housing
- Bring down the cost of development
- Prevent and mitigate displacement
- Improve the regulatory environment for permits

Each of the actions identified and developed to implement these strategies includes the following:

- Specific description of the actions or options being studied and recommended
- Highlight the strategy this action addresses
- The pros/cons of the action
- Outline areas of code or policy that could be modified.



Photo credit: LDC, Inc.

## PROJECT TIMELINE

The Commerce deadline for adoption of a HAP is June 30, 2023. The following process and schedule were followed to ensure state requirements and project goals were met for the HSP.

Figure 2. Timeline and Process Graphic





An aerial photograph of a suburban neighborhood. The houses are mostly two-story, with grey or brown roofs. The streets are paved and have some parked cars. In the background, there are large, rugged mountains with patches of snow. The sky is overcast.

# E. HOUSING NEEDS ASSESSMENT



## HOUSING NEEDS ASSESSMENT

This section contains a summary of the HNA's findings. The full Regional HNA and individual HNA can be found in [Appendix 1](#) and [Appendix 2](#), respectively.

### Introduction

The need for housing in Snoqualmie is challenging, and these needs will broaden as the community changes over the next few decades. A key initial step to address housing challenges is to analyze the best available data that help accurately define the range of unmet housing needs and the depth of affordability needs. This analysis should answer questions about the availability of different housing, who lives and works in the community, and what range of housing is needed to address housing needs and demands into the future. Housing analysis is an important exercise because housing needs tend to evolve based on changes in the broader economy, local demographics, and regulatory environment.

Snoqualmie has grown over the past couple decades as Snoqualmie Ridge has been built. While Snoqualmie Ridge has little capacity remaining, growth pressure and home prices in Snoqualmie remain high.

Analyzing housing is complex since it represents a bundle of services that people are willing or able to pay for, including shelter and proximity to daily household needs (job, grocery shopping, healthcare), access to public services (quality of schools,

parks, etc.), and lifestyle amenities (type and quality of home fixtures and appliances, landscaping, views). It is difficult for households to maximize all these services and minimize costs. As a result, many families make tradeoffs and sacrifices between needed services and what they can afford.

Housing markets tend to function at a regional scale, which makes it a challenge for jurisdictions to adequately address issues individually. This also presents a prime opportunity for cities like Snoqualmie to broadly meet their housing needs. The following section helps frame the broader context associated with key housing trends.



Photo credit: LDC. Inc.

### Broader Demographic Trends

Several demographic changes have emerged since the mid-20th century that have influenced housing demand. These trends help explain forces shifting the housing landscape that are beyond the local purview.

- Nationally, family households with children and



parents/guardians shrank from 40 percent in 1970 to 20 percent in 2018, while the share of single-person households increased from 15 to 28 percent over that time.<sup>2</sup> Persons living alone have become the most prevalent household type, which could result in smaller household sizes and increased housing unit demand.

- Around one-third of Americans between 18 and 34 are now living in their parents' homes, possibly delaying their household formation.
- The population is aging, and the number of U.S. seniors will continue to grow over the next twenty years as the Baby Boomer generation exits the workforce. National estimates suggest that around 22 percent of Americans will be over 65 years of age by 2050. Seniors are projected to outnumber children for the first time ever by 2035. This is significant considering that currently, the over 65 age group is about 13 percent of the population in Snoqualmie. The aging Baby Boomer generation (born 1946 to 1964) could result in greater demand for smaller housing for those wishing to "downsize" and greater demand for assisted living housing situations<sup>3</sup>.
- Nationwide, the Hispanic/Latino population is predicted to be the fastest growing racial/ethnic group over the next few decades. The growing diversity of American households will have a large impact on domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for rental housing and small homes.
- Another factor affecting housing is the COVID-19 pandemic. Since its emergence, the pandemic has slowed the production of housing in many regions, first due to supply chain snarls, then due to inflation. However, work-from-home and other pressures have increased demand in cities like Snoqualmie. These types of trends should be monitored as communities adjust.
- Another factor crucial for estimating housing needs is population growth. The growth around Puget Sound has been intense, with the region welcoming one million new people (total of 4.3 million) since 2000 and a forecast showing a similar population surge through 2040.<sup>4</sup> Snoqualmie has, in fact, grown even faster than King County or the state as a whole, growing by 3.99 percent between 2010 and 2022.

<sup>2</sup> Sources: AARP (2018) Making Room for a Changing America, U.S. Census Bureau Annual Social and Economic Supplements 1950 and 1970, 2015 U.S. Census ACS, PSRC Draft 2050 Forecast of People and Jobs.

<sup>3</sup> AARP (2019) "2018 Home and Community Preferences: A National Survey of Adults Ages 18-Plus

<sup>4</sup> Puget Sound Regional Council (PSRC). 2017. Land Use Vision Dataset. Retrieved from: <https://www.psrc.org/projections-cities-and-other-places>.

## Snoqualmie Housing Needs Assessment Results Summary

### Snoqualmie Housing Gap and Housing Production Target

Using the 2015-2019 HUD-CHAS data on cost burden, Snoqualmie was during that period home to 214 households who rent their housing unit who are cost burdened (paying more than 30 percent of their incomes in rent). There are also 324 households making 80 percent or below of the AMI who own their unit who are cost burdened. There are **188** units of subsidized affordable housing at the Panorama Apartments project aimed at low-income households that did not exist during the survey period. Therefore, the current gap between what is affordable and available for households making under 80 percent of the median income and the current demand is **350 units**. If a more restrictive threshold of paying more than 50 percent of income toward housing is used, there are 14 renting households and 39 owning households who are paying at least 50 percent of their incomes toward rent, for a total gap (after deducting subsidized units) of **164 units**. These cost burden figures are illustrated in Figure 38 of the individual HNA.

### Snoqualmie is majority white, but the primary language spoken is English.

Of the Snoqualmie residents of one race, 81% are White, 13% are Asian, 0.5% are Black or African American, and 0.1% are American Indian and Alaska Native alone. When compared against King County, Snoqualmie has

a similar but lower level of population diversity.

According to the U.S. Census Bureau, the dominant language spoken at home by Snoqualmie's residents who are 5 years of age and above is English (84.7 percent). The second most spoken language is other Indo-European languages (7.9 percent). Smaller percentages of households speak Asian and other Pacific Island languages and Spanish.

### Snoqualmie has many young families living in the city.

Since housing needs change over a person's lifetime, it is important to track shifts among age cohorts to anticipate expected demand.

Snoqualmie's age makeup is concentrated first in adults ages 35 to 44, and then in children ages 5 to 14. This age distribution could indicate Snoqualmie has a large number of families at their peak reproduction years with school-aged children.

The age breakdown dominance by early middle-aged adults with young children means that if today's residents age in the community, by 2040, around a quarter of Snoqualmie's current residents would be 65 or older.

As noted earlier, the dominant housing available in Snoqualmie is larger single-family structures. This in large part reflects the dominance of people aged 35 to 49 and the children of that age group. A comparatively small fraction of the city's current population is at or near retirement age. However, the Housing Strategy Plan should include strategies to



address the increased housing needs for other cohorts as demographic change occurs.

Homeownership rates tend to increase as age increases, and older people are more likely to live in single-person households that tend to be smaller in size. The aging of the Baby Boomer generation (born 1946 to 1964) could also generate greater demand for housing offering living assistance, multigenerational accommodations, and opportunities for residents to age-in-place or age elsewhere in their community. Overall, these trends indicate high demand for “missing middle” housing (e.g., ADUs, townhomes, triplexes, duplexes, quad homes, and cottages), which allows more seniors and couples to downsize and remain in their community.<sup>5</sup>

Increased demand, housing scarcity, rising costs and lagging household incomes particularly for households who own their home.

According to the OFM, between 2010 and 2022, Snoqualmie constructed 1,110 new housing units. During this time the city’s population grew by 3,820. Since 2010, 334 new structures with 2+ units have been built, versus only 792 one-unit structures.

Both median rents and house values have increased dramatically between 2010 and 2020. The median rent in Snoqualmie increased from \$1,552 in 2010 to \$2,224 in 2020, while house values increased from \$477,000 (2010) to \$640,700 (2020). According

to Zillow, the median home value has risen at an even faster rate between the years 2020 and 2022. The median home value in August of 2020 was at \$697,735 and has risen to \$1,011,912. This is an increase of more than 45 percent in two years. These numbers are in line with the extremely rapid run-up in house prices and values region-wide. The market has softened in recent months due to rapidly rising interest rates, but significant erosion in value is unlikely.

Alongside housing cost increases, the median household income in Snoqualmie was \$116,020 in 2010 and \$159,450 in 2020, for a growth of 37 percent over that time and an average annual growth rate of 3.2 percent. Median income for households who own their unit grew from \$123,795 in 2011 to \$167,768 in 2021, an increase of 35 percent. Median income for households who rent their housing unit rose from \$66,744 in 2010 to \$95,896 in 2021, an increase of 44 percent.

This means that the incomes for both renters and owners have largely kept up with the rising cost of homes to buy and rent. Home prices have risen by 34 percent and the incomes of homeowners have risen by 35 percent. Rental rates have risen by 43 percent and the incomes of renters have increased by 44 percent.

Where feasible, additional home ownership opportunities should be provided for households earning less than 80 percent of the area median

<sup>5</sup> “Missing middle” housing referred generally herein as middle housing primarily includes single-family attached housing with two or more units (duplexes, triplexes, quad

homes, townhomes, courtyard cottages, accessory dwelling units, etc.) or other housing bridging a gap between single family and more intensive multifamily housing.

income. Given the high incomes in King County, less than 80 percent of the AMI is less than roughly \$95,300 per year for a family of four. Housing serving this income bracket tends to be rental housing, with some smaller-sized middle density housing (i.e. duplex, triplexes, condos). Demand for middle housing and rentals, especially 1- to 2-person households, is increasing mostly due to aging baby boomers. However, as noted previously, capacity is limited under current zoning and city boundaries. As a result, strategies should be developed to support middle housing production, including within the unincorporated urban growth area. The Snoqualmie renter population tends to include households at the moderate to lower income levels, and the rising cost of housing has disproportionate impacts for units priced at these levels. Consequently, additional production of apartments, multiplexes and middle housing, and subsidized housing should be further supported.

Snoqualmie residents commute outside the city for work, and people who work in Snoqualmie do not live there.

Understanding Snoqualmie's workforce profile and commuting trends will help plan for workers' housing needs. Factors such as job sector growth and the city's commuting patterns may have implications for how many people are able to both live and work within the city. If such factors indicate many people are commuting into the city for work, it could be possible that the city does not have enough housing to

accommodate its workforce or enough housing that matches their needs and affordability levels.

As of 2019, (the most recent year for which these data are available), Snoqualmie is home to 5,053 jobs and 6,473 employed people. Approximately 91 percent of employed people (5,883 out of 6,473) who live in Snoqualmie are employed outside of the city limits, and they commute largely to communities like Redmond, Seattle, Issaquah, and Bellevue. The Census also estimates that of Snoqualmie's 5,053 jobs, approximately 88 percent (4,463 jobs) are filled by workers who live outside of the city limits.

Of Snoqualmie's employed residents in the civilian labor force, 6,186 are private wage and salary workers, 973 work for some level of government, and 219 are self-employed or unpaid family workers.

Snoqualmie continues to be a high-income community. When considering the after-effects of the COVID-19 pandemic as well as planned future employment growth in Snoqualmie, the City will need to focus both on providing more space for opportunities for entry-level homeownership as well as ensuring that workforce housing forms a significant part of future housing construction.

Snoqualmie's housing stock is relatively new and mostly single-family.

The vast majority of Snoqualmie's housing stock (79.3 percent) are single family homes. Most of Snoqualmie's housing units have 3 or

more bedrooms and most of the housing stock was built between 2000 and 2009.

Growth pressure is high in Snoqualmie, but with the housing stock being young overall, redevelopment pressure is not high. However, with much of its housing stock in relatively good condition, conversion of existing single-family homes to middle housing could be considered. Other options include amending the development agreements for Snoqualmie Ridge to add more opportunity for infill.

The low supplies of single-family attached housing such as townhomes, triplexes, duplexes, and cottage courtyard apartments and multifamily housing should be addressed to provide broader housing options. In addition, demand is expected to increase for single-family attached housing mostly due to aging baby boomers and young households forming.

Racial and ethnic disparities merit a targeted approach to relieving cost burden.

Among households who own their housing units, 26 percent of white, non-Hispanic households (head of household) who own their homes face some level of cost burden. 47 percent of white households who rent their units face cost burden. While most racial groups report low numbers due to sampling error and data disaggregation performed by HUD and the census bureau for privacy reasons, 63 percent of renter Hispanic households and 47 percent of white non-Hispanic households

who rent their housing unit face some level of cost burden.

Despite the limitations of these data due to margins of error and sample size, it is clear that cost burden is not just a problem facing renters.

Snoqualmie faces a significant gap in housing unit capacity within current city limits.

The City's growth target, as adopted in the King County Countywide Planning Policies, is 1,500 housing units between 2021 and 2044. Given 421 units of pipeline projects since then, the current gap is 1,079 units. According to the Buildable Lands Report (Urban Growth Capacity) produced by King County, the City has roughly 167 units of existing capacity within current city limits.



Photo credit: LDC. Inc.



## F. HOUSING STRATEGY PLAN





## Overview

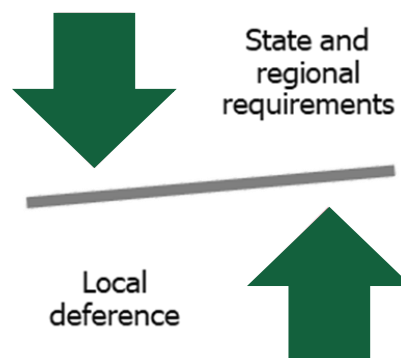
Our region has and will continue to face great challenges as we grow. This includes the ability to provide affordable housing. Housing element requirements under the Growth Management Act (GMA) outline requirements to "...ensure the vitality and character of established residential neighborhoods...". This includes provisions for protections of housing "... for existing and projected needs of all economic segments of the community" ([RCW 36.70A.070\(2\)](#)). At the same time, cities are growing, and redevelopment pressures will continue to occur. As redevelopment occurs, the key is focusing on policies and regulations that minimize displacement and preserve affordable housing options. These are difficult planning challenges, and it takes a proactive approach to meet these challenges head on.

In addition, Snoqualmie faces some unique challenges and opportunities due to its housing types and development patterns, somewhat isolated physical location, and geographical constraints (Snoqualmie River floodplain and a mostly built-out footprint). This HSP presents analysis, strategies, and a range of actions to consider.

## Connection to Comprehensive Plan Process

Snoqualmie will update its Comprehensive Plans no later than December 31, 2024. As part of that process, the City will be planning for growth out to 2044. The amount of growth the City decides to plan for is linked to the types of actions necessary to meet housing goals. The more growth expected, the more creative the City must be in order to accommodate that growth. The elements and objectives of the HSP will help support the implementation of growth and housing strategies as the City moves forward.

Planning is a balance between state and regional requirements, and substantial local deference is afforded to Snoqualmie so it can plan in a way that is best for its community.



While broad housing requirements are outlined within the Growth Management Act ([RCW 36.70A.070\(2\)](#)), policies are also developed at the regional and countywide levels. The Puget Sound Regional Council (PSRC) is a regional body that develops policies around transportation, economic development, and growth (including

housing). VISION 2050's multicounty planning policies and regional growth strategy guide planning at the countywide level and comprehensive plans done by cities and counties.

The Growth Management Planning Council (GMPC) facilitates the development of King County's [Countywide Planning Policies](#) (CPPs), which help ensure King County and the cities within the county coordinate on growth issues. The policies contained in the CPPs are further refined at the local level as the City completes its Comprehensive Plan update. The HSP provides an opportunity to proactively look at housing issues and identify possible solutions that can be implemented as this planning takes place.

### Definitions of Income Ranges Used to Define Affordability

Several of the recommended actions and strategies in this HSP address housing affordability. The following definitions of income ranges are based on King County's Area Median Income, or AMI (updated annually, used interchangeably here with HUD's definition of Median Family Income). The actual makeup of household incomes in Snoqualmie specifically may differ from that of King County more broadly, but AMI is the baseline for measuring affordability using the best available data. The income ranges and their definitions are as follows:

- Extremely Low Income – 30% AMI and below
- Very Low Income – 30-50% AMI

- Low Income – 50-80% AMI

King County's median family income for fiscal year 2022 is \$134,600 for a family of four. The income ranges for this Plan for the City of Snoqualmie translates as follows depending on family size.

- Extremely Low Income - \$27,200 - \$51,250 per year and below
- Very Low Income - \$45,300 - \$85,450 per year
- Low Income - \$66,750 - \$125,800 per year

### Long-Term Impacts of COVID-19 on Housing

The COVID-19 pandemic and the associated health and economic consequences continue to affect everyone in Western Washington and around the world. While the full story of the effects of COVID-19 on housing is still being written, several trends are emerging or likely to gain importance in the years to come.

First, for many of those whose employment can occur remotely, physical proximity to the workplace is a less important factor when choosing a place to live. Factors including access to parks, great schools, and being closer to family, may increase in importance. This is of particular relevance to Snoqualmie, as its location, natural amenities, and less expensive housing compared to many central Puget Sound communities could make it an increasingly popular relocation option for people from those communities whose work can be done remotely.



Second, the demand for new housing is continuing to outstrip supply, leading to continued upward pressure on prices. Labor and material shortages continue to make building housing expensive, and the locational decisions discussed above are leading to many more households with continued employment looking to change their housing situation.

Third, aftereffects from the periods of unemployment during the pandemic and the continuing period of high inflation and interest rates may lead to increasing evictions, with serious consequences for those households unable to afford their housing coupled with a spike in vacancies and continued financial stress for landlords and housing providers.

### **Housing Policy Analysis and Current Policy Conditions**

Snoqualmie's Comprehensive Plan contains many housing policies in its Housing Element. [Appendix 3](#) contains an analysis of the Comprehensive Plan policies that relate to housing.

The City should consider additions and revisions to its policies that support future actions in line with what is provided in this plan. Such policy additions should strengthen and support the actions recommended here, including (but not limited to) strengthening policy support for more diverse housing options, developing code and policies that mitigate the risk of displacement, and placing equity front and center when crafting future housing code and policy.

## **Housing Types Considered**

Photo credits, following section: LDC, Inc.

### Single-Family Housing



[RCW 36.70A.600](#) specifically calls for the development of policies and strategies to increase the availability of single-family homes that are affordable to a wider range of households. This could include both detached and attached single-family dwellings. The HSP presents strategies and actions that can increase the availability and affordability of single-family homes.

### Missing Middle Housing



The Revised Code of Washington (RCW) defines middle housing as, "buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or

clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.” ([RCW 36.70A.030](#) as revised in 2023) The HSP includes actions that address various facets of this form of housing.

### Accessory Dwelling Units



Accessory Dwelling Units, or ADUs, are small housing units attached to or separate from and accessory to a single-family home. These smaller dwellings, sometimes envisioned as homes for older parents or other relatives, hold promise as a way of providing basic, affordable accommodations for households that do not need much space while potentially providing a source of rental income for homeowners. Jurisdictions region-wide have recently pursued changes to their land use regulations to allow or further encourage ADUs as a way of addressing the housing affordability issue. Various actions are detailed in the following plan that could help incentivize construction of ADUs. Recent state law changes have changed how cities can regulate ADUs, and the HSP reflects this.

### Multifamily Housing



Larger multifamily developments (five-plus units in a structure) make up roughly 20 percent of housing units in Snoqualmie. Some of these developments are a key part of Snoqualmie’s inventory of naturally occurring affordable housing. Additionally, because of their construction techniques and economies of scale, new developments with affordable units tend to be this type of housing. Several of the actions in the plan involving incentivizing new rental housing and mitigating displacement address multifamily housing in some dimension.

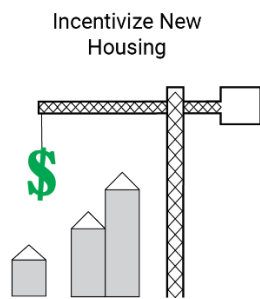
### Senior Housing

Assisted living facilities, retirement communities, adult family homes, and other forms of senior housing will be increasingly needed as the population within the region ages. ADUs and missing middle housing can also play an important role in providing housing options for seniors that are affordable. Providing these housing options within the city allows current residents the ability to age in place.

## Strategies

All actions proposed in this HSP can be categorized by their implementation of one of the strategies as outlined below. Each strategy is assigned its own icon and incorporated into the following action writeups according to which strategy or strategies each action addresses.

### Incentivize New Rental Housing



The City has expressed interest in policy options to increase incentives available for creating new affordable and market rate rental housing. The HNA demonstrates that additional rental housing, particularly for low- to moderate-income households, is needed to reduce the cost burden of their housing expenses.

Incentives for rental housing can include the Multi-Family Tax Exemption (MFTE), waiving or reducing impact fees, and density bonuses to incentivize affordable housing options.

Incentives for rental housing can include the Multi-Family Tax Exemption (MFTE), waiving or reducing impact fees, and density bonuses to incentivize affordable housing options.

### Bring Down the Cost of Development



The cost of developing new housing, regardless of type, includes labor and materials, the costs of permitting (including impact and mitigation fees), and the time

and cost of permit processes. Several actions included in the HSP address the elements of this calculation most within the City's control, namely permit efficiency, fees, and time and process required to approve development.

### Provide Wide Variety of Housing Types

Encourage a Wide Variety of Housing Types



The City can make progress on this strategy through several actions, including changes to zoning code to make various types of housing

more widely allowed and demonstration programs for fee reductions. This includes senior housing, ADUs, and Missing Middle housing.

### Prevent and Mitigate Displacement

Prevent and Mitigate Displacement



This addresses both rent-restricted and non-rent-restricted rental housing. This can be done through rehabilitation of existing

units or a waiver of certain fees that would allow a new development to offer new units whose rents approximately match housing that was displaced. Actions include public-private partnerships with neighborhood associations and landlords to bring down the cost of upkeep.



### Improve The Regulatory Environment for Permits

Improve the  
Regulatory  
Environment for  
Permits



The regulatory environment for new development and redevelopment varies by jurisdiction. The regulatory environment heavily influences what gets built, and where it

gets built. Additionally, having a good regulatory environment impacts how long it takes to issue permits and how much it costs. Creating a smooth regulatory process for obtaining approvals on development proposals will incentivize development in the city.

Photo credit: LDC, Inc.



## Housing Strategies and Actions Outline

The following strategies represent collections of actions that address a particular housing issue in a targeted way. The specific actions that fall under each strategy are listed below the strategies. Many actions appear under more than one strategy because they address multiple issues.

### Strategy 1, Incentivize New Housing

- [Expand options for senior housing especially assisted living](#)
- [Expand temporary emergency and permanent supportive housing options](#)
- [Prioritize potential annexations and UGA swaps that could add residential capacity](#)
- [Recruit and partner with affordable housing specialists](#)
- [Multi-Family Tax Exemption – city wide use](#)
- [Encourage room rentals in existing homes](#)

### Strategy 2, Bring down the cost of development

- [SEPA exemption options](#)
- [Options to improve ADUs](#)
- [Recruit and partner with affordable housing specialists](#)

### Strategy 3, Encourage a wide variety of housing types

- [Implement R-3 zone](#)
- [Implement Planned Residential district](#)
- [Options to improve ADUs](#)
- [Clarify townhome definitions and standards](#)
- [Encourage room rentals in existing homes](#)




### Strategy 4, Prevent and Mitigate Displacement

- [Multi-Family Tax Exemption – city wide use](#)
- [Tenant protections](#)



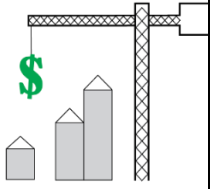
### Strategy 5, Improve the regulatory environment for permits


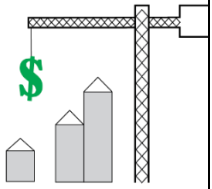

- [SEPA exemption options](#)

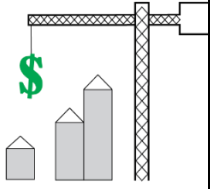


**Action Schedule and Summary Table**

Action	Primary Strategy	Target Group	Area of Applicability	Scale of Potential Impact	Timeline	When Snoqualmie Could See Results
Clarify townhome definitions and standards	Encourage a Wide Variety of Housing Types 	Moderate to High Income Households	MU R-2 R-3, potentially Planned Residential	Small	Prior to comprehensive plan update deadline	Within 5 years
Expand options for senior housing, especially assisted living	Prevent and Mitigate Displacement 	Very Low to High Income Households	Business, office park, planned commercial/industrial, R-3, PRD	Small to moderate	Prior to comprehensive plan update deadline	Within 2 years
Expand temporary emergency and permanent supportive housing options	Encourage a Wide Variety of Housing Types 	Very Low to Low Income Households	All residential zones, FBMU, MU	Small to moderate	Concurrent with Comprehensive Plan update	Within 20 years




Action	Primary Strategy	Target Group	Area of Applicability	Scale of Potential Impact	Timeline	When Snoqualmie Could See Results
Implement R-3 zone	<p>Encourage a Wide Variety of Housing Types</p> 	Very Low to Moderate Income Households	Potentially large area of city depending on implementation	Moderate to large	After Comprehensive Plan update	Within 20 years
Increase flexibility for ADUs	<p>Bring Down the Cost of Development</p> 	Moderate Income Households	All residential zones, especially Snoqualmie Ridge and the R-1 zones	Small to moderate	Within 6 months of comprehensive plan update deadline (June 30, 2025)	Within 3 years
Balance short-term rentals and other housing needs	<p>Incentivize New Housing</p> 	Moderate Income Households	City-wide	Small to moderate	After Comprehensive Plan update	Within 5 years

Action	Primary Strategy	Target Group	Area of Applicability	Scale of Potential Impact	Timeline	When Snoqualmie Could See Results
Encourage room rentals in existing homes	Encourage a Wide Variety of Housing Types 	Low to Moderate Income Households	Single-family zones	Moderate	After Comprehensive Plan update	Within 5 years
MFTE – City wide use	Incentivize New Housing 	Very Low to Moderate Household Incomes	City-wide	Moderate to large	Concurrent with Comprehensive Plan update	Within 3 years
Implement Planned Residential District	Encourage a Wide Variety of Housing Types 	Low to Moderate Household Incomes	Potentially to various areas of city	Moderate to large	Concurrent with Comprehensive Plan update	Within 20 years

Action	Primary Strategy	Target Group	Area of Applicability	Scale of Potential Impact	Timeline	When Snoqualmie Could See Results
Prioritize potential annexations and UGA swaps that could add residential capacity	Incentivize New Housing 	Very Low to High Household Incomes	City-wide	Large	Concurrent with Comprehensive Plan update	Within 20 years
Recruit and partner with affordable housing specialists	Bring Down the Cost of Development 	Very Low to Low Household Incomes	City-wide	Small to moderate	After Comprehensive Plan update	Within 5 years
SEPA exemption options	Bring Down the Cost of Development 	Very Low to High Household Incomes	City-wide	Small to moderate	After Comprehensive Plan update	Within 5 years



Action	Primary Strategy	Target Group	Area of Applicability	Scale of Potential Impact	Timeline	When Snoqualmie Could See Results
Tenant protections	Prevent and Mitigate Displacement 	Low to extremely low income households	City-wide	Moderate	Any time	Within 3 years

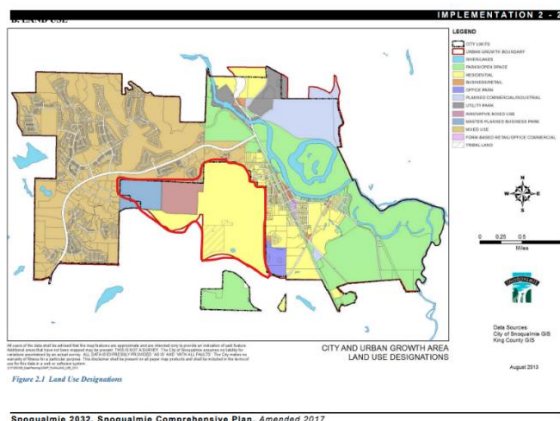
## HOUSING ACTIONS

*Prioritize potential annexations that could add residential capacity and housing options*

The City of Snoqualmie does not currently have enough housing unit capacity to meet its projected housing need. According to the Housing Needs Assessment, the city has capacity for 167 housing units with a remaining growth target of 1,079 households, meaning it is short 912 units worth of land capacity for housing. While other actions in this HSP could work to close this gap, the greatest opportunity for new residential capacity that could help Snoqualmie successfully plan for its housing target lies within the unincorporated Urban Growth Area (UGA).

There are two primary areas outside city limits that could make compelling annexation areas and meaningfully contribute to the city's housing capacity and diversity: the current unincorporated urban growth area (UGA), located between the historic older portion of town and Snoqualmie Ridge, and the area around the I-90 diverging diamond interchange, in the southwest corner of the city.

Current unincorporated Urban Growth Area (outlined in red below left)



Diverging diamond interchange (above right)

The land within the Potential Annexation Area between Snoqualmie Ridge and the older portion of the city contains 98.31 acres of buildable land after accounting for critical areas, buffers, and existing residential uses or lands owned by the Snoqualmie Tribe.

A substantial part of that acreage can be found in the west of the PAA near a portion of Snoqualmie Ridge developed as a business park under the mixed-use zone. This might be a good location for a mix of mixed use, R-3, and R-2 zoning from west to east. R-3 appears in the zoning code but not on the zoning map. Given that it is described as being a good transition between nonresidential uses and other residential areas, R-3 could be a good fit near current residential areas in the city. Another potential option, particularly for the largest parcels just east of the current city boundary, would be the Planned

Residential zone (see PR zone action sheet). The Middle Housing analysis should examine potential capacity using these zones more in depth.

This area is currently designated as “Master Planned Business Park” and “Innovative Mixed Use” on the Comprehensive Plan Land Use Map, so at least a portion of this area would have to be redesignated during the Comprehensive Plan update or in an annual docket request in order to enter into an interlocal agreement with King County.

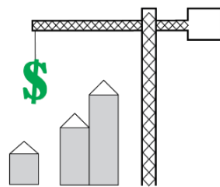
An alternative, which might be preferable, would be to adopt an ordinance establishing contingent zoning for specific areas in accordance with whatever land use designation is adopted as part of the Comprehensive Plan update. If the City chooses R-3 or Planned Residential for all or some of the land currently designated Master Planned Business Park and Innovative Mixed Use,

The rest of the UGA would be a good fit for a mix of R-1-4, R-1-7.5, and R-2 to enable more middle housing.

The other major area the City is considering potentially adding to the UGA and the city is a nearly 85-acre area on the north side of the diverging diamond interchange between Snoqualmie Parkway and Interstate 90 in the southwest corner of the city. This could be a good location to add workforce housing, permanent supportive housing, or assisted living, in addition to commercial uses closest to the interchange. This would have to be done via a UGA swap. Given that state law changes that would have enabled this did not pass in the 2023 session, it is unclear whether this swap will be possible.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. Depending on the action taken and the zoning applied to annexation areas, this could help the City encourage affordable housing if density incentives are provided (planned residential zone, for example). If MFTE is expanded to include the potential annexation areas or any area zoned the intended zones, for example, this could definitely assist the City in meeting its housing targets by income bands.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. Given the city’s documented lack of enough capacity for 20 years of housing targets, annexation areas will be crucial to meeting housing targets.
Cities that have taken the same or similar actions	Not many communities in the Puget Sound region are as dependent as Snoqualmie is on using potential annexation areas in its UGA to meet its housing targets.
Advantages	<ul style="list-style-type: none"> <li>Annexation areas are one of the only areas of untapped and developable land remaining in the urban growth area.</li> <li>The legislature may consider renewing and updating the annexation tax incentives</li> </ul>



	<p>contained in <a href="#">RCW 82.14.415</a> that expired in 2015, which could provide an additional incentive to annex the areas.</p>
Disadvantages	<ul style="list-style-type: none"> <li>• Annexation processes can be time consuming and expensive.</li> <li>• Truly developable properties in the unincorporated urban growth area are not grouped or contiguous in such a way as to make denser development straightforward, especially in the eastern portion of the UGA.</li> <li>• Straight residential annexations do not bring in sales tax revenue, which could make it difficult to make some of these annexations pencil.</li> <li>• Annexations and/or UGA swaps can take years, if not decades, to realize, so capacity would be unlikely to be realized within a short timeframe.</li> </ul>
Strategies implemented	<p>Incentivize New Housing</p> 

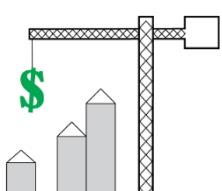

## Implement R-3 zoning

A review of Snoqualmie's zoning code has revealed that its densest residential zone, R-3, is not implemented in code or assigned to any areas on the zoning map.

This represents an opportunity to improve the consistency of the City's comprehensive plan and development regulations, while also adding a diverse range of housing types.

Below are several options or considerations for the City to consider when implementing the R-3 zone.

- Implement R-3 zone (see writeup on annexations). R-3 allows a wide range of housing types that are under-represented in Snoqualmie, but it does not appear to be implemented anywhere on the zoning map and does not appear in the use table in [SMC 17.55.020](#).
- This would also include deciding whether to implement separate design standards for R-3, apply the R-2 design standards contained in [SMC 17.55.055](#), or not require design standard compliance in the R-3 zone.
- Since the R-3 zone would be one of Snoqualmie's main tools to create more middle housing on a large scale, the City should consider changes to definitions and use regulations to more closely align the zone with the intent of the Housing Element of the comprehensive plan and the Middle Housing grant program. For example, RCW 36.70A.070(2)(b) specifically mentions duplexes, triplexes, and townhomes, while the Commerce [Middle Housing grant](#) requires recipients to look at ways to encourage more of certain forms of housing, including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, cottage housing, and stacked flats". If the City wishes to use this zone to encourage particular forms of middle housing, it should add definitions for some or all of these housing forms in Title 17.
- One action in this Housing Strategy Plan discusses expanding where the Multi-Family Tax Exemption, or MFTE, program can be used. R-3, regardless of where it is implemented, would be a good candidate for being able to utilize the MFTE program to enable more affordable housing units to be built.
- Consider making permanent supportive housing a conditional or even permitted use in the R-3 zone. See the [action sheet](#) on transitional and permanent supportive housing for more.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. The housing types encouraged in the R-3 zone could go a long way toward meeting housing element requirements.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. The R-3 zone encourages and allows many denser housing options that can help the City meet its housing targets.
Cities that have taken the same or similar actions	Many cities around the region have the equivalent of an R-3 zone. This is not a new idea, but rather correcting a discrepancy between different sections of code.
Advantages	<ul style="list-style-type: none"> <li>Implementing R-3 would lead to better consistency between the comprehensive plan and the development regulations.</li> <li>R-3 is intended to serve as a transition between higher intensity nonresidential uses and other residential districts. This could make it useful for potential annexation areas, which border on higher-intensity mixed or nonresidential uses.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Bigger-impact code changes increase in complexity, and some of the other actions in the plan (like townhouses) might not be as effective if R-3 is not implemented, for example.</li> <li>Implementing the R-3 zone in a portion of the potential annexation area may not help the City meet its 2044 growth targets.</li> </ul>
Strategies implemented	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>Incentivize New Housing</p>  </div> <div style="text-align: center;"> <p>Encourage a Wide Variety of Housing Types</p>  </div> </div>



## Implement Planned Residential zoning

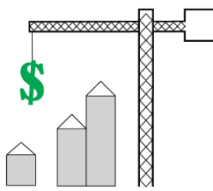

The PR, or Planned Residential, zone appears to only be implemented in the very far north end of the city and is not currently developed. This is an area that has been discussed for swapping with the diverging diamond at I-90 and being removed from the Urban Growth Area (UGA) in the future if that option becomes available.

Whether at this location or potentially in the Potential Annexation Area, Planned Residential as defined in the code would be a good way to provide more housing options. It provides for a wide variety of housing types (in fact, it requires a variety) and includes some limited non-residential uses that

The following are some considerations as the City prepares to implement or improve this district to maximize its benefits for housing issues when implemented:

- The PR zone could potentially be a good fit for portions of the UGA just east of the industrial park off Douglas and Center, Roads as the large parcels would not risk running afoul of the acreage provisions (see below).
- The PR zone has acreage provisions whereby a mix of housing types is required for projects larger than 2 acres. Parcels less than two acres are limited to the uses allowed in the R-1-4 district.
- Consider making residential units above commercial space a permitted use in the Planned Residential zone. Neighborhood commercial developments are allowed already, this type of development should be encouraged as it would also accomplish the housing diversity goals of the PR zone. This would require updating the use table in [SMC 17.55.020](#).

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Not directly.
Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?	Yes. The planned residential district, if implemented over a broad area, could allow for a diverse range of housing types that meaningfully helps the City make progress toward its housing target.
Cities that have taken the same or similar actions	Many other communities have a planned residential zone, or something similar, including the following: <ul style="list-style-type: none"> <li>• <a href="#">Pierce County</a></li> <li>• <a href="#">Blaine</a></li> <li>• <a href="#">Marysville</a> (Whiskey Ridge subarea)</li> </ul>

Advantages	<ul style="list-style-type: none"> <li>The PR zone is underutilized in the city and seems a good fit for the variety of housing types the City needs to meet housing goals.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>The development standards of the PR zone might be an impediment to doing affordable development (there is no built-in affordability mechanism either).</li> <li>Given the time it takes to undertake an annexation, implementing the PR zone in potential annexation areas will not help the City meet growth targets for the upcoming comprehensive plan update.</li> </ul>
Strategies implemented	<div> <div> <p>Incentivize New Housing</p>  </div> <div> <p>Encourage a Wide Variety of Housing Types</p>  </div> </div>

## Multi-Family Tax Exemption – citywide use

The City of Snoqualmie is currently considering a multi-family tax exemption for the Weyerhaeuser Mill site. Those provisions would require each mixed-use building in Planning Area 1 to set aside 10 percent of the total number of units as affordable to those making 80 percent AMI and 12 percent of the total number of units as affordable to those making 60 percent AMI.

An additional provision requires a 50-year affordability covenant, and the number of affordable units of each unit type (# of bedrooms) must be proportional to the number of market rate units of each type.

The City should consider broadening the applicability of the MFTE program and allow its use in the mixed-use zones and, potentially, the R-3 and Planned Residential zones if the City chooses to implement those latter zones.

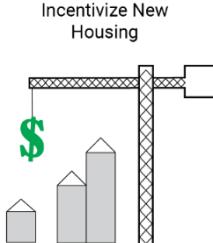

Things to consider include:

- **Reduce the terms of providing affordable units in some circumstances.** In their current form, the MFTE rules for the Mill site require that the affordable units being built stay as affordable units for 50 years from the date of initial owner occupancy. Reducing the term of affordability could increase use of the program, but it would also pull units out for the affordability range faster. Most cities in King County require the units to stay as affordable units in perpetuity, although the percentage of units devoted to affordable units is often smaller.
- **Reduce or incentivize the eligibility requirements.** There could be ways to tweak eligibility requirements without compromising the standards for development the City would like to see. This could include fast-tracking projects, ensuring design standards are easy to implement, reducing fees, or other project elements that could incentivize the program and its utilization.
- **Areas or zones where this could be used.** The City has discussed using the MFTE program on the city-owned property on Snoqualmie Parkway near Kimball Creek. This would be a good option. Other good options to consider would be allowing development in the R-3 or Planned Residential zones, if they are implemented elsewhere in the city,

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?

Yes. While the City already has a strong program on deck for the Mill site, expanding that program city-wide could increase utilization of the program and assist the City in meeting housing affordability goals.



Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. Expanding the applicability area for the program, like allowing its use in other zones, including all mixed-use zoned land, or potentially PR or R-3 if those are further/better implemented per the actions presented in this plan, would certainly increase capacity for meeting housing targets.
Cities that have taken the same or similar actions	<p>Numerous jurisdictions have enacted MFTE programs. Please see ARCH information on King County programs. Here are some other programs:</p> <ul style="list-style-type: none"> <li>• <a href="#">Bellingham</a></li> <li>• <a href="#">Tacoma</a></li> <li>• <a href="#">Spokane</a></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Given that MFTE has already been introduced in draft form for the Mill site, the focus on strategic changes in rolling out the program to broader areas in the city can encourage the use of the program to assist the City in meeting housing affordability goals.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• MFTE results in less revenue from property taxes than would otherwise be the case.</li> <li>• When meeting affordable housing targets using MFTE, cities may have to plan for significantly more housing than their housing targets to ensure the correct amount of affordable housing gets built, since the exemption works as a percentage of total units in a project.</li> </ul>
Strategies implemented	<div> <div> <p>Incentivize New Housing</p>  </div> <div> <p>Prevent and Mitigate Displacement</p>  </div> </div>

## Clarify townhome definitions and standards

Townhouses are an important housing option that can serve as a single-family ownership opportunity, as condominiums, or as rental units. Snoqualmie allows townhouses in the Form-Based Mixed-Use District (FBMU) and the R-2 and R-3 zones. However, it is unclear if the R-3 zone has been implemented yet (see R-3 implementation action writeup).

The City allows fee simple townhouse lots, also known as zero lot line or unit lot subdivisions, to be created in the R-2 zone that have lots that are narrower and smaller than the minimum in the zone.

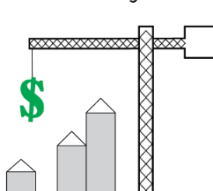

However, it is not clear from the use table in [SMC 17.55.020](#) where zero lot line subdivisions would be allowed. Zero lot line subdivided townhomes are single-family attached dwelling units, but several pieces of code seem to contradict this:

- The definition for multiple-family ([SMC 17.10.020.YY](#)), which says multifamily is any building with two or more dwelling units;
- The definition for single-family ([SMC 17.10.020.SSS](#)), which defines a single-family home as a detached dwelling unit, other than a mobile home, containing one dwelling unit.
- There is no separate definition for townhouses, although they can be considered a single-family or multi-family dwelling depending on the situation.

The establishment of districts in [SMC 17.15.020](#) calls out townhouses specifically in the R-3 district as an intended housing type. The R-2 district is established as a low-rise multiple-family district intended to be developed with duplexes, triplexes, and quadplexes, but not specifically townhouses. R-3 does not even appear in the use table and is not implemented anywhere on the map, and planned residential (which does specifically call out townhouses as a potential use) is only designated on the zoning map in an area that could be potentially swapped out of the urban growth area. Unless R-3 and planned residential are implemented, townhouses are not actually permitted anywhere in the city that was not constructed under the master plans for Snoqualmie Ridge. Given that land in the R-2 zone in the eastern part of the city has recently become available, the City should consider allowing townhouses in the R-2 zone.

The City should consider adding a definition for townhouses to [SMC 17.10.020](#) as well as a definition for townhouse subdivisions (zero lot line, unit lot, and fee simple townhouse subdivisions are all possibilities).

The City's fee-simple townhouse subdivision dimensional regulations allowing for zero-foot internal side setbacks are good, but the City could also consider establishing provisions in the subdivision code (Title 16) to make fee-simple townhouses more feasible, like eliminating the open space dedication requirement below a certain threshold, requiring shared maintenance covenants for buildings and access, and other technical details specific to townhome subdivisions.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	No.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. Townhouses can provide an important (and often more affordable) home ownership opportunity at densities that can help the City meet its housing target.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• <a href="#">Sumner</a></li> <li>• <a href="#">Snohomish County</a></li> <li>• <a href="#">Redmond</a></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Additional definitions could provide code clarity.</li> <li>• Revising standards could encourage additional townhome development.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Updating the code will take staff resources</li> </ul>
Strategies implemented	<div> <div> <p>Incentivize New Housing</p>  </div> <div> <p>Encourage a Wide Variety of Housing Types</p>  </div> </div>



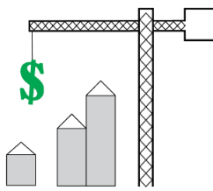

## Expand options for senior housing

The City of Snoqualmie, like the other cities in the valley, has few housing options for seniors who are looking to downsize or age in the community. Mt. Si Senior Center in North Bend is the only organization in the valley currently that owns and manages affordable housing. Service providers report an increasing number of newly homeless seniors, for example, unable to keep pace with rising housing costs but wanting to keep close ties with their community in the valley.

Given the demographics of the valley and the demographic realities of Snoqualmie in particular, where, according to the HNA, the percent of the population 65 and over will increase dramatically over the next 20 years, making it all the more important that the City act soon to make more housing options increasingly feasible for older residents.

Options for the City to consider that could increase the supply and diversity of housing for older residents include:

- Currently, the use regulations in the zoning code only allow assisted living facilities in the business, office park, and planned commercial/industrial zones. As it considers whether to implement the R-3 or planned residential zone in different areas of the city or potential annexation areas, the City could consider allowing assisted living facilities with special performance standards or via a conditional use process in those zones.
- Consider developing performance standards and a definition for cottage housing. Cottage housing can make a good option for seniors looking to age in place. Cottage housing is mentioned in [SMC 17.15.040](#) in terms of how density is calculated, but there is no definition and no performance standards for cottage housing (nor does it show up in the use table). The City should undertake an effort to develop a cottage housing code to specify performance standards, where cottage housing is allowed, and how it is defined.
- Consider a density bonus in the form of increased height or units per acre in the mixed-use zone or increased FAR in the form-based mixed-use zone, for affordable units.
- Improving and expanding upon townhomes and ADUs as recommended elsewhere in this HSP. These can make good options for downsizing and aging in place for older residents who don't yet need higher levels of care.
- Focusing outreach efforts on senior service providers and developers with specific expertise in senior housing. Engaging with the Snoqualmie Valley Senior Center on lessons learned at their project in Carnation will help Snoqualmie learn about potential pitfalls and solutions.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. Streamlining or otherwise supporting additional affordable units or units that would make a lot of sense for aging households with changing housing needs would help provide the range of housing options and price points to help meet housing element requirements.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Not necessarily. Focusing on senior housing might lead to more units that are affordable or more of a particular type of housing (assisted living, for example), but wouldn't necessarily result in enough new units being built overall to meet the City's housing targets.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• <a href="#">Kenmore</a> (currently considering cottage code)</li> <li>• <a href="#">Redmond</a> (ADUs)</li> <li>• Oak Harbor (studied in Housing Action Plan - density-based incentives for affordable housing)</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Ways for seniors to age in place is one of the most pressing social and housing issues facing the entire Snoqualmie Valley.</li> <li>• Providing additional senior housing options would open up housing for families.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Focusing on senior housing can potentially distract from other affordable housing targets.</li> <li>• Developing new codes would take staff time and resources to develop and implement.</li> </ul>
Strategies implemented	<div> <div> <p>Incentivize New Housing</p>  </div> <div> <p>Encourage a Wide Variety of Housing Types</p>  </div> </div>

## Expand temporary emergency and permanent supportive housing options

As part of new Housing Element requirements, the City of Snoqualmie will be expected to plan for and accommodate not just an overall housing target, but also certain amounts of specific housing types and housing affordable to specific household income ranges. The Department of Commerce will be providing guidance and figures on specific units communities will be required to provide for in various categories, including "Emergency housing, emergency shelters, and permanent supportive housing;" ([RCW 36.70A.070\(2\)](#)). According to the Countywide Planning Policies, Snoqualmie must plan for 282 units of permanent supportive housing targeted at 0-30 percent of the Area Median Income by 2044.


In addition, the state passed a law in 2021, codified as [RCW 35.21.683](#), that prohibits local governments from prohibiting permanent supportive housing or transitional housing in any zones in which residential dwellings or hotels are allowed. The law also outlines that "Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety."

The City of Snoqualmie will need to update its use matrix for all the residential zones, the MU and FBMU zone, and the office park zone to allow transitional housing and permanent supportive housing. As mentioned in the action sheet for the R-3 and Planned Residential zones, if those will be implemented through contingent zoning or some other measure in the PAA, the City will need to ensure those zones permit and contain appropriate use standards for transitional housing and permanent supportive housing. The City could even consider offering incentives, like reduced parking standards, fee deferrals, or a low-cost ground lease on city-owned land for these uses in order to meet the income band allocation requirements.

The City should also consider adding a definition for permanent supportive housing to [SMC 17.10.020](#). This could include adding it as a subtype of special needs housing.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. The City will be required to plan specifically for the above-mentioned types of housing, including transitional housing and permanent supportive housing.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. This action could assist with meeting housing targets focused on permanent supportive housing.



Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• All cities are now subject to the new state law requirements.</li> <li>• <a href="#">Renton</a></li> <li>• <a href="#">Everett</a></li> <li>• Prosser (considering as part of Housing Action Plan)</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Required to plan for these housing types.</li> <li>• Many examples exist of how to develop specific use standards for these housing types that can be challenging to site.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Implementing permanent supportive housing can be very challenging beyond just permitting it and developing regulations for it. Having community partners and service providers is extremely important.</li> </ul>
Strategies implemented	<p>Encourage a Wide Variety of Housing Types</p> 

## Options to improve ADUs

The City of Snoqualmie currently allows ADUs. Recent changes to state law require the City to update several elements of its code relative to ADUs within 6 months of the comprehensive plan update deadline (June 30, 2025). Beyond this, there are several additional ways the City could improve regulation of ADUs and encourage their further adoption:



- Address the requirements of [HB 1337](#), especially:
  - Change the provision in SMC 17.55.070(F) to allow ADUs up to 1,000 square feet. Consider also adopting a provision whereby this size could be exceeded by a certain amount or percentage if the ADU is an attached ADU that occupies a full floor of an existing primary home (like a basement, for example).
  - Allow at least 2 ADUs in the configurations noted in the law on all lots that allow for single-family homes (will require modifying SMC 17.55.070(A));
  - Eliminate or modify the provision in SMC 17.55.070(D) to ensure that any lot that meets the minimum lot size can build the correct number of ADUs, irrespective of lot coverage;
  - Eliminate the provision in SMC 17.55.070(E) that requires owner occupancy; and
  - Add a provision allowing a setback of zero feet for an ADU when the lot line abuts an alley.
  - The provisions of HB 1337 will enable ADUs to assist the city in meeting its housing unit targets. This requires developing a reasonable assumption for the number of ADUs one might expect given local constraints. The following are factors the City will want to keep in mind as it develops regulations and capacity estimates for ADUs:
    - Many of the single-family lots in Snoqualmie Ridge likely do not have space on the lot where a detached ADU would be feasible, but an internal/attached ADU might be possible. Much of the Ridge is also subject to Covenants, Conditions, and Restrictions (CC&Rs)
    - Additionally, many of the larger lots in the older part of the city in the floodplain of the Snoqualmie River would be better candidates for detached ADUs dimensionally speaking, but building a base flood elevation compatible ADU might be cost prohibitive for many.
    - The requirements of HB 1337 also do not apply to lots designated with critical areas or their buffers, so if the floodplain (not just the floodway) is considered a critical area this would obviously affect the capacity that could be generated by HB 1337 application, although the code changes and incentives discussed below could still help provide some capacity via ADUs.

- If the city makes changes to code or incentives, like setbacks or fee waivers, this could increase their adoption and thus increase the amount of the housing targets they could address.
- A sensible filtering process to getting an estimate of capacity might be to start with all single-family lots in the city, remove lots that intersect critical areas or known buffers and apply different rates of adoption for small lots in Snoqualmie Ridge than older lots in the eastern part of the city. A benchmark may be helpful: The City of Seattle estimates that some 4,400 ADUs would be created over 10 years as a result of their adoption of codes much like what is now required under state law. Projected out to 20 years, this would result in roughly 6.3 percent of Seattle's single-family lots having ADUs within the planning period. Given the dominance of Snoqualmie Ridge and its CC&Rs versus Seattle's old plats without CC&Rs, between 1 and 2 percent of lots in Snoqualmie within the planning period might be a sensible assumption, but this would need to be developed further during the comprehensive plan periodic update.
- **Create a permit ready ADU program/expedited review program.** The [City of Renton offers ADU model base plans](#) for residential property owners. The model base plans and Permit Ready ADU Program (PRADU) simplify the building permit application and review process. Applicants utilizing the City's pre-approved plans will work with staff one-on-one to design their ideal site plan and go through an expedited review process, providing the applicant with significant cost savings that can be applied toward construction. Renton currently offers seven different plan sets with units ranging from 624-1,000 square feet. The City of Snoqualmie could consider implementing a similar program with ready building designs that meet the City's design standards.
- Consider eliminating the **maximum** side yard setback for accessory uses when it comes to ADUs ([SMC 17.15.040\(10\)](#)) 5 or 3 feet may be unnecessarily restrictive for an ADU, particularly if a primary residence also has another accessory building like a garage.
- Currently, the dimensional standards in SMC 17.15.040 are unclear on whether an attached ADU built as an addition to a primary residence would have to meet the **rear setback standard** for a principal use or accessory structure or use (15 or 20 feet vs. 10 or 3 feet). For lots where detached ADUs are impractical or impossible (like many small lots in Snoqualmie Ridge), attached ADUs built as additions to the back of a house may be the only feasible option, and ensuring that they do not have to meet the rear setback standard of the primary house could help incentivize them.
- Consider allowing ADUs on lots where **duplexes or triplexes** are located. This might require moving ADUs out of the single-family category on the use matrix in [SMC 17.55.020](#), changing the definition for ADUs in [SMC 17.10.020](#), as well as changing [SMC 17.55.070](#) to reflect that one ADU may be created on lots containing a 2- or 3-unit building.



- Consider **ADU incentives** for affordable housing. The City could consider options, such as waiving permit fees in exchange for providing affordable housing units for a certain period. This could substantially reduce upfront costs but ensure an affordable unit is provided if the unit is rented. As an example, ensure rent does not exceed 60 percent AMI for X years in exchange for fee waivers. A cost-benefit analysis to determine AMI targets and length of time would vs. fees waived would need to be conducted. The HUD 50 percent (Very Low Income) income limit for 2-person households in King County in 2022 was \$51,800, and the maximum affordable rent for those households was \$1,213 per month. This does not seem out of step with what a small ADU could rent for with incentives.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. <a href="#">RCW 36.70A.070(2)(d)(iv)</a> specifically calls out "Consideration of the role of accessory dwelling units in meeting housing needs" as part of meeting GMA Housing Element requirements. Options to further promote ADUs would certainly assist in meeting these provisions.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes. Depending on changes to ADU regulations or fees, encouraging ADU development could provide some options to provide housing at or below 120 percent AMI. The City could potentially reach below 50 percent AMI affordable housing requirements provided as an incentive for building ADUs.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• <a href="#">Sumner</a></li> <li>• <a href="#">Renton</a></li> <li>• <a href="#">Everett</a></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Would promote additional ADU development in the city.</li> <li>• Would help provide more affordable housing options for households making below 80 percent AMI.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Permit-ready program or expediting review could create capacity and pipeline issues for other permits or processes.</li> <li>• Large areas of the city, like the single-family areas of Snoqualmie Ridge, have lots that are too small to allow detached ADUs, so impact may be limited.</li> </ul>

<p>Strategies implemented</p>	<div> <div> Encourage a Wide Variety of Housing Types </div>  </div> <div> <div> Bring Down the Cost of Development </div>  </div>
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## Recruit and partner with affordable housing specialists

The City of Snoqualmie has one marquee development that is affordable to lower-income households – the 191-unit Panorama Apartments project in western Snoqualmie Ridge.

However, it is likely that as part of the update to the Comprehensive Plan, the City will be required to plan for substantially more affordable housing units. The current housing target recommendations of the King County Council would see Snoqualmie needing to plan for 749 more units of housing affordable to those making 30 percent or less of the area median income (including 282 units of permanent supportive housing) and 232 units affordable to households making between 30 and 50 percent of the area median income over the next 20 years.

Planning for almost 1,000 units of housing affordable to households making below 50 percent AMI (\$67,300 as of 2022 numbers), including some permanent supportive housing, will only be possible if the City has strong relationships with affordable housing developers and service providers.

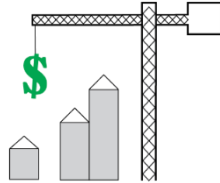

The City should consider preparing and compiling, at regular intervals (perhaps annually) maps and assessor data identifying land that can accommodate affordable housing in the short term (within a year, perhaps) and in the long term (up to five years out). Factors to consider include zoning/future land use category, land value over time, presence of critical areas, scheduled expiration/lapsing of any affordability window from Section 42 (LIHTC) funding or other federal requirements, age of existing structures, and proximity to current or future transit corridors/routes, and water/sewer feasibility. This mapping effort would be further enhanced by an effort to create a land use dataset (distinct from zoning districts), updated perhaps halfway through every Buildable Lands/Land Capacity Analysis cycle. This should be a partnership with King County and would help the City and County identify areas that are not built to zoned capacity or that could take advantage of new code provisions to add additional housing that is affordable.

The City should consider using this feasibility mapping information, along with information on a potentially expanded MFTE program, to conduct targeted outreach to affordable housing developers with experience in the rest of the Puget Sound region.

The Snoqualmie community, and the broader Snoqualmie Valley, has a network of faith-based and nonprofit organizations with missions to address community needs. Faith-based organizations and nonprofit organizations can be important partners for housing efforts, particularly housing that serves vulnerable groups and residents with lower incomes. Faith-based and nonprofit organizations are partners with a unique set of resources and an inherent focus on serving the needs of those who are most vulnerable. The City can collaborate to identify solutions that fit within regulatory requirements while providing flexibility for innovation. The City should convene and connect with these organizations to stay in touch with community issues. Since the City has a substantial target of permanent supportive housing units, top on its priority of outreach targets should be nonprofits that provide services in a permanent supportive housing context, like Catholic Community Services, Compass, and community health center organizations.

Examples of potential partner organizations already active in the Snoqualmie Valley include Reclaim, the Mt. Si Senior Center, the Sno-Valley Senior Center, Hopelink Sno-Valley, Habitat for Humanity, and Carepoint.

Any future Affordable Housing Investment Funds should be established prior to engaging seriously with developers to demonstrate availability of local resources and support.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. Providing feasibility info for builders experienced in affordable housing and building relationships with service providers will help the City meet its housing element targets and requirements, especially for those households making 30 percent or less of the area median income (including those in need of permanent supportive housing).
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Potentially. The City preparing feasibility information for affordable housing developers could also help developers more broadly speaking get a head start on the data collection and analysis required to move forward with development projects, which could help get more housing generally to market faster.
Cities that have taken the same or similar actions	Oak Harbor Lynnwood
Advantages	<ul style="list-style-type: none"> <li>Relies on deep experience of affordable housing providers rather than trying to reinvent the wheel.</li> <li>Mapping and inventory efforts are likely to yield myriad benefits for planning work in the city and county more broadly.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Staff and resource intensive.</li> <li>Will take time to build relationships.</li> </ul>
Strategies implemented	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Incentivize New Housing</p>  </div> <div style="text-align: center;"> <p>Bring Down the Cost of Development</p>  </div> </div>



## SEPA Exemption options

The State Environmental Policy Act (SEPA), adopted May 1971, is codified in [RCW 43.21C](#) and implemented through the Department of Ecology's administrative code under [WAC 197-11](#). The purpose of SEPA, as outlined in RCW 43.21C.010, is to "(1) ...encourage productive and enjoyable harmony between humankind and the environment; (2) to promote efforts which will prevent or eliminate damage to the environment...; (3) [to] stimulate the health and welfare of human beings; and (4) to enrich the understanding of the ecological systems and natural resources...".

In the decades since SEPA has become law, many other state laws have been adopted that require jurisdictions to enact regulations that protect the environment. This includes, but is not limited to, the 1990 Growth Management Act (GMA), which requires local governments to enact critical areas regulations, the 1971-72 Shoreline Management Act, which requires all counties and most towns and cities to prepare and implement shoreline master programs, and stormwater regulations and permitting which implements requirements under the Clean Water Act. In most cases around the state, cities and counties have adopted regulations covering almost every element covered under the SEPA.

In 1984, SEPA Rules were adopted to provide categorical exemptions from SEPA for certain types of development projects (WAC 197-11-800). Since then, both the SEPA rules and statutes have been updated to broaden opportunities to exempt certain projects from requiring SEPA where it can be demonstrated that local, state, and federal laws and regulations are in place to mitigate project impacts. In fact, the maximum SEPA exemption levels contained in the State Rules were increased again in December 2022 by the Department of Ecology.

Snoqualmie has currently adopted higher than the minimum residential exemptions (12 units), but nowhere near the maximum (Ecology now allows up to 200 units to be exempt as minor new construction). Additionally, the City has adopted the minimum or close to the minimum for the non-residential categories of exemptions, including parking and commercial square footage.

There are three ways to increase SEPA exemptions. Each option requires analysis to ensure that impacts of development can be adequately mitigated by adopted codes.



- [WAC 197-11-800\(d\)](#) allows substantial increases to the SEPA categorical exemptions where it can be demonstrated that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted.
- [RCW 43.21C.229](#) permits nearly all developments the ability to be exempt from SEPA when the City determines that specific impacts are adequately addressed by the development regulations or other local, state, or federal rules or laws and when the comprehensive plan was subjected to an Environmental Impact Statement (EIS).

- [RCW 43.21.440](#) may exempt projects within areas subjected to a Planned Action Ordinance when it is determined that the project is consistent with that ordinance.

The City should consider raising its SEPA minor new construction exemptions as found in [SMC 19.04.110](#). [WAC 197-11-800\(1\)](#) now allows cities to exempt up to 30 single-family units, 100 small (under 1,500 square foot) single-family units, or 200 multifamily units as minor new construction. The City's current exemption for all residential is 12 units. Up to 30,000 square feet of office, school, recreational, service, or storage building development and up to 90 parking spaces are allowed to be exempted, while the City currently exempts only 10,000 square feet and up to 20 parking spaces. Up to 1,000 cubic yards of fill or excavation are allowed to be exempted, while currently the City exempts only up to 100 cubic yards. Parking and excavation in particular are valuable exemptions because projects that don't trigger SEPA based on residential units can still trigger it based on parking or excavation even if City critical areas and parking codes are sufficient to mitigate impacts.

In addition to raising the thresholds for minor new construction, the City could consider conducting an environmental review as part of planned annexations using either the .229 or .440 state statute sections that would enable projects within those areas that fell under the threshold studied in the area-wide environmental review to forgo individual project-level SEPA review. Portions of the PAA, for example, could be good candidates for a Planned Action EIS conducted as part of a subarea planning process, which would help make permitting more streamlined within those areas and help keep a lid on costs and timelines for housing development within those areas.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	This action would have minimal impact on the ability to meet Housing Element requirements as part of the 2024 update.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	This action would have minimal impact on the ability to meet housing targets.
Cities that have taken the same or similar actions	<p>Many jurisdictions have adopted increased SEPA exemption levels. The following are example cities.</p> <ul style="list-style-type: none"> <li>• <a href="#">Lynnwood</a></li> <li>• <a href="#">Mountlake Terrace</a></li> <li>• <a href="#">Redmond</a></li> <li>• <a href="#">Kirkland</a></li> </ul>

Advantages	<ul style="list-style-type: none"> <li>• Reduce redundant permit processes</li> <li>• Reduce permit costs and timeframes</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Perception that raising SEPA exemptions might reduce opportunities to comment on or appeal projects</li> </ul>
Strategies implemented	<div> <div> <p>Improve the Regulatory Environment for Permits</p>  </div> <div> <p>Bring Down the Cost of Development</p>  </div> </div>

## Balance short-term rentals and other housing needs

A major trend in the housing market over the past decade has been the proliferation of homes, especially single-family houses and accessory dwelling units, being rented out as short-term rentals. Short-term rentals, often offered through services like AirBnB or Vacation Rental by Owner (VRBO), are a relatively straightforward way for homeowners to make some extra income from their property. They can also serve a valuable public purpose in many communities whose tourism industry values their flexibility. However, they can also pose challenges due to highly irregular and punctuated issues with parking and noise as well as more broadly speaking to the ongoing housing market.

It is challenging for cities to strike the right balance in regulating short-term rentals to manage these issues while still providing an opportunity for homeowners and visitors. Bans on short-term rentals have not fared well in court (for example, New York City and Santa Monica, CA), and prohibiting them in single-family zones, even if upheld in court, can force short-term rentals “underground,” making them even more difficult to regulate. It is not in Snoqualmie’s interest to contemplate banning short-term rentals.

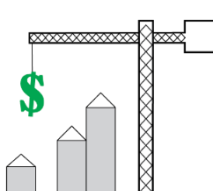
There are ways to regulate short-term rentals in a way that raises the bar, caps the total number of short-term rentals, and grandfathers existing uses. The City should consider an approach to short-term rentals that adopts a mix of the following approaches:

- Requirement that short-term rental owners acquire a City business license and pay business taxes (the City already requires short-term rental owners to have a City business license and should continue to do so)
- Pay for software service that tracks short-term rentals within the city (for example, [Granicus](#) or AirDNA)
- Limit the number of short-term rentals new applicants for licenses can operate to one (not including their primary residence)
- Consider capping the total number of new licenses above grandfathered units that can be issued in the city
- Require the owner of a short-term rental to maintain a primary residence on the lot

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?

No, this action is unlikely to help meet Housing Element requirements directly. However, placing limitations on ADUs being used as short-term rentals may make them more palatable in parts of the city concerned about the impacts of short-term rentals and increase the availability of these units, which can often provide rental units more affordable to households making below 80 percent and even below 50 percent of the median.



Could this action provide an option to assist with meeting any new housing targets associated with the 2026 Comprehensive Plan?	Not directly, but the ability to add more ADUs in existing neighborhoods can add “gentle density” that can help the City meet its housing target, although this action on its own is unlikely to make a significant dent.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• <a href="#">Seattle</a></li> <li>• <a href="#">Everett</a></li> <li>• <a href="#">Kirkland</a></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Opposition to and skepticism of ADUs in Snoqualmie Ridge could be at least partially mitigated by tightly regulating short-term rental market</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Software services that monitor short-term rentals is expensive</li> <li>• Processing and regulating short-term rentals can take staff time and resources away from other priorities</li> </ul>
Strategies implemented	<p>Incentivize New Housing</p> 

## Encourage room rentals in existing homes

An important source of housing historically, particularly for single-person households (individuals who would otherwise be living alone), has been single rooms for rent inside existing homes. Households unwilling or unable to finance the construction of an ADU yet willing to serve as a small-scale landlord can gain some income to partially offset the cost of their housing. In return, small households, for example, traveling nurses or other members of the workforce in the Snoqualmie area, gain access to a housing option that may be very affordable and offer many of the amenities one would expect from a single-family home.

While the decision to rent out a room in an existing home is theoretically possible for both renters who seek a roommate and add someone to a lease or for homeowners who effectively become small-scale landlords, City regulations and policy may in some cases stand in the way. For example, Snoqualmie defines a dwelling unit as “any building or portion of a building which contains complete housekeeping facilities for one family [...] physically separated from any other dwelling unit which may be in the building”, “family” is in turn defined as “one person, two or more related persons, or not more than five unrelated persons living together as a single housekeeping unit.” Depending on the size of the household occupying a home, the decision to rent out a room may run afoul of this definition.

Other jurisdictions in the region and across the country dealing with the definition of families as it relates to land use regulation include:

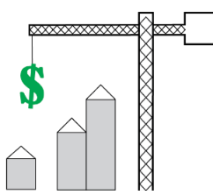

- Kitsap County, which in 2022 amended [its definition](#) of “family” as follows: “‘Family’ means two or more persons customarily living together as a single housekeeping unit and using common cooking facilities, as distinguished from a group occupying a hotel, club, boarding or lodging house, or other group living.”
- Seattle defines households as: “‘Household’ means a housekeeping unit consisting of any number of non-transient persons composing a single living arrangement within a dwelling unit as provided in [Section 23.42.048](#), not otherwise subject to occupant limits in group living arrangements regulated under state law, or on short-term rentals as provided in [Section 23.42.060](#).”
- Bellevue defines a “family” as, “**Family.** One or more persons, either related or unrelated, living together as a [single housekeeping unit](#).”

The precise extent of the number of rooms for rent in this manner is not known, as it is not currently regulated. Additionally, when considering risk of displacement, people who may be from marginalized communities or who may be undocumented (or their landlords) would be unlikely to volunteer this information to a survey sponsored by the City. Currently, the room listing website “Roomies” lists four rooms for rent in existing homes in the City of Snoqualmie, but the actual number including informal arrangements is likely much higher.

The City should consider a couple different ways it can support individual rooms for rent, including:

- Changing its definitions of dwelling unit and family to ensure this is not precluded by the zoning code.
- Ensure that renting a room does not require designation of an additional parking space. This would require consideration of potential parking issues, such as what areas a room renter would have access to as far as parking is concerned (this could be an element of the education described below).
- Work with King County and housing organizations to help inform people of their rights and responsibilities as tenants and as landlords. This could involve a public education campaign, offering resources when potential ADU customers inquire about process from the Community Development Department, or partnering with other cities in the Snoqualmie Valley to host small landlord trainings.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes, assuming even a small fraction of existing homes renting single rooms at affordable rates could help the City make progress on its income band allocation targets, particularly for small households (particularly one-person households) making 31 to 50 percent of the AMI. It is not likely to make a huge dent in this target.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Yes, assuming a small fraction of existing homes will offer rooms for rent could add “gentle density” to existing residential areas and help the City meet its housing target.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• Kitsap County</li> <li>• Seattle</li> <li>• Bellevue</li> <li>• Bellingham (considered, not yet adopted)</li> <li>• Madison, WI (in process of considering)</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Many households probably do this already or have done this in the past, so it will make intuitive sense to many.</li> <li>• Helps more fully use existing housing, which could be especially helpful for people living in large houses who no longer have children at home, for example.</li> <li>• Does not require new construction or tenant improvements the way ADUs might.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Some may associate this with overcrowding of housing even when occupancy standards are being met.</li> </ul>

	<ul style="list-style-type: none"><li>• May generate confusion between this and ADUs.</li></ul>
Strategies implemented	<div><div><p>Incentivize New Housing</p></div><div><p>Encourage a Wide Variety of Housing Types</p></div></div>



## Tenant protections

According to [MRSC](#), "... the University of Washington Center for Real Estate Research, in spring 2009, stated the average rent for an apartment in Washington State was \$939 and the vacancy rate was 6.3%. By fall 2021, average rent had risen to \$1,547 and the vacancy rate had dipped to 3.6%..."

While rent control is not currently allowed under Washington State Law, as a result of drastic rent increases, the legislature and some cities and counties have enacted various tenant protection measures, including just this year.

State measures (from MSRC):

- Just cause eviction: In 2021 the legislature adopted [RCW 59.18.650](#), which requires landlords to specify a reason for refusing to continue a residential tenancy, subject to certain limited exceptions.
- Managing initial deposits and fees: In 2020 the legislature adopted [RCW 59.18.610](#), which provides that a tenant may request deposits, nonrefundable fees, and last month's rent in installments.
- A 60-day notice of rent increase: In 2019 the legislature amended [RCW 59.18.140](#) to provide 60-day notice of a rent increase, and increases may not take effect until the completion of the term of the current rental agreement.
- A 120-day notice of demolition: In 2019, the legislature amended [RCW 59.18.200](#) to require 120-day notice to tenants of demolition or substantial rehabilitation of premises.
- Prohibition on source of income discrimination: In 2018, the legislature adopted [RCW 59.18.255](#), which prohibits source of income discrimination against a tenant who uses a benefit or subsidy to pay rent.
- COVID-19 measures: In 2021, the legislature adopted [RCW 59.18.620 through RCW 59.18.630](#), which prohibit assessment of late fees for nonpayment of rent due between March 1, 2020, and six months following the expiration of the COVID-19 eviction moratorium. Pursuant to [RCW 59.18.630](#), landlords are also required to offer repayment plans to tenants with unpaid rent.

2023 legislation: In 2023, the legislature passed, and Governor Inslee signed into law, two different bills related to tenant-landlord relations.

- The first, HB 1074, limits the ability of landlords to withhold deposits after move-out for ordinary wear and tear, requires landlords to show documentation to substantiate claims of damages, and makes changes to the timeline in which landlords must provide documentation as well as the statute of limitations for landlords to sue tenants when trying to recover damages above the deposit.
- SB 5197 modifies eviction processes and makes changes to eviction notice forms.

Several cities have codified the above measures and created enforcement processes for ensuring they are met. The City could consider looking for ways to reflect these requirements in code and provide resources to renters and landlords to ensure renters are aware of their expanded rights and landlords are aware of changes to requirements and rights. Landlord education is an especially important piece of this, as more ADUs and rooms for rent means more small-scale landlords who may not be aware of the rights and responsibilities of both parties in the rental arrangement. The City would want to help ensure to the greatest degree possible that increased tenant protections are coupled with landlord education to ensure tenant protections are not a disincentive for small-scale landlords. This could be done in partnership with a public education and outreach effort targeting rooms for rent. This could also be reflected in policy change in the comprehensive plan's Housing Element that would encourage the city to support tenant and landlord education and outreach.

Could this action provide an option to assist with meeting the new Housing Element requirements associated with the 2024 Comprehensive Plan update?	Yes. Changes to the Housing Element ( <a href="#">RCW 36.70A.070(f-g)</a> ) requires the City to develop policies and regulations to address displacement. Developing tenant protection policies and codes would certainly highlight consistency with these new requirements.
Could this action provide an option to assist with meeting any new housing targets associated with the 2024 Comprehensive Plan?	Although this action may assist with getting housing to market faster, this action would not be related to new housing target requirements associated with the 2024 Comprehensive Plan update.
Cities that have taken the same or similar actions	<ul style="list-style-type: none"> <li>• <a href="#">Seattle</a></li> <li>• <a href="#">Auburn</a></li> <li>• <a href="#">Burien</a></li> <li>• <a href="#">Tacoma</a></li> <li>• <a href="#">RCW 59.18 – Residential Landlord – Tenant Act</a></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Increase tenant protection within the city.</li> <li>• Codify recent state law changes.</li> <li>• Directly address new Growth Management Act – Housing Element requirements.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Developing new codes and implementing new programs will take resources.</li> <li>• Implementing new programs beyond what the statute requires could be met with resistance from those who rent single family and multi-family residences.</li> </ul>

<i>Strategies implemented</i>	<p>Prevent and Mitigate Displacement</p> 
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# G. APPENDICES





## **APPENDIX 1: REGIONAL HOUSING NEEDS ASSESSMENT**

# Snoqualmie Valley Regional Housing Needs Assessment



## REPORT

*January 10, 2023  
revised*



Cottage



Cottage Court



Duplex



Multiplex



Townhome



Live Work

# ACKNOWLEDGEMENTS

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The Snoqualmie Valley Region is focused on creating new opportunities focused on creating housing options that better align with need and demand based on income, life stage and housing preference. This work is made possible from funding made available through HB 1406.

The findings reflect current trends and forecasts of housing needs throughout the region. This Housing Needs Assessment also reflects input received from project stakeholders with analysis by FCS GROUP, Blue Line and LDC (project consultants).

We specifically recognize and appreciate the time and commitment provided by the following individuals.

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# TABLE OF CONTENTS

---

Acknowledgements .....	i
Table of Contents .....	ii
Appendices .....	iii
List of Exhibits .....	iii
Glossary .....	v
Introduction .....	1
Purpose .....	1
Regional Context .....	1
Approach .....	2
Regional Overview .....	2
Population and Households .....	3
Factors affecting housing needs .....	3
Income and Employment .....	8
Housing Cost Burdens .....	10
Asset Limited Income Constrained & Employed Residents (ALICE) .....	12
Displacement Risk .....	13
Housing Conditions and Needs .....	15
Housing Values and Rents .....	18
Long-term Housing Needs .....	20
Review of Housing Capacity Based on Current Zoning .....	21
Carnation .....	22
Duvall .....	23
North Bend .....	24
Snoqualmie .....	25
Policy Considerations .....	26



# APPENDICES

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APPENDIX A: List of Housing Policy Measures Available in WA State

APPENDIX B. Resources for Affordable Housing

## LIST OF EXHIBITS

---

Exhibit 1:	Population Trends (2010-2022) .....	3
Exhibit 2:	Population by Age Cohort Generation .....	5
Exhibit 3:	Median age, 2010 & 2020 .....	6
Exhibit 4:	Population Identifying as Hispanic or Latino, 2020 .....	6
Exhibit 5:	Household Counts.....	7
Exhibit 6:	Average Household Size .....	7
Exhibit 7:	Group Quarters Population, 2020 .....	8
Exhibit 8:	Median Household Income .....	8
Exhibit 9:	Median Household Income by Household Type, 2020 .....	9
Exhibit 10:	Employment Trends in the Snoqualmie Valley Region .....	9
Exhibit 11:	Employment Forecast in the Snoqualmie Valley Region.....	10
Exhibit 12:	King County Housing Affordability Trends .....	10
Exhibit 13:	Severe Rent Cost Burden, 2020 .....	11
Exhibit 14:	Asset Limited Income Constrained Households, 2018 .....	13
Exhibit 15:	Displacement Risk Map .....	14
Exhibit 16:	Existing Housing Inventory .....	15
Exhibit 17:	Occupied Households by Dwelling Type .....	15
Exhibit 18:	Housing Units by Number of Bedrooms .....	16
Exhibit 19:	Vacant Housing Units .....	16
Exhibit 20:	Existing Housing Tenancy, 2020 .....	17
Exhibit 21:	Facilities with Subsidized Dwelling Units .....	17
Exhibit 22:	Recent Home Construction Activity, 2019-2021 .....	18
Exhibit 23:	Home Value Price Index in Select Markets .....	18
Exhibit 24:	Home Ownership Attainability Analysis .....	18
Exhibit 25:	Median Income Thresholds, King County, 2020 .....	19
Exhibit 26:	Households by Income HUD Income Threshold, 2020 .....	19

Exhibit 27:	Housing Targets by Location, 2021-2044 .....	20
Exhibit 28:	Projected Market Demand by Housing Type .....	20
Exhibit 29:	2044 Targets and Capacity, Snoqualmie Valley Cities, 2021 .....	21
Exhibit 30:	2044 Targets and Capacity, City of Carnation .....	22
Exhibit 31:	2044 Targets and Capacity, City of Duvall, 2021 .....	23
Exhibit 32:	2044 Targets and Capacity, City of North Bend, 2021 .....	24
Exhibit 33:	2044 Targets and Capacity, City of Snoqualmie, 2021 .....	25
Exhibit 34:	Affordable Housing Programs in Washington .....	26

# GLOSSARY

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**Accessory Dwelling Unit (ADU):** A small living space located on the same lot as a single-family house.

**Affordable For-Sale Housing:** An owner-occupied dwelling with an annual housing cost (mortgage payments, utilities, property taxes, etc.) that equates to no more than 30% of household income. \*

**Affordable Rental Housing:** A dwelling that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30% of the household's monthly income. If income-restricted or government supported, U.S. Housing and Urban Development (HUD) income restrictions vary by family size. \*

*\*A healthy housing market includes a variety of housing types that are affordable to a range of household income levels. However, the term “affordable housing” is often used to describe income-restricted housing available only to qualifying low-income households. Income-restricted housing can be in public, non-profit or for-profit developments. It can also include housing vouchers to help pay for market-rate housing (see “Vouchers” below for more details).*

**American Community Survey (ACS):** This is an ongoing nationwide survey conducted by the U.S. Census Bureau. It is designed to provide communities with current data about how they are changing.

**Area median income (AMI):** This term refers to area-wide median family income calculations provided by the federal Department of Housing and Urban Development (HUD) for a county or region. Income limits to qualify for affordable housing are often set relative to AMI in this report, unless otherwise indicated.

**Buildable Lands Inventory (BLI):** An assessment of the capacity of land to accommodate forecasted housing and employment needs.

**Buildable Residential Land:** Includes land that is designated for residential development that is vacant and part-vacant and not constrained by existing buildings or environmental issues.

**Cost Burdened:** Defined by US Department of Housing and Urban Development (HUD) as households who spend over 30% of their income on housing.

**Cottages:** Small, single-level, detached units, often on their own lots and sometimes clustered around pockets of shared open space.

**Density:** Defined by the number of housing units on one acre of land. Based on the 2021 King County Buildable Land Report, housing development density assumptions are as follows:

- **Very Low Density:** 0-4 dwelling units per net acre
- **Low Density:** 4-10 dwelling units per net acre
- **Medium Low:** 10-24 dwelling units per net acre

- **Medium High Density:** 24-48 dwelling units per net acre
- **High Density:** 48+ dwelling units per net acre

**Development density:** Expected number of dwelling units (per acre) based on current zoning designations.

**Employment Sectors:** This report includes an analysis of current employment trends for the following employment sectors: Industrial (includes manufacturing, warehousing, distribution, transportation, communications, utilities, construction trades, wholesale trade); Retail (includes businesses that sell end products to consumers); Government (includes local, state and federal workers); Services (includes all other occupations such as business and personal services).

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

**Family:** A group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together.

**Group Quarters:** People living in shared housing facilities, such as a college dormitory, military barrack, nursing home or temporary shelter are not considered households and are counted as group quarters population.

**Housing Affordability Index:** The Housing Affordability Index (HAI) is calculated and maintained by the Washington Center for Real Estate Research (WCER) at the University of Washington. It measures the ability of a middle-income family to make mortgage payments on a median price resale home. WCER assumes the following terms: a median priced home of an area, a 20% down-payment, a 30-year fixed mortgage, and the purchaser with a median household income for the area. Critical to the notion of affordability, a household does not spend more than 25% of its income on principal and interest payments. When the HAI is exactly 100, the household pays exactly 25% of its income to principal and interest. When the index lies above 100, a household will spend less than 25% of its income on mortgage principal and interest. A HAI score of less than 100 indicates housing is not affordable at the assumed terms listed above.

**Housing Unit (or Dwelling Unit):** A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other person in the structure and there is direct access from the outside or common hall.

**Household:** Consists of all people that occupy a housing unit. The people can be related, such as a family or unrelated. A person living alone is also a household.

**HUD:** Acronym for US Department of Housing and Urban Development, the federal agency dedicated to strengthening and supporting the housing market.

**Low-Income:** Families designated as low-income may qualify for subsidized housing and/or income-based deed-restricted housing units. HUD classifies families based on median family income levels as shown below:



Income Category	Household Income*
Extremely low-income	30% of MFI or less
Very-low income	30-50% of MFI
Low income	50-80% of MFI
Moderate income	80-100% of MFI
Above median income	> 100% of MFI

\* Median Family Income (MFI) for the HUD defined market area.

**Manufactured Housing:** A type of prefabricated home that is assembled off site and then transported to sites of use. The definition of the term in the United States is regulated by federal law (Code of Federal Regulations, 24 CFR 3280): "Manufactured homes are built as dwelling units of at least 320 square feet in size, usually with a permanent chassis to assure the initial and continued transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

**Median Family Income (MFI):** The median sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. Median income of non-family households tends to be lower than for family households. In this report both MFI and AMI refer to the U.S. Department of Housing and Urban Development Area Median Family Income (AMI) unless otherwise specified.

**Middle Housing:** Housing types that are attainable for households earning less than 120% of the area median income level. Typically includes plexes (2-4 units per structure), townhomes, apartments, accessory dwellings, cottage homes and manufactured homes.

**Mixed Use:** Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

**Multi-Family Housing:** Stacked flats in a single buildings or groups of buildings on a single lot typically with 5 or more units per structure. Parking is shared, and entrance to units is typically accessed through a shared lobby.

**Part-vacant land:** Unconstrained land that has some existing development but can be subdivided to allow for additional residential development.

**Permanent Resident Population:** This refers to the count of all people (citizens and noncitizens) who are living in the location at the time of the census. People are counted at their usual residence, which is the place where they live and sleep most of the time.

**Plexes:** two to four separate dwelling units within one structure on a single lot. In most instances each duplex, triplex or quadplex unit has its own separate entry.

**Residual Land Value:** The amount a developer would typically be willing to pay for the land/site to build a specific real estate improvement based on underlying assumptions and market conditions.

**Seasonal dwellings:** The owner intends these units to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season: for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

**Severely Cost Burdened:** Defined US Department of Housing and Urban Development (HUD) as households who spend over 50% of their income on housing.

**Single Family Attached:** Residential structures comprised of two to four housing units with a shared wall that separates each unit. "Attached" duplexes require a single building permit for both dwelling units.

**Single Family Detached:** Free standing residential building, unattached, containing separate bathing, kitchen, sanitary, and sleeping facilities designed to be occupied by not more than one family, not including manufactured and mobile homes.

**Subsidized Housing:** Public housing, rental assistance vouchers, and developments that use Low-Income Housing Tax Credits (LIHTC) are examples of subsidized housing. Subsidized housing lowers overall housing costs for its occupants. Affordable housing and subsidized housing are different even though the terms are sometimes used interchangeably.

**Subsidized Units:** Subsidized dwelling units funded in part or in whole by one or more of the following sources: low-income housing tax credits (LIHTC), Section 8, USDA, other HUD, or state grants.

**Tenure:** Tenure refers to the ownership of the housing unit in relation to its occupants. According to the U.S. Census Bureau, a housing unit is "owned" if the owner or co-owner(s) live in the unit, even if it is mortgaged or not fully paid for. A cooperative, condominium or mobile home is "owned" only if the owner or co-owner lives in it. All other occupied housing units are classified as "rented."

**Townhome (also known as duplexes, rowhouse, etc.):** Attached housing units, each on a separate lot, and each with its own entry from a public or shared street or common area.

**Vacant housing unit:** A housing unit is vacant if no one is living in it at the time of enumeration unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by people who have a usual residence elsewhere are also classified as vacant.

**Vacant land:** Vacant and part-vacant land identified within the local buildable land inventory that is not developed and unconstrained for future planned residential development.

**Vouchers (Tenant-based and Project-based):** HUD provides housing vouchers to qualifying low-income households to off-set a portion of their rents. These are typically distributed by local housing authorities. Vouchers can be "tenant-based," meaning the household can use them to help pay for market-rate housing in the location of their choice. The tenant pays the difference between the fair market rent and 30% of the tenant's income. Or vouchers can be "project-based," meaning they are assigned to a specific building.

**Workforce Housing:** Affordable workforce housing means housing for a single person, family, or unrelated persons living together and earning 80% or less of the county median income,

# INTRODUCTION

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## PURPOSE

Communities across the nation are facing unprecedented challenges with providing housing that better aligns with need and demand based on income, life stage, and housing preference. In response, the cities of the Snoqualmie Valley Region (Carnation, Duvall, North Bend, and Snoqualmie) continue to pursue policies and planning activities aimed at understanding housing needs and implementing local actions to preserve affordable housing and foster additional housing development.

The Snoqualmie Valley Housing Needs Assessment (HNA) examines current housing conditions; forecasts long-term housing needs; and identify potential policies that support a fair and equitable housing environment. The HNA process included a review of current land use and public facility plans, and local development regulations to determine existing conditions and perceived barriers to new development.

**The overall goal of the Housing Needs Assessment is to help focus community efforts on the most critical local housing issues.**

The Snoqualmie Valley Housing Needs Assessment is intended to identify long-term housing needs and to analyze and recommend housing policy strategies that will help foster new housing opportunities for households of all income. The policies and practices discussed in this Memorandum are intended to build upon the efforts already undertaken by the cities of the region.

**The four primary objectives of the Housing Needs Assessment aim to:**

- 1. Evaluate housing options and recommend housing needs that will inform the Housing Chapter of the Comprehensive plans of cities of the region and identify the highest needs for affordable housing.**
- 2. Inform the community on its housing needs for households that are low and very low income.**
- 3. Aid officials in assigning priority and resources to the housing needs identified.**
- 4. Provide a necessary guide in developing appropriate housing policies, programs, and strategies.**

## Regional Context

Because housing markets are rarely contained within a single jurisdiction, a regional perspective is necessary to understand market dynamics. For example, if safe and affordable housing is not sufficient in one community, people are likely to search for housing in nearby jurisdictions rather than leave the region altogether.



The focus of this HNA is on four cities within the Snoqualmie River Valley, with housing needs focused on the municipal boundaries and urban growth areas (UGA) of Carnation, Duvall, North Bend and Snoqualmie.

While the area surrounding these cities is rural in nature, the proximity to the greater Seattle/Bellevue Metropolitan Region makes the Snoqualmie Valley Region an attractive destination for people to live and work outside large urban settings. As discussed later in this report, the Snoqualmie Valley Region has seen an influx of new residents and second-home buyers since the beginning of the global Covid pandemic (2020+) which has led to a record level of new residents.

## APPROACH

The process used to create this HNA report included:

- **Demographic Assessment** of historic population growth patterns, household sizes, income growth, age, and other factors that impact the nature of housing demand growth.
- **Housing Market Analysis** with a review of existing housing conditions in each community including housing type and tenure, home value, average rents and rent cost burden.
- **Housing Needs and Land Capacity for each city and UGA** based on the latest housing target recommendations the capacity analysis of buildable lands provided by King County.
- **Identification of Local Policy Considerations** and best practices that cities across the Washington area are implementing to address their housing needs. These policies will be further evaluated during the subsequent Housing Action Plan that will be prepared for each city.

**With the completion of this Regional Housing Needs Assessment, each of these four cities intends to utilize the findings contained herein to prepare a specific Housing Action Plan and Comprehensive Plan updates.**

**It should be noted that the findings contained in this Regional Housing Needs Analysis are based on current planning assumptions and state requirements as of December 2022, and do not reflect any additional housing requirements that may result from implementation of pending King County Affordable Housing Task Force recommendations per House Bill 1220 for affordable housing.**

# REGIONAL OVERVIEW

## Population and Households

The cities of the Snoqualmie Valley Region are growing and continue to set record population levels every year. Combined, the four cities of Snoqualmie, Carnation, Duvall, and North Bend have an estimated 32,905 residents (July 1, 2022, estimate). These four cities added nearly 10,000 residents between 2010 and 2022 (**Exhibit 1**). Three of the four cities are far outpacing the state and county-wide population growth rate, with the City of Snoqualmie setting the highest annual population growth rate of 5.71% since 2010.

**Exhibit 1: Population Trends (2010-2022)**

	2010	2020	2021	2022	2010-2022 AGR
Washington	6,561,297	7,706,310	7,766,975	7,864,400	1.52%
King County	1,879,189	2,269,675	2,287,050	2,317,700	1.76%
City of Snoqualmie	9,058	14,121	14,490	14,490	3.99%
City of Carnation	2,081	2,158	2,150	2,160	0.31%
City of Duvall	6,271	8,034	8,125	8,320	2.38%
City of North Bend	5,688	7,461	7,685	7,915	2.79%
<b>Four-city Region</b>	<b>23,098</b>	<b>31,774</b>	<b>32,450</b>	<b>32,885</b>	<b>2.99%</b>

**Source :** Washington State Office of Financial Management

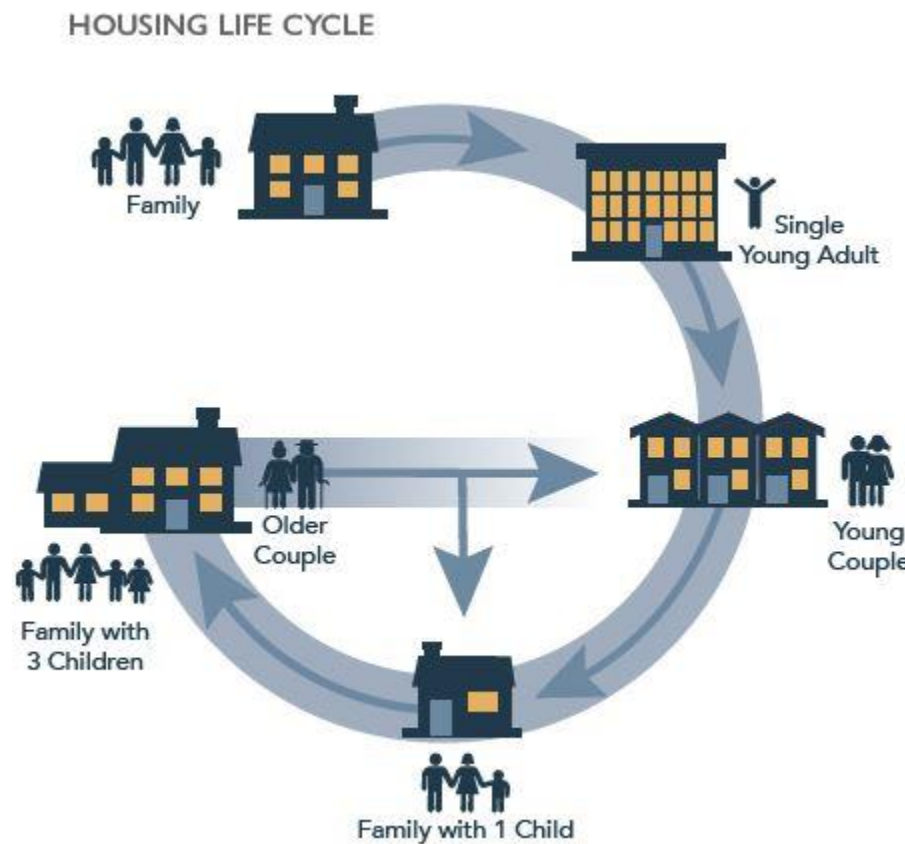
AGR = average annual growth rate.

## Factors affecting housing needs

There is a linkage between demographic characteristics and housing choice. As shown in **the figure below**, housing needs change over a person's lifetime.

Other factors that influence housing include:

- » Homeownership rates increase as income rises.
- » Single family detached homes are the preferred housing choice as income rises.
- » Renters are much more likely to choose multifamily housing options (such as apartments or plexes) than single-family housing.
- » Very low-income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.



*The relationship between demographic changes, income levels and housing preferences can shed light on future housing needs for the Snoqualmie Valley Region.*

Population by demographic age cohort is shown in **Exhibit 2**. Overall, the cities of the Snoqualmie Valley Region have more young families than the county and state average with a higher share of Generation Z and Generation X residents.

#### **Silent Generation (age 75 and over)**

This includes retirees over age 75, who were raised during the Great Depression, World War I or World War II. This cohort currently accounted for just 2% of the Snoqualmie Valley Regional population in 2020. As they reach their 80s some desire to move into assisted living facilities with nearby health care services and transit access.

#### **Baby Boom Generation (age 55 to 74)**

Baby boomers accounted for 16% of the Snoqualmie Valley Region residents in 2020. The boomer population segment has been growing more rapidly than the other cohorts over the past 10 years and many are now entering their retirement years. Boomers usually prefer to “age in place” until after age 80, then may downsize or move in with family members (sometimes opting to reside in accessory dwellings off the main house).

#### **Generation X (age 40 to 54)**

Gen X is the demographic cohort following the baby boomers and preceding the Millennials. This cohort accounted for 26% of the Snoqualmie Valley Region residents. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

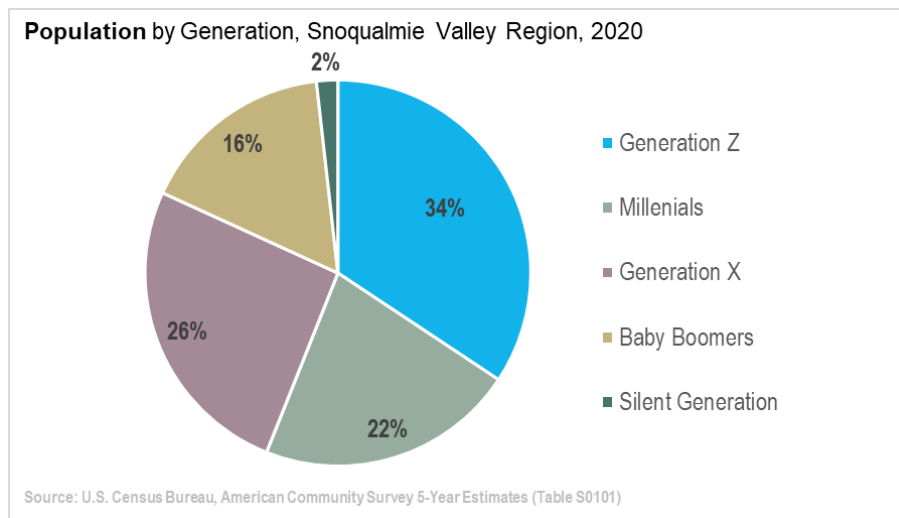
### Millennials (age 25 to 39)

Millennials (currently in their twenties or thirties) accounted for 22% of the Snoqualmie Valley Region residents in 2020. Younger millennials tend to rent as they establish their careers and/or payback student loans. Working millennials often become first-time homebuyers, opting to purchase smaller single family detached homes or townhomes. Millennials in their 30s often include high tech or higher income earners that can afford market rate detached homes or townhomes.

### Generation Z (under age 24)

This is one of the largest demographic segments and accounted for 34% of the residents in the Snoqualmie Valley Region. It includes children living primarily with Millennials and GenXers. This segment has been increasing over the past several years, but this growth may slow in the future as GenXers are delaying starting families and tend to have fewer children than past generations.

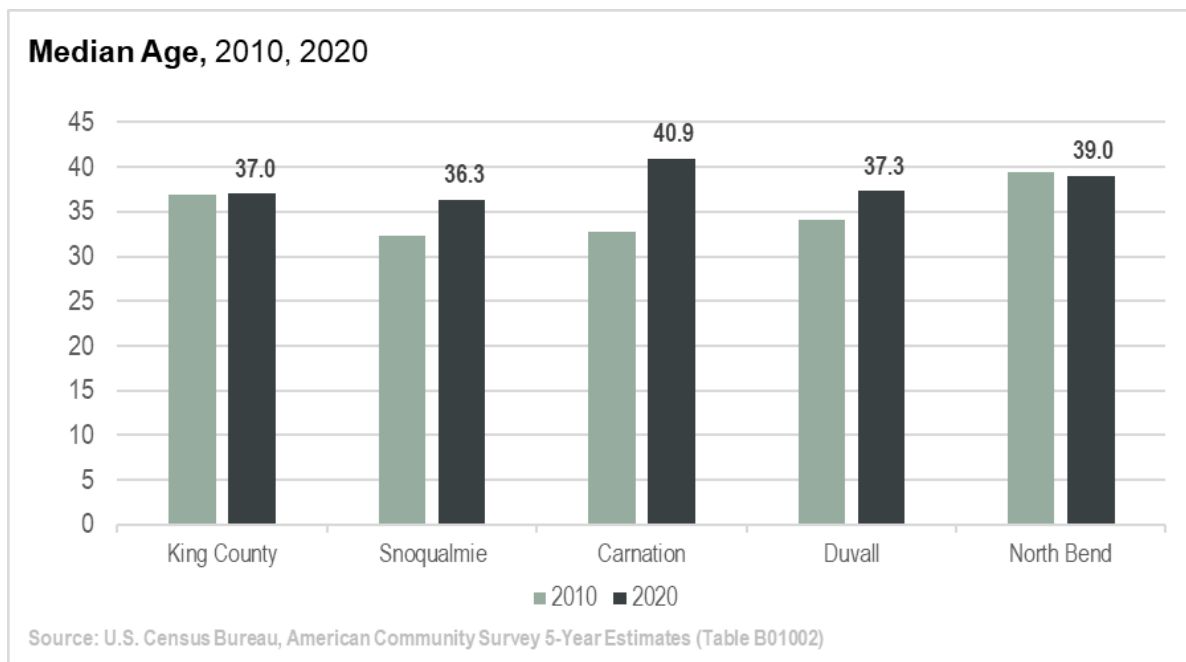
**Exhibit 2: Population by Age Cohort Generation**



The median age of Snoqualmie Valley Region residents ranges from 36.3 (City of Snoqualmie) to 40.9 (City of Carnation). Overall, the median age of the residents within the region is in line with the countywide median age of 37 as of 2020 (**Exhibit 3**).

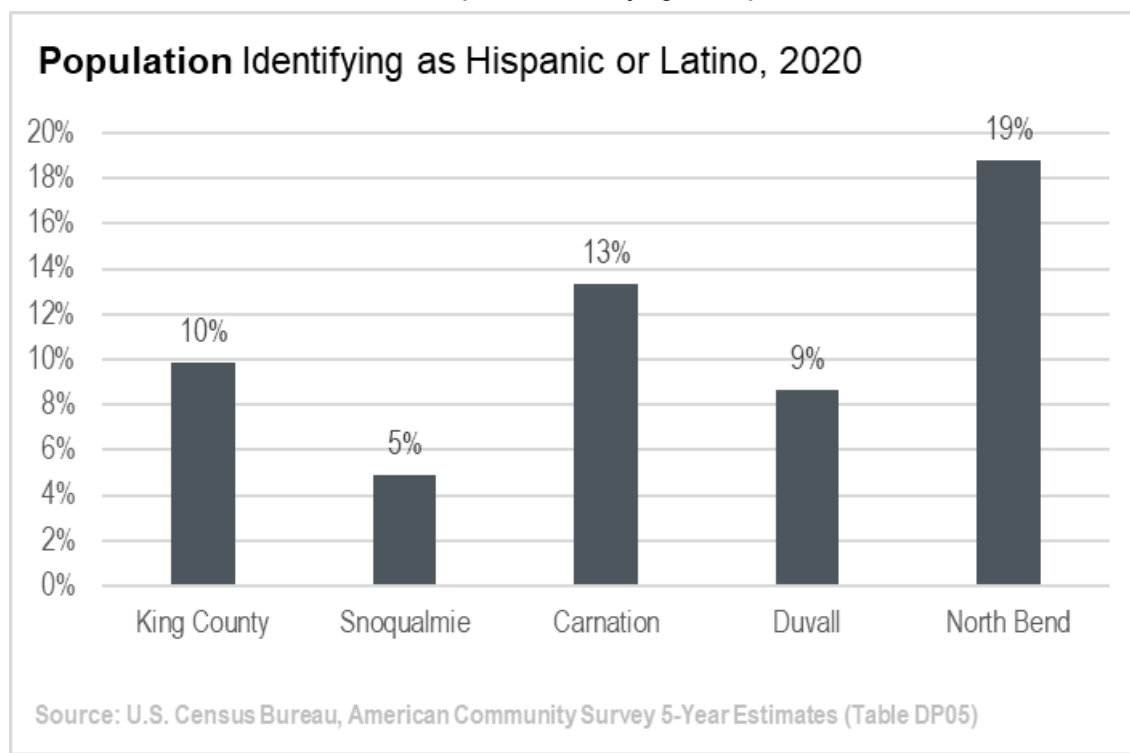


**Exhibit 3: Median age, 2010 & 2020**



Ethnic diversity in the Region is primarily represented by the Hispanic/Latino population segment. This segment accounts for between 5% (City of Snoqualmie) and 19% (City of North Bend) residents (**Exhibit 4**).

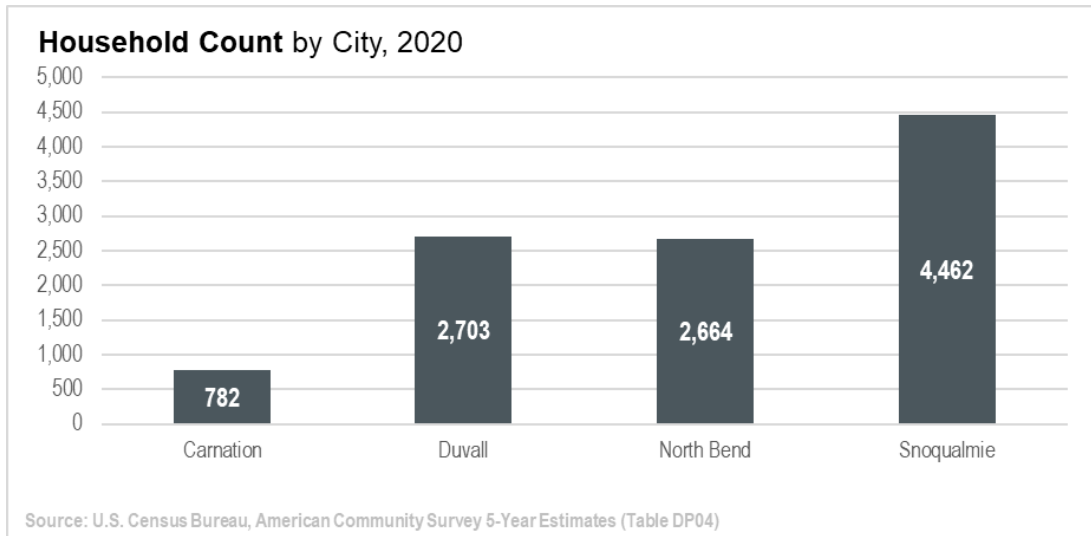
**Exhibit 4: Population Identifying as Hispanic or Latino, 2020**





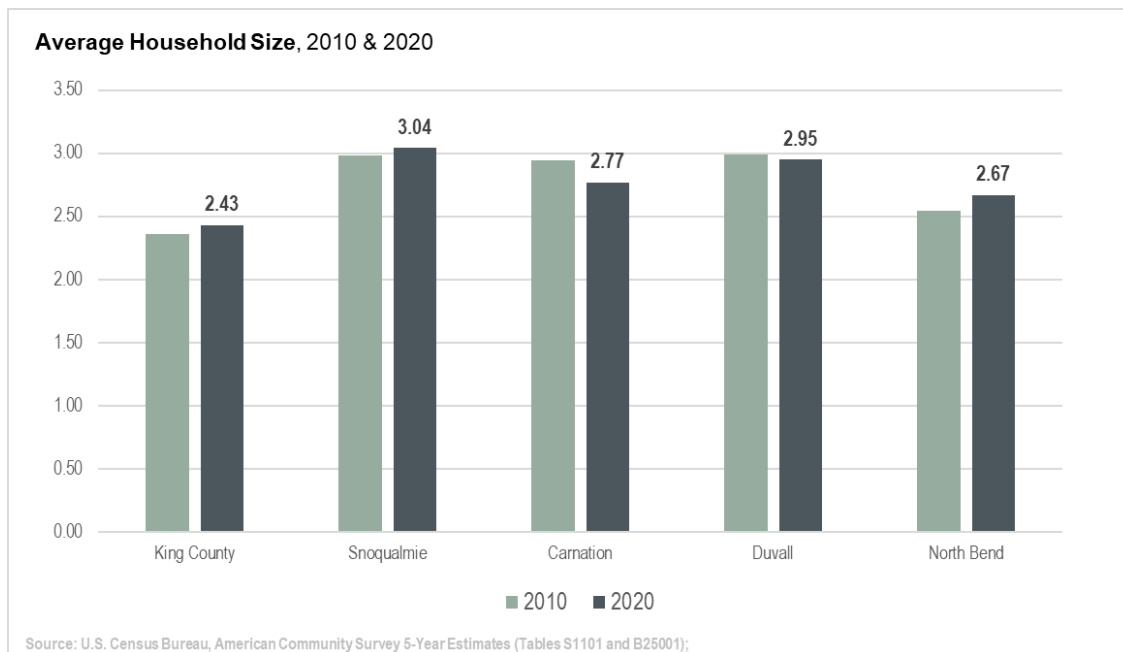
There were an estimated 10,611 households living within the four Cities of the Snoqualmie Valley Region in 2020. As shown in **Exhibit 5**, the greatest concentration is to be found in the City of Snoqualmie (4,462) and the lowest concentration is found in the City of Carnation (782 households). As indicated later in this report, these four cities have added approximately 200 additional housing units since 2020.

**Exhibit 5: Household Counts**



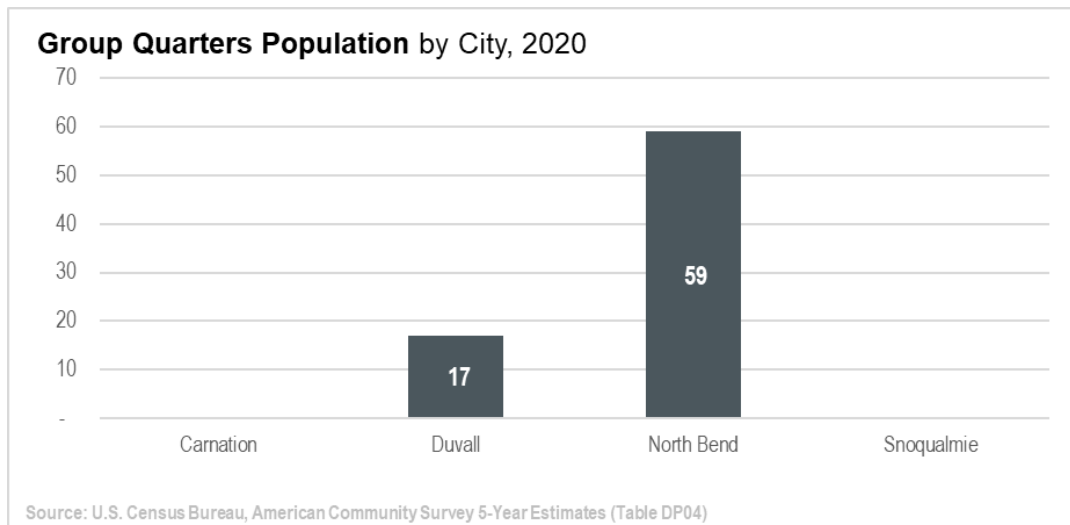
The average household size in the Snoqualmie Valley continues to exceed the King County average as shown in **Exhibit 6**. Larger households tend to represent families with school-age children and tend to prefer detached single-family homes.

**Exhibit 6: Average Household Size**



People that reside in group quarters are not included in the household counts. They typically reside in shared living arrangements such as senior care facilities, treatment centers, group homes and other living arrangements managed by an organization rather than the residents themselves. As of 2020, only Duvall and North Bend had measurable group quarters population, with 17 and 59 group quarters residents, respectively (**Exhibit 7**).

**Exhibit 7: Group Quarters Population, 2020**



## Income and Employment

Household income in the Region is much higher than the state and county-wide income levels as shown in **Exhibit 8**. The U.S. Housing & Urban Development utilizes median household income as the primary measure for area income and housing affordability. Average income levels tend to be higher than median income because there tends to be a high share of income concentrated in a small number of very high income households.

**Exhibit 8: Median Household Income**

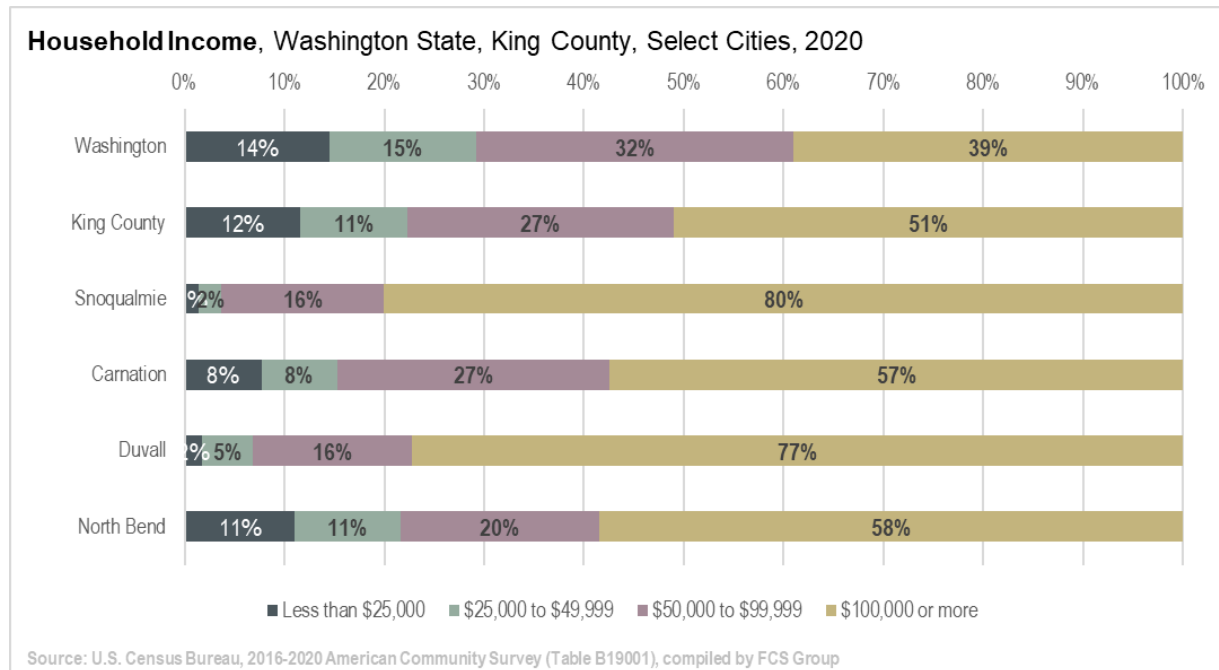
Median Household Income, 2010-2020			
	2010	2020	AGR
Washington	\$57,244	\$77,006	3.0%
King County	\$68,065	\$99,158	3.8%
City of Snoqualmie	\$116,020	\$159,450	3.2%
City of Carnation	\$70,769	\$112,647	4.8%
City of Duvall	\$105,763	\$162,622	4.4%
City of North Bend	\$77,462	\$119,392	4.4%

**Source:** U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table B25119)

**AGR:** average annual growth rate.

Over half of the households in the Region earn more than \$100,000 per year. However, the share of households earning less than \$50,000 ranges from 3% in the City of Snoqualmie to 22% in the City of North Bend (**Exhibit 9**).

**Exhibit 9: Median Household Income by Household Type, 2020**



Employment (as measured by at-place-of-work jobs covered by unemployment insurance) within the Snoqualmie Valley Region has been increasing across all job sectors. Total employment within the four cities of the region increased from 4,713 in 2002 to 10,443 in 2019 (an increase of 5,730 jobs) as shown in **Exhibit 10**. The service sector added the most jobs during this time followed by the industrial sector (which includes construction, manufacturing, distribution, and wholesale trade).

**Exhibit 10: Employment Trends in the Snoqualmie Valley Region**

Sector	2002 Emp.	2009 Emp.	2019 Emp.	Change: 2002-	AGR
				2019	
Industrial	974	1,931	2,394	1,420	5.4%
Retail	853	692	1,046	193	1.2%
Service	2,790	4,179	6,540	3,750	5.1%
Government	96	107	463	367	9.7%
<b>Total</b>	<b>4,713</b>	<b>6,909</b>	<b>10,443</b>	<b>5,730</b>	<b>4.8%</b>

Source: U.S. Census On the Map data . AGR: average annual growth rate.

Improvements in the ratio of jobs to housing can help reduce the need for long-distance commutes by workers within the region. The ratio of jobs to households within the Snoqualmie Valley Region (four cities) has been increasing over the past decade. In 2020 there were 1.03 jobs for every household, up from 0.9 in 2010.

Job growth forecasts by the Washington State Employment Security Department suggest that industries in the King County region are expected to increase in employment by between 0.2% and 2.5% annually over the next ten years. Using countywide growth projections as a basis, local employment in the four cities of the Snoqualmie Valley Region is projected to increase by 2,277 jobs by 2030. The majority of job growth is projected to occur in the services sector followed by the retail sector (**Exhibit 11**).

**Exhibit 11: Employment Forecast in the Snoqualmie Valley Region**

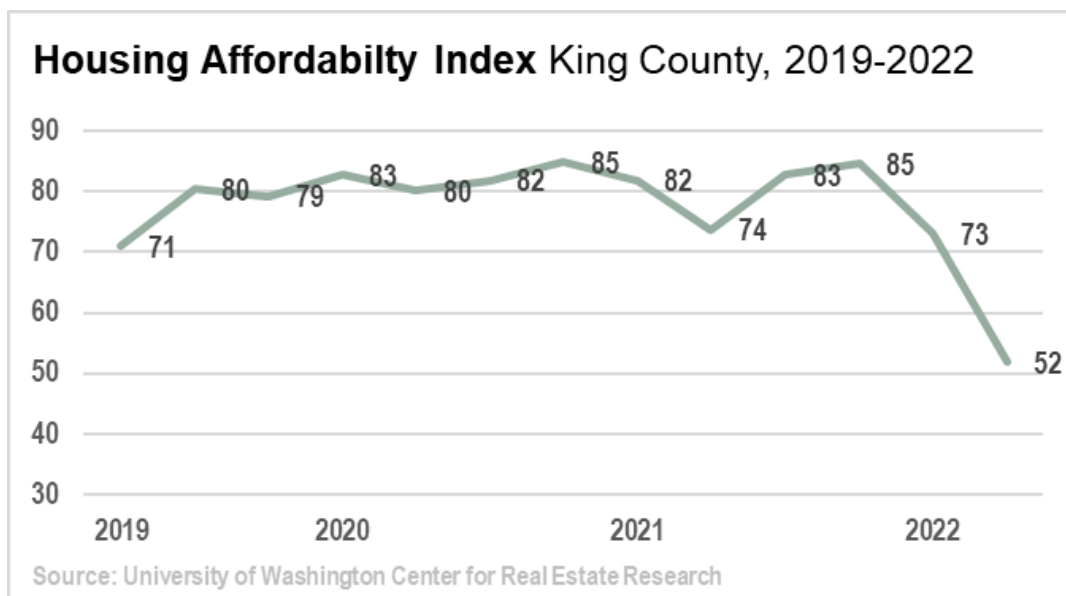
Sector	Regional		Projected 2030	
	2019 Emp.	Projected AGR	Emp.	Change
Industrial	2,394	0.2%	2,453	59
Retail	1,046	2.5%	1,374	328
Service	6,540	2.4%	8,474	1,934
Government	463	1.1%	519	56
<b>Total</b>	<b>10,443</b>	<b>1.8%</b>	<b>12,820</b>	<b>2,377</b>

Source: U.S. Census On the Map data, Washington ESD Industry Growth Projections

## Housing Cost Burdens

With the recent increase in mortgage interest rates and rising home prices there is increasing concern that many households are being priced out of the market. The Housing Affordability Index for King County has consistently remained below 100 and has recently dipped to the lowest level in several years at 52. An index of 100 or higher means that households earning the median income for the area should be able to afford a median priced home (**Exhibit 12**).

**Exhibit 12: King County Housing Affordability Trends**

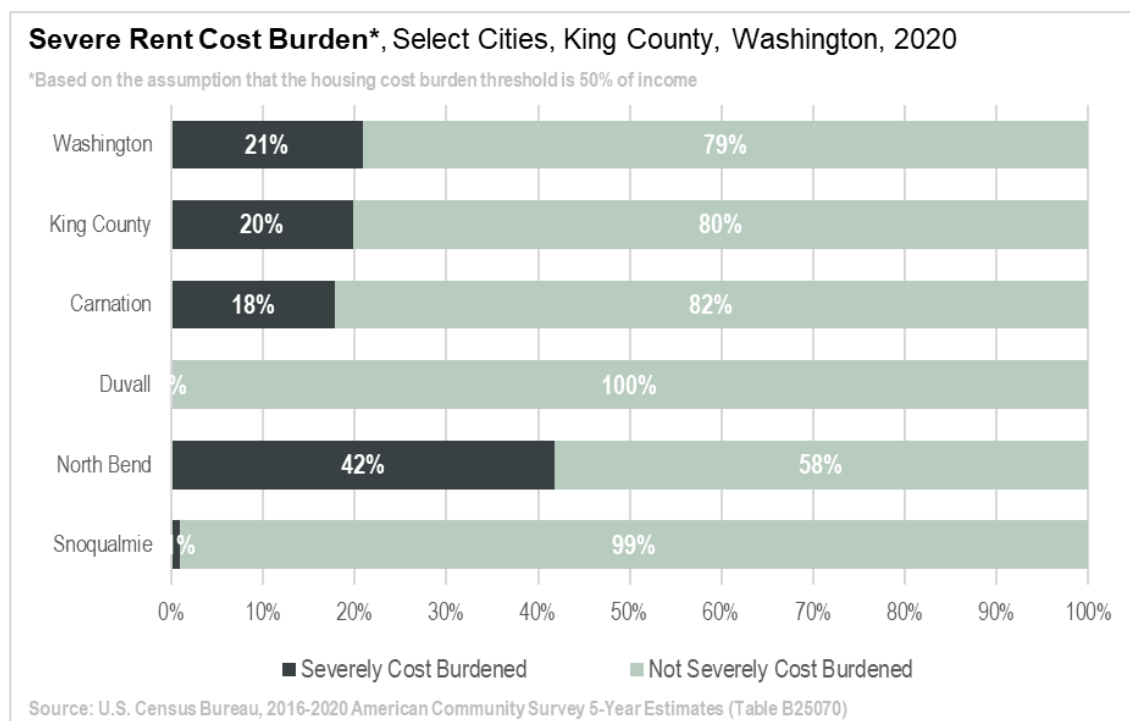


According to the U.S. Housing and Urban Development (HUD), households are considered to be “cost burdened” if they pay over 30% of their income on housing. Households are “severely cost burdened” when they pay over 50% of their income on housing.<sup>1</sup>

As shown in **Exhibit 13**, the share of renter households with severe rent burdens varies broadly within the Region. As indicated previously, in North Bend 22% of households have an annual income of less than \$50,000 per year. This relatively high share of lower-income households combined with a significant rental housing inventory influence rental housing cost burdens. As a result, over 4 in 10 renter households (42%) in the City of North Bend experienced severe rent burden. In comparison, the City of Carnation is near the county and statewide average at 18%.

Within the cities of Duvall and Snoqualmie, where income levels are relatively high and rental housing inventory is low, severe rent burdens were less prevalent. However, the housing within these communities is not attainable to many of the households that have low paying service or retail jobs.

**Exhibit 13: Severe Rent Cost Burden, 2020**



<sup>1</sup> Housing costs reflect annual income for rent and utilities for renters, and loan principal, interest, utilities, property taxes and insurance for homeowners. FCS estimates that the average cost of utilities, property taxes and home insurance add between \$387 (utilities only) and \$1,084 per month for homeowners.



It should be noted that there are other factors referenced by HUD that impact “affordability” more than just house rent/price and number of bedrooms. Costs also account for neighborhood school quality, public safety, and access to jobs and amenities. The percentage of income standard for housing affordability may not fully consider the effects of housing and neighborhood quality. Housing that may appear affordable based on cost alone, for example, might be far from employment centers, increasing the percentage of income a household dedicates to transportation. A household may also choose a low-quality housing unit or a low-opportunity neighborhood to reduce housing costs. As a result, the conventional measure of affordable housing underestimates the number of households who are burdened by combined housing and transportation costs as well as the number of households in need of quality affordable housing.

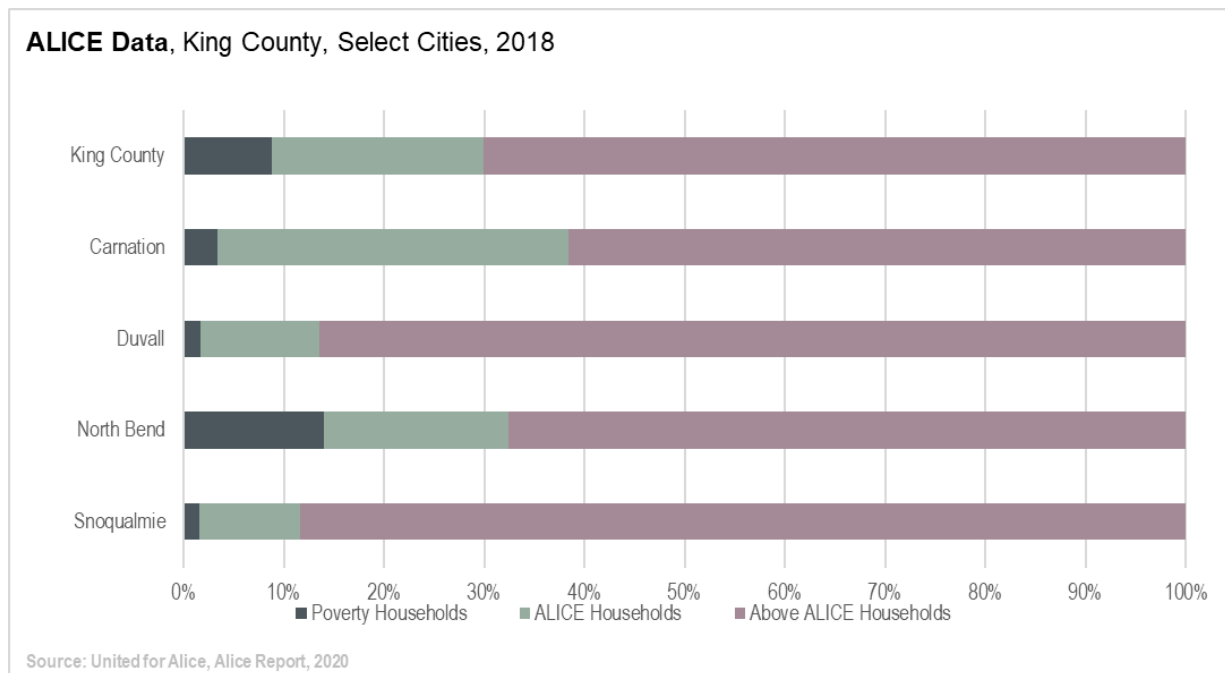
### Asset Limited Income Constrained & Employed Residents (ALICE)

Like many communities across the U.S., an increasing share of households are experiencing economic hardship as the overall cost of living rises faster than income levels. Since 1965, the Federal Poverty Level (FPL) has provided a standard for determining the proportion of people living in poverty in the U.S. Despite the FPL’s benefit of providing a nationally recognized income threshold for determining who is poor, its shortcomings include the fact that the FPL is not based on the current cost of basic household necessities, and except for Alaska and Hawaii, it is not adjusted to reflect cost of living differences across the U.S. In fact, federal poverty statistics indicate that the number of King County households living in poverty decreased by 5.1% since 2010.

In recognition of the shortcomings associated with federal poverty statistics, the United Way now provides a new framework to measure households that do not earn enough to afford basic necessities, with a segment titled ALICE (Asset Limited, Income Constrained, Employed). The ALICE methodology considers the total cost of household essentials – housing, childcare, food, transportation, technology, and health care, plus taxes and a 10 percent contingency. ALICE data are calculated separately for each county, and for six different household types. For more information, please check out: <https://www.unitedforalice.org/methodology>

In 2018, 30% of the households in King County were classified as living in poverty or in the ALICE category, which is below the Washington state average of 33% (**Exhibit 14**). The cities of Carnation and North Bend were slightly above the combined county-wide poverty and ALICE rate average. Duvall and Snoqualmie have lower combined rates of poverty and ALICE households.

**Exhibit 14: Asset Limited Income Constrained Households, 2018**



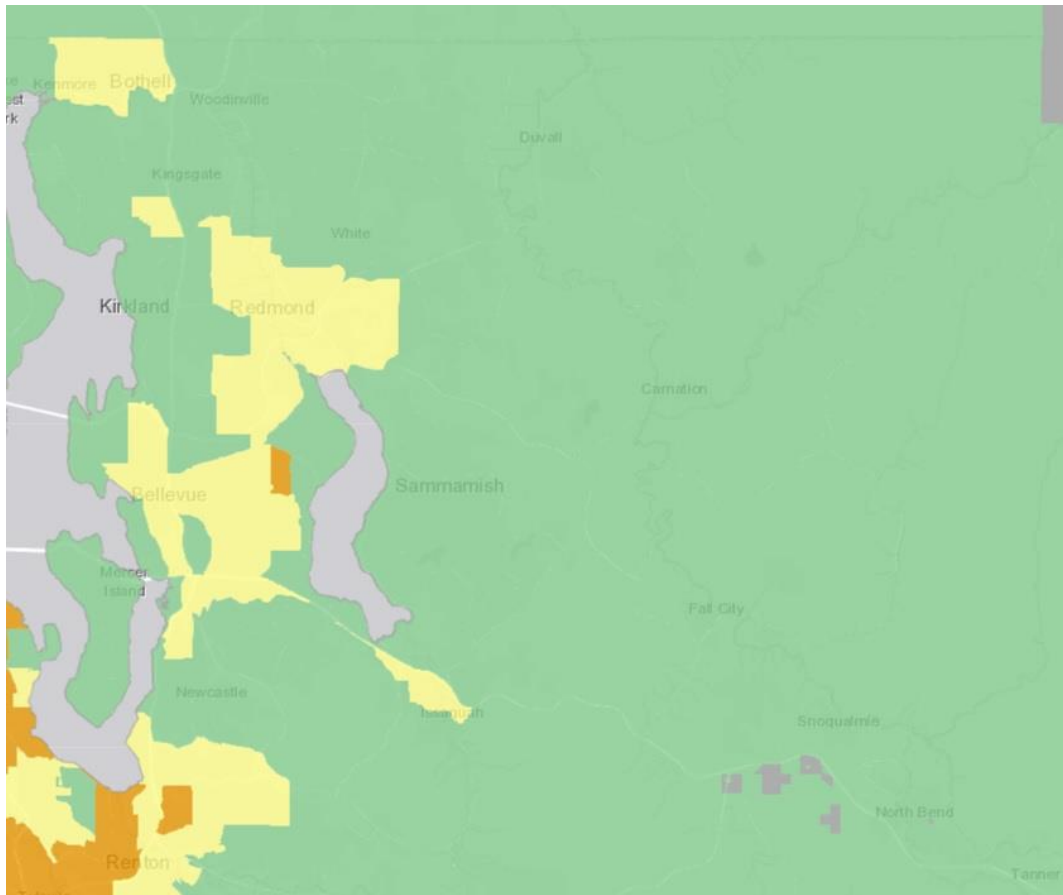
## Displacement Risk

Displacement is a phenomenon in which residents and businesses can no longer afford escalating rents or property taxes. As economic growth in the Puget Sound region continues, the risk of displacement for existing residents increases.

The Puget Sound Regional Council has developed a displacement risk tool which assesses the risk of displacement by geographic area. **Exhibit 15** depicts areas most at risk of displacement. In this map, orange shaded areas are at higher risk of displacement (a displacement risk score of 3) than the yellow shaded areas (a risk score of 2) and the green shaded areas (a risk score of 1). This map shows that all the communities in the Snoqualmie Valley Region have a displacement risk score of 1 (low risk). Displacement risk indicators are summarized below.

<p><b>Direct/Physical Displacement</b></p> <p>Households are directly forced to move for reasons such as eviction, foreclosure, natural disaster, or deterioration in housing quality.</p>	<p><b>Indirect/Economic Displacement</b></p> <p>Households are indirectly compelled to move by rising housing costs, or loss of cultural / social networks.</p>	<p><b>Exclusionary Neighborhood Change</b></p> <p>Households are unable to move into a neighborhood that would have previously been accessible to them; also known as "exclusionary displacement."</p>
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**Exhibit 15: Displacement Risk Map**



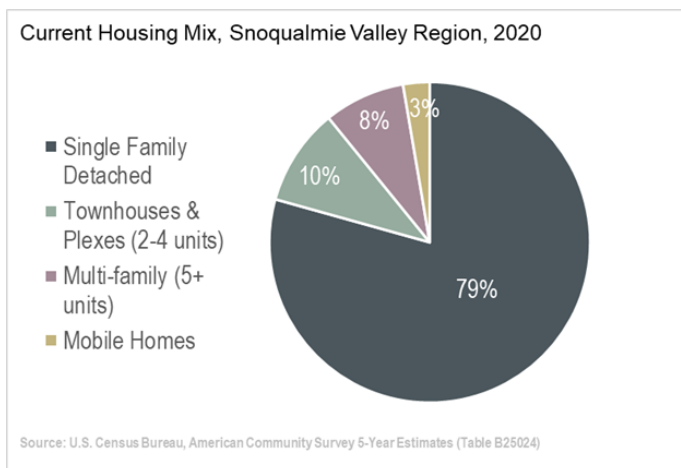
While PSRC indicates that the overall displacement risk in the Snoqualmie Valley region is low, communities that have a relatively high share of poverty and ALICE households, such as North Bend could face greater displacement risk in the future if home prices continue to outpace income levels.

# HOUSING CONDITIONS AND NEEDS

Local housing conditions and development trends shed light on housing conditions and demand preferences. In 2020, there were nearly 11,000 existing housing units within the four Snoqualmie Valley cities (area excludes UGAs outside city limits). Among those, 10,611 units were occupied and 328 were classified as vacant.

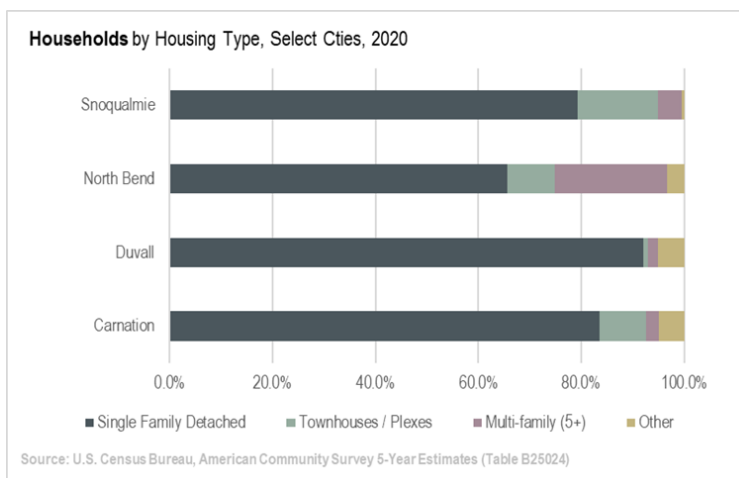
Like most communities in Washington, single-family detached housing is the most prevalent housing type representing 79% of the overall housing mix. As shown in **Exhibit 16**, approximately 10% of the housing inventory includes townhomes and plexes (with 2 to 4 units per structure). Multifamily housing (including apartments and condominiums with 5 or more units per structure) represents approximately 8% of the Region's housing inventory. Mobile homes and manufactured dwellings represent the remaining 3% of the housing inventory.

**Exhibit 16: Existing Housing Inventory**



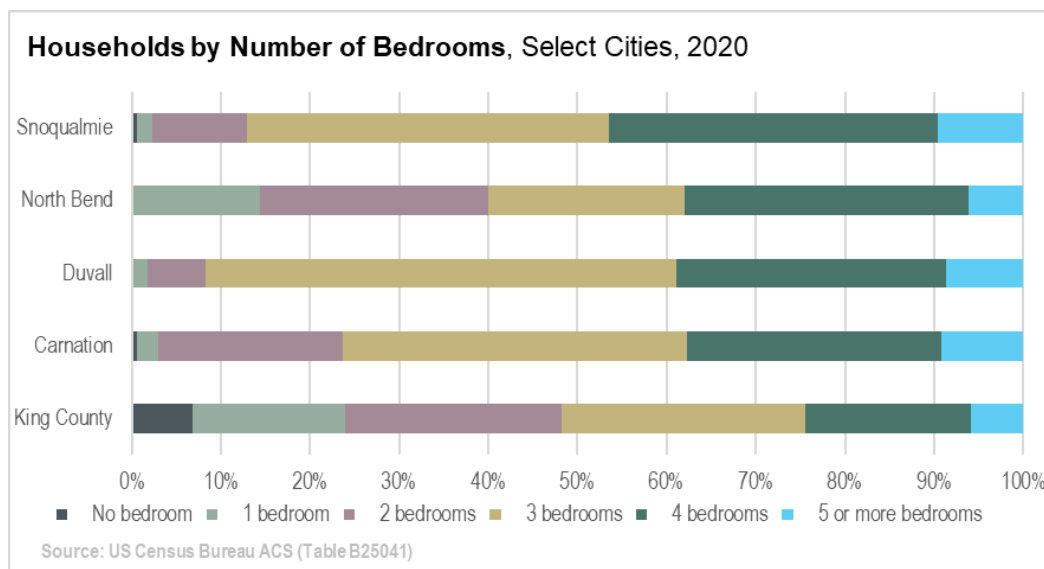
The share of households residing in single family detached dwellings ranges from a low of 66% in North Bend to a high of 92% in Duvall (**Exhibit 17**).

**Exhibit 17: Occupied Households by Dwelling Type**



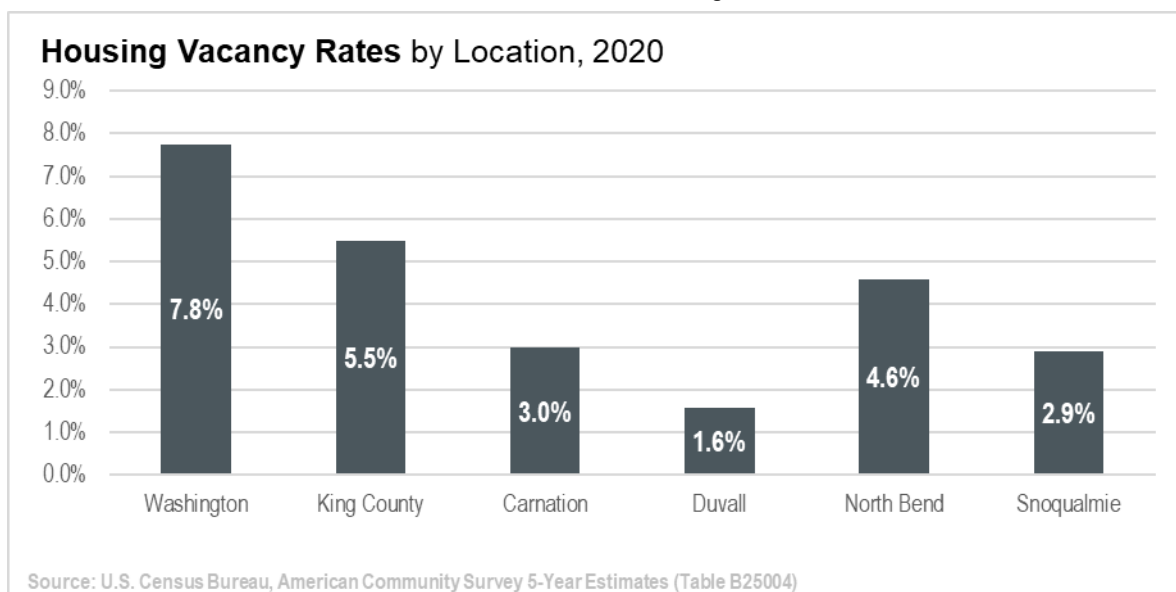
Most the Snoqualmie Valley Region’s housing units have between 2 and 4 bedrooms (**Exhibit 18**).

**Exhibit 18: Housing Units by Number of Bedrooms**



The overall housing vacancy rate within the Snoqualmie Valley Region was approximately 3.1% in 2020 and is reported to be much lower today. The vacancy rate in all the Snoqualmie Valley cities is lower than the county and state averages (**Exhibit 19**). Vacant units would also include short-term rentals and second homes.

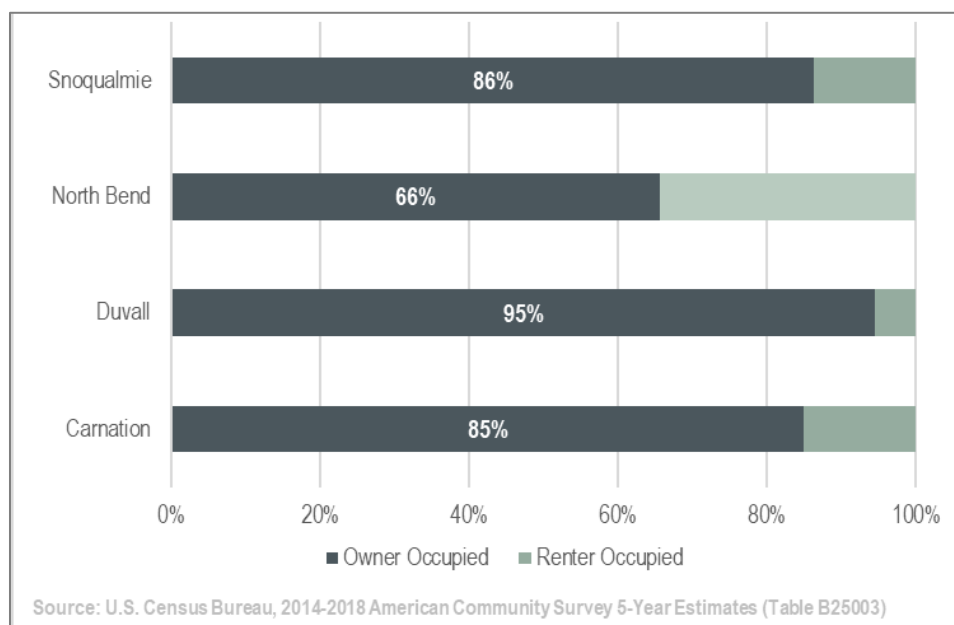
**Exhibit 19: Vacant Housing Units**



Home ownership varies widely within the Snoqualmie Valley Region. Owner-occupied housing units represent between 66% and 95% of the total housing inventory in these four cities while renter-occupied units account for between 5% and 34% of the inventory (**Exhibit 20**).



**Exhibit 20: Existing Housing Tenancy, 2020**



There are currently six significant government subsidized housing developments within the Snoqualmie Valley Region that offer assisted living arrangements. Using the National Housing Preservation Database tool, these five facilities are listed in **Exhibit 21**.

**Exhibit 21: Facilities with Subsidized Dwelling Units**

Development Name	Location	Subsidized Units	Total Units
SI View	North Bend	20	20
Sno Ridge Apartments	North Bend	39	40
Cascade Park	North Bend	28	28
Panorama Apartments	Snoqualmie	188	191
Pickering Court	Snoqualmie	30	30
Duvall Family Housing	Duvall	8	8
<b>Total</b>		<b>313</b>	<b>317</b>

Source: NHPD Mapping Tool

New housing construction activity for each of the four cities within the Snoqualmie Valley Region has resulted in 695 homes being added over the last three years (2019-2021). The most significant level of development activity has been occurring in the cities of North Bend and Duvall (**Exhibit 22**).

**Exhibit 22: Recent Home Construction Activity, 2019-2021**

<b>Residential New Building Permits Issued: 2019-22</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
Snoqualmie	4	-	-
Carnation	11	19	17
Duvall	40	208	26
North Bend	85	142	143
<b>Total</b>	<b>140</b>	<b>369</b>	<b>186</b>

Source: Building permit data provided by cities.

## HOUSING VALUES AND RENTS

Home values in the Snoqualmie Valley Region have increased significantly in recent years. As indicated in **Exhibit 23**, the median home value in all four cities has increased by over 17% annually over the last two years. Recent home values peaked in July 2022 and began to decline slightly during the remainder of that year as interest rates increased. Currently, the median home sales price in all four cities is now near or above \$1,000,000.

**Exhibit 23: Home Value Price Index in Select Markets**

	<b>Aug-20</b>	<b>Aug-21</b>	<b>Aug-22</b>	<b>Nov-22</b>	<b>Avg. Annual Change %</b>
North Bend	\$644,018	\$811,441	\$965,849	\$961,385	19.5%
Carnation	\$697,734	\$870,365	\$1,011,912	\$1,000,051	17.3%
Snoqualmie	\$751,620	\$940,260	\$1,131,037	\$1,116,641	19.2%
Duvall	\$680,957	\$850,109	\$1,009,828	\$990,834	18.1%

Source: Zillow.com; analysis by FCS 1/10/23

By comparing the median household income to the median home price, we can better understand home ownership attainability in the Snoqualmie Valley Region. As shown **Exhibit 24**, a household would need to earn at least 183% of the regional median household income level to be able to “afford” a median priced home of \$1,050,000 (assuming they have 10% down payment and allocate no more than 30% of income to housing). Based on current income levels in the Snoqualmie Valley Region, it is estimated that less than one in four households can now afford a median priced home.

**Exhibit 24: Home Ownership Attainability Analysis**

### Snoqualmie Valley Region Housing Attainability

Regional Median Household Income (2022)*	<b>\$134,600</b>
Regional Housing Cost (median price, 2022)	<b>\$1,029,657</b>
Downpayment (@10%)	<b>\$102,966</b>
Mortgage Amount (Principal and interest only)	<b>\$926,691</b>
Monthly Housing Payment**	<b>(\$6,161)</b>
Annual Qualifying Income (@30% of income)	<b>\$246,433</b>
Percent of MHI for qualifying households	<b>183%</b>

\* based on current U.S. Housing and Urban Development data for FY 2022.

\*\* assumes 10% down payment on 30-yr mortgage @ 6.9% APR interest.

Currently, the HUD fair market rents within King County range from \$1,829 for an efficiency unit to \$3,446 for a four-bedroom unit, as shown below. Fair market rents have been increasing between 3.6% and 4.6% per year over the past few years.

HUD Fair Market Rent (FMR) by Unit Type, King County, FY 2023				
Source: U.S. Department of Housing and Urban Development				
<b>\$1,829</b>	<b>\$1,881</b>	<b>\$2,199</b>	<b>\$2,953</b>	<b>\$3,446</b>
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

The median family income (MI) in King County was \$113,300, which was high compared with the statewide median family income of \$89,800. Housing attainability is typically measured at the following levels:

- ☐ Upper income (120% of MI)
- ☐ Middle income (80% and 120% of MI)
- ☐ Low income (50% and 80% of MI)
- ☐ Very-low income (30% and 50% of MI)
- ☐ Extremely low income (0% and 30% of MI)

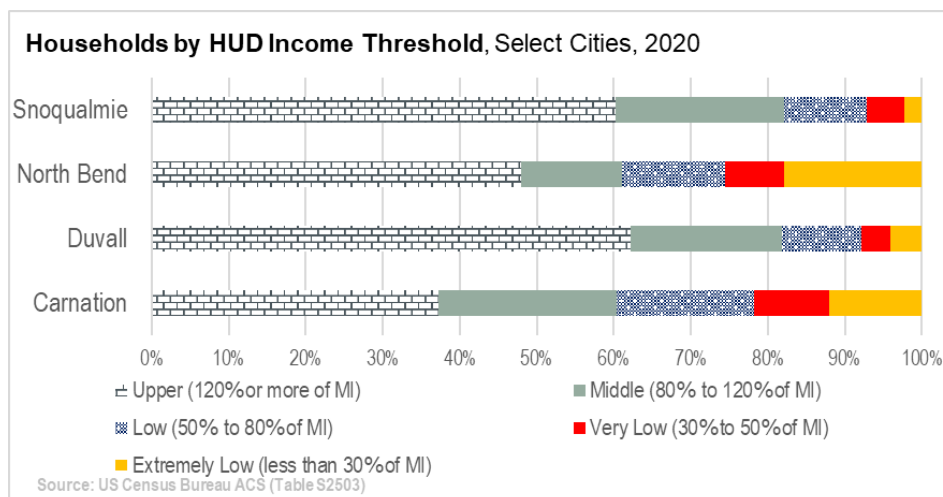
**Exhibit 25** depicts HUD qualifying income thresholds for those levels.

**Exhibit 25: Median Income Thresholds, King County, 2020**

HUD Qualifying Income Level	Lower-end	Upper-End
Upper (120% or more of MI)	\$135,960	or more
Middle (80% to 120% of MI)	\$90,640	\$135,960
Low (50% to 80% of MI)	\$56,650	\$90,640
Very Low (30% to 50% of MI)	\$33,990	\$56,650
Extremely Low (less than 30% of MI)	\$33,990	or less

Based on these housing thresholds, **Exhibit 26** reflects the share of households that would meet HUD income thresholds within each city. These calculations assume that no more than 30% of income is allocated to housing per HUD standards.

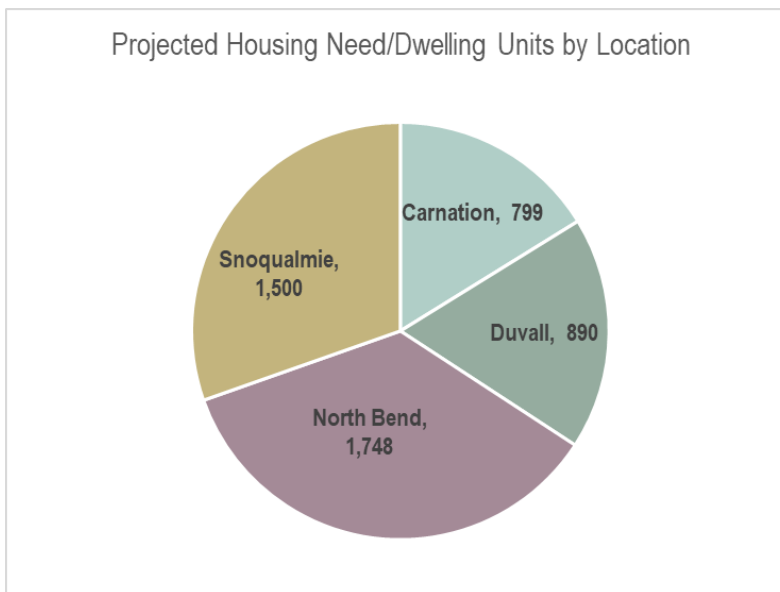
**Exhibit 26: Households by Income HUD Income Threshold, 2020**



## LONG-TERM HOUSING NEEDS

Based on the long-term housing targets that were adopted as part of the 2044 Urban Growth Buildable Land Capacity Report (report by King County dated June 2021) and current housing trends discussed above, the four-city Region has a housing target of adding 4,937 housing units (dwellings) over the 2021–2044-time frame. The allocation of the current housing targets is shown in **Exhibit 27**.

**Exhibit 27: Housing Targets by Location, 2021-2044**



As a manner of enhancing housing attainability, cities should consider providing opportunities for development of a variety of housing types. If each city in the Snoqualmie Valley Region equally addresses the projected market demand for housing types based on emerging trends and income attainability issues identified herein, the overall housing target in the Region would consist of 3,900 single family dwellings and approximately 1,037 “middle housing” units (**Exhibit 28**). In this HHA document, middle housing is intended to reflect housing types other than single family detached or attached townhomes. For example, this could include opportunities to develop duplexes, apartments, cottages, or accessory dwellings that tend to be more attainable to rent or own.

The forecasts shown in **Exhibit 28** are provided for local consideration only. It is recommended that during the Housing Action Plan phase of work, cities consider how local regulations can be amended to permit (but not require) additional middle housing development to occur.

**Exhibit 28: Projected Market Demand by Housing Type**

Location	Total	Single Family	Middle Housing
Carnation	799	631	168
Duvall	890	703	187
North Bend	1,748	1,381	367
Snoqualmie	1,500	1,185	315
<b>Total</b>	<b>4,937</b>	<b>3,900</b>	<b>1,037</b>

## Review of Housing Capacity Based on Current Zoning

The *Urban Growth Buildable Land Capacity Report* (BLR) by King County dated June 2021 provides 2044 housing and employment capacity targets for each city. In addition to the housing targets, the report provides an analysis of the land capacity for each city (see **Exhibit 27**).

The land use analysis identified below is intended to enable each City within the Snoqualmie Valley Region to provide sufficient “zoned” land capacity for new development over the next 20+ years (by year 2044). The recommended growth targets provide a context for complying with the PSRC VISION 2050 and the King County BLR.

The growth targets indicate the amount of growth each jurisdiction is expected to plan for in its comprehensive plan. The process for complying with these growth targets provides flexibility for jurisdictions in interpreting the regional growth strategies and must consider local input on the community vision, market conditions, and infrastructure investments.

As shown in **Exhibit 29**, the 2044 housing target for the four-cities combined is 4,937 net new dwellings. After accounting for development that has been identified in the planning pipeline (2,498 dwellings (includes revisions to reflect recent pipeline developments in the City of Snoqualmie), the four cities combined have the current planned capacity to accommodate another 4,937 dwelling units.

While these findings demonstrate an overall housing capacity surplus for the region, these findings also indicate that there is likely to be a housing capacity shortfall (based on current zoning for remaining buildable land area) for the cities of Carnation and Snoqualmie. More detailed findings for each city are described in the following sections.

**Exhibit 29: 2044 Targets and Capacity, Snoqualmie Valley Cities**

	Units in Pipeline	Remaining Capacity	Total Capacity	2044 Housing Target	Surplus (Deficit)
King County	43,561	362,563	406,124	307,277	98,847
Snoqualmie	421	167	588	1,500	(912)
Carnation	223	481	704	799	(95)
Duvall	647	696	1,343	890	453
North Bend	1,207	891	2,098	1,748	350
Four-city Region	2,498	2,235	4,733	4,937	(204)

**Source:** June 2021 King County Buildable Lands Report; with updates to the “pipeline projects” by city planning staff as of 3/20/2023.

**It should be noted that the findings contained in this Regional Housing Needs Analysis are based on current planning assumptions and state requirements as of November 2022, and do not reflect any additional housing requirements that may result from implementation of pending King County Affordable Housing Task Force recommendations per House Bill 1220 for affordable housing.**



## Carnation

As shown below in **Exhibit 30**, Carnation has a 2044 housing target of 799 net new dwellings. The city has 223 net new units in the pipeline between January 1, 2019, and June 2022. After subtracting the committed lands, Carnation has remaining housing capacity for about 480 dwelling units. This results in a projected capacity shortfall of approximately 95 dwelling units under current zoning.

Remaining uncommitted residential land is mostly in low- and medium-density zoning. It is recommended that the City explore various policy and code amendments such as some limited up-zoning or minimum densities in Planned Unit Developments to address the housing shortfall.

**Exhibit 30: 2044 Targets and Capacity, City of Carnation, 2022 est.**

	Net Buildable		Assumed
	Acres	Net Capacity	Achieved Density
Very Low	2.2	1	3.9
Low	13.5	84	5.2/9.7
Medium Low	29.1	396	12.0/17.0
Medium High	-	-	-
High	-	-	-
Total	44.8	481	-

2044 Target	2044 Target		Remaining Capacity	Net Deficit/Surplus
	Units in Pipeline	Less Units in Pipeline		
799	223	576	481	(95)

**Source :** June 2021 King County Buildable Lands Report

## Duvall

As shown below in **Exhibit 31**, Duvall has a 2044 housing target of 890 net new dwellings. The city has 647 units in the pipeline since January 1, 2019. After subtracting committed lands, Duvall has a remaining capacity for about 696 dwelling units. This results in a potential housing capacity surplus of about 450 units.

Remaining uncommitted residential land is mostly in the lower density zones. There is no expected housing shortfall to rectify currently.

**Exhibit 31: 2044 Targets and Capacity, City of Duvall, 2022 est.**

	Net Buildable Acres	Net Capacity	Assumed Achieved Density
Very Low	31.8	70	3
Low	56.2	237	4.5/8.0
Medium Low	23.2	389	12.0/21.0
Medium High	-	-	-
High	-	-	-
Total	111.1	696	-

2044 Target	Units in Pipeline	2044 Target Less Units in Pipeline	Remaining Capacity	Net Deficit/ Surplus
890	647	243	696	453

**Source :** June 2021 King County Buildable Lands Report

## North Bend

As shown below in **Exhibit 32**, North Bend has a 2044 housing target of 1,748 net new dwellings. The city has 1,207 units in the pipeline since January 1, 2019. After subtracting the committed lands, North Bend has remaining housing capacity for 891 dwelling units. This results in a potential housing capacity surplus of 350 dwelling units.

While there is no expected housing shortfall to rectify, the city could explore ways to create additional “middle housing” development opportunities for housing types, such as townhomes and duplexes which are more attainable for owners and renters than single family detached homes.



*Recent mixed-use development in North Bend with housing above commercial*

**Exhibit 32: 2044 Targets and Capacity, City of North Bend, 2022 est.**

	Net Buildable		Assumed
	Acres	Net Capacity	Achieved Density
Very Low	59.0	62	2.0
Low	65.3	188	4
Medium Low	27.4	414	15.0/21.0
Medium High	7	227	32
High	-	-	-
Total	159.1	891	-

	2044 Target		Remaining	Net
2044 Target	Units in Pipeline	Less Units in Pipeline	Capacity	Deficit/Surplus
1,748	1,207	541	891	350

**Source :** June 2021 King County Buildable Lands Report

## Snoqualmie

As shown below in **Exhibit 33**, Snoqualmie has a 2044 target of 1,500 net new dwellings. The city has 421 dwelling units in the pipeline as of January 10, 2023. After accounting for development in the planning pipeline (421 dwellings) and future capacity on remaining buildable lands (696 dwellings), Snoqualmie has a remaining housing capacity shortfall of 912 units.<sup>2</sup>

It is likely that annexations will be necessary to fully accommodate the planned housing capacity shortfall. Hence, it is recommended that the city consider new policies that would guide future growth and development. This would entail an UGA alternatives analysis, transportation and water/sewer master planning and planned action EIS to fully address the 2044 growth targets.

**Exhibit 33: 2044 Targets and Capacity, City of Snoqualmie, 2022 est.**

	Net Buildable Acres	Net Capacity	Assumed Achieved Density
Very Low	6.7	1.0	0
Low	6.7	27.0	4
Medium Low	-	-	-
Medium High	-	-	-
High	1	139	130
Total	14.5	167	-

	2044 Target	Units in Pipeline*	2044 Target Less Units in Pipeline	Remaining Capacity	Net Deficit/ Surplus
2044 Target	1,500	421	1,079	167	(912)

**Source:** June 2021 King County Buildable Lands Report; with updates to the "pipeline projects" by city planning staff as of 3/20/2023.

<sup>2</sup> Current estimates for planning pipeline housing are based on the 2021 King County Buildable Land Report (BLR) finding (204 units) plus additional development being planned on tax lots not included in the vacant land estimates contained in the BLR (217 units). Additional pipeline development projects reflect the following:  
Timber Trails (aka Snoqualmie Ridge II Plat 30, on Parcel S-14): 46 lot townhome subdivision;  
The Rails: 11-unit mixed-use building (apartments over retail/office);  
Snoqualmie Mill: Up to 160 multifamily units. Under the development agreement, this would include either 10% of the units @ 80% AMI and 12% @ 60% AMI (if the Council adopts an MFTE program), OR 15% @ 80% AMI (if the Council does not adopt an MFTE program).

# POLICY CONSIDERATIONS

Cities have a wide range of latitude in how they address housing needs. There are a number of local policy measures and financial incentives that can be considered to help address the need for low-income households. A list of various funding resources available to local jurisdictions and non-profit housing developers is provided in **Exhibit 34**. **Appendix A** includes a list of land use policies used in WA state to encourage housing production. Such policies will be further evaluated and discussed during the next phase of work on the Housing Needs Assessment.

**Exhibit 34: Affordable Housing Programs in Washington**

Funding Source	Funding Focus	Required Use of Funds	Income Restrictions
Low Income Housing Tax Credits (LIHTC)	Affordable Housing & Homelessness	Creation of new units	60% of the Area Median Income (AMI) or below
Washington State Housing Trust Fund	Affordable Housing & Homelessness	Preservation, creation of new units, and supportive services	80% of the AMI or below with special focus on those at 30% of AMI or below
State Authorized Sales Tax	Affordable Housing	Development of new units & housing-related services	60% of the AMI or below
Housing Choice Voucher (Section 8)	Affordable Housing	Subsidizing rents	50% of the AMI or below
Community Development Block Grants (CDBG)	Affordable Housing	Renovations to housing stock & affordable home ownership opportunities	80% of the AMI or below
HOME Investment and Partnership Program	Affordable Housing	Development and maintenance of affordable units, subsidized rents	50% of the AMI or below
Affordable Housing Property Tax Levy	Affordable Housing	Programs identified in local affordable housing plans	50% of the AMI or below
HB 1406 Funds	Affordable Housing	Local investments in affordable housing	60% of city median family income
HUD Continuum of Care Program	Homelessness	Housing and wrap-around services for the homeless	N/A
Document Recording Fees	Homelessness	Development of homeless housing units, homelessness prevention activities	N/A
Mental Illness and Drug Dependency Tax	Homelessness	Housing and wrap-around services for mentally ill or drug addicted residents	N/A
Real Estate Excise Tax (REET)	Affordable Housing & Homelessness	Development, planning, property acquisition, maintenance of affordable housing, especially for the homeless	N/A
Lodging Tax (Hotel/Motel Tax)	Workforce Housing	Paying down debt issued to fund transit adjacent workforce housing.	N/A
Public Private Partnerships	Workforce Housing & Business Development	Usually entails private construction of housing or commercial on public land	Varies

Source: Association of Washington Cities and Municipal Research Service Center; and FCS GROUP.

During the next work phase, each city will evaluate their current land use regulations and consider actions they can take to help lower barriers to providing a wider mix of housing in their communities. A list of potential policy measures is provided in **Appendix A**.

Resources for affordable housing are listed in **Appendix B**.



## APPENDIX A: LIST OF HOUSING POLICY MEASURES AVAILABLE IN WA STATE

Action Number	Description
<b>Revising Zoning Strategies</b>	
Z-1: Reduce Minimum Lot Sizes	Amend lot characteristic standards, such as setback requirements, lot size averaging, etc. to remove barriers to the development of a wider range of housing.
Z-2: Require a Minimum Density	Create a minimum density standard in all residential zones. Example: minimum density standard of at least 70% of maximum density permitted in any residential zone.
Z-3: Up-zoning	Develop criteria and a process for identifying land to up-zone (or rezone) to meet the deficit of land for multifamily development. The criteria may include considerations of location, transportation access, access to and capacity of infrastructure, site size, development constraints, and other relevant criteria.
Z-4: Increase Building Height	Evaluate removing maximum density standards and building height limitations.
Z-5: Integrate or Adjust FAR Standards	Floor area ratio (FAR) is the ratio of a building's total floor area (gross floor area) to the size of the piece of land upon which it is built. Since FAR focuses entirely on building massing, it is often seen as a viable alternative to density regulations (maximum number of lots or dwelling units per acre) in multifamily and mixed-use zones.
Z-5a: Increase Allowed Housing Types	Encouraging a larger variety of housing types including plexes and smaller scale multifamily development.
Z-6a: Cottage Housing	Allow cottages to be developed in clusters with shared central amenities (such as open spaces) to allow for the development of small single-family detached housing.
Z-6b: Duplexes, Triplexes and Fourplexes	Allow triplexes and quadplexes in single-family zones, using a form-based code approach to regulate the development of these units.
Z-6c: Townhouses	Allow townhomes in single-family zones, using a form-based code approach to regulate the development of these units.
Z-6d: Courtyard Apartments	Allow courtyard apartments in single-family zones, using a form-based code approach to regulate the development of these units.
Z-6e: Micro-housing	Allow micro-housing in single-family zones, using a form-based code approach to regulate the development of these units.
Z-7: Increase or Remove Density Limits	Evaluate removing maximum density standards.
Z-8: Revise ADU Standards	Evaluate changing development standards for accessory dwelling units, including changing the size limit.
Z-9: Offer Density and/or Height Incentives for Desired Housing	Density bonuses for development of deed-restricted affordable housing.

Additional Regulatory Standards	
R-1: Reduce Off-Street Parking Requirements	Evaluate reductions to off-street parking requirements for multifamily housing, including housing serving seniors and other populations that may have lower car ownership.
R-2: Relax Ground Floor Retail Requirements	Relax or eliminate requirements for ground floor retail in mixed use developments.
R-3: Reduce Setbacks, Lot Coverage and/or Impervious Standards	Amend lot characteristic standards, such as setback requirements, lot size averaging, etc. to remove barriers to the development of a wider range of housing.
R-4: Adopt Design Standards	Communities adopt design standards on a neighborhood or citywide basis to promote design consistent with their vision. Design standards in themselves do not create additional housing but are helpful to assist new forms or high-density housing fit in communities.
R-5: Use a Form-Based Approach	Adopt a form-based code approach to regulate the development of small apartments, cottages, tiny houses, and desired multifamily housing types in more zones.
R-6: PUD/PRD and Cluster Subdivisions	Identify opportunities to streamline the process and standards for designing and approving planned developments
R-7: Manufactured Home and Tiny House Communities	Manufactured homes must be allowed on all single-family lots and must not be regulated differently than site-built housing, but jurisdictions may require certain standards.
Economic Displacement Mitigation Strategies	
ED-1: Community Land Trusts	A community land trust (CLT) is a non-profit organization, owned by a collective of community members, which buys and holds land within a neighborhood. It may raise funds through public or private sources to build structures on this land to be used for community purposes or to be sold to low- or moderate-income residents.
ED-2: Need-based Rehabilitation Assistance	Need-based rehabilitation assistance helps low-income, disabled, or senior residents make needed home repairs and safety upgrades by offering favorable financing terms or time-limited tax abatements to qualified homeowners.
ED-3: Down Payment Assistance	Down payment or assistance programs proactively address barriers to home ownership by offering no-interest or low-interest capital for qualified buyers.
ED-4: Property Tax Assistance Programs	Provide limited property tax exemption for low-income households.
Cultural Displacement Mitigation Strategies	
CD-1: Grants/Loans to Directly Support Small Businesses	Washington state law establishes local governments' authority to support businesses by using a variety of programs.
CD-2: Financing Ground Floor Commercial	Cities and counties can use federal and private funds to finance ground floor commercial space.
CD-3: Preservation Development Authorities (PDA) and Ports	PDAs, as quasi-public corporations, serve and are accountable to the public and administer public funds, while having the flexibility of a corporation. PDAs are particularly useful for developing and maintaining the ground floor space for commercial and arts activities and leasing to businesses and nonprofits.
CD-4: Commercial Community Land Trust	Nonprofit corporations secure and maintain access to land for public benefit, in this case, to preserve affordable commercial space.

CD-5: Community Benefits/Development Agreements	Development agreements, or community benefits agreements, are voluntary, negotiated contracts between a developer and a city/county that specify the public benefits the development will provide and each parties' responsibilities. They can achieve affordable housing, affordable commercial space, community gathering space and other public amenities
CD-6: Micro-retail and Flexible Cultural Space Design	Preservation of existing affordable space is typically most effective for maintaining affordability, but if you must build new or adapt a space, design the ground floor with nontraditional commercial uses in mind.
CD-7: Business Incubators, Co-working Spaces and Artisan/Makers Spaces	These types of shared workspaces allow businesses, artists/artisans, and nonprofits to pool resources in a shared space and spark collaboration.
<b>Urban Planning Procedures</b>	
P-1: SEPA Threshold Exemption	Flexible thresholds in SEPA rules allow local governments to increase the number of dwelling units exempt from SEPA review.
P-2: SEPA Infill Exemption	RCW 43.21C.229 allows a city or county planning under GMA to adopt an infill exemption if the comprehensive plan was already subject to environmental analysis through an environmental impact statement (EIS).
P-3: Subarea Plan with Non-Project EIS	A sub-area plan can attract higher density housing to a community that desires to increase development in its urban center or by a major transit stop.
P-4: Planned Action EIS	A community planning under GMA can develop a planned action EIS or threshold determination <sup>18</sup> to facilitate development consistent with local plans and mitigation measures (see more under "When and Where Applicable").
P-5: Protection from SEPA Appeals on Transportation Impacts	RCW 43.21C.500 provides an option to protect SEPA decisions from appeal for impacts to transportation elements of the environment when the approved residential, multifamily or mixed-use project in a GMA city or town is consistent with the locally adopted transportation plan, subject to locally adopted impact fees, and If Washington State Department of Transportation (WSDOT) determines the project would not present significant adverse impacts to the state-owned transportation system.
P-6: Permitting Process Streamlining	Providing an efficient, predictable, and user-friendly permitting process can encourage new housing construction by reducing potential confusion or perception of risk among developers as well as lowering their administrative carrying costs.
P-7: Subdivision Process Streamlining	Identify opportunities to streamline the process and standards for designing and approving subdivisions.
<b>Affordable Housing Development Incentives</b>	
A-1: Multifamily Tax Exemption	Provide limited multifamily tax exemptions to incentivize the development of higher density housing
A-2: Density Bonuses for Affordable Housing	Density bonuses for development of deed-restricted affordable housing.
A-3: Alternative Development Standards for Affordable Housing	Relax development regulations in return for affordable housing development as an incentive. (ex. reduce minimum parking requirements (see R-1 Reduce Off-Street Parking) for projects that include affordable housing.)
A-4: Fee Waivers for Affordable Housing	Waiving some, or all, fees (ex. impact fees, utility connection fees and project review fees) for income-restricted units can be a valuable incentive for encouraging the creation of income-restricted affordable units.

A-5: Inclusionary Zoning	Requires a portion of the units within a new development be set aside as affordable housing. This tool will often be combined with property tax exemptions, fee waivers, or development bonuses to offset the cost of affordable housing units. Careful consideration should be employed when enacting inclusionary zoning. Note: A number of studies, including those analyzing the IZ Ordinance in Portland, have shown that IZ suppresses, rather than increases, the creation of new housing. If IZ is proposed, the financial components need to be calculated to ensure that the inclusionary rate is not too high for the offsets provided and that overall housing production increases as a result
<b>Funding Options for Affordable Housing Development</b>	
F-1: Local Option Taxes, Fees, and Levies	Jurisdictions may provide direct project funding, through grants or loans, to encourage the production of income-restricted affordable housing (ex. local housing tax levy, sales and use tax, Real Estate Excise Tax (REET2)).
F-2: Local Housing Trust Fund	Create affordable housing fund to accumulate and dedicate funding for housing purposes.
F-3: "Found Land": Surplus Land and Other Opportunities	Local agencies may designate surplus property for housing and mixed-use development that includes an affordable element.
F-4: Partner with Local Housing Providers	A partnership with a housing nonprofit can be established to acquire naturally occurring affordable housing such as foreclosures and expansion of vacant property registration program for housing rehabilitation or purchase.
<b>Other Strategies</b>	
0-1: Strategic Infrastructure Investment	Ensure that the City's Capital Improvement Plan includes funding for infrastructure improvements and maintenance necessary to support residential development.
0-2: Simplify Land Use Designation Maps	One way to make it easier to amend zoning and encourage a variety of housing types is to simplify the land use map and the implementing zoning map.
0-3: Local Programs to Help Build Missing Middle Housing	Offer homeowners a combination of financing, design, permitting or construction support to build ADUs or to convert a single-family home into a duplex, triplex or fourplex where those housing types are authorized. The idea is that a city may help property owners by identifying lenders, providing stock designs, and helping property owners develop housing.
0-4: Strategic Marketing of Housing Incentives	Actively promoting the type of development, the community desires can include communicating the intention for new and innovative affordable housing, defining the benefits and development potential within the community, and collecting data that helps to tell the story and addresses perception issues.
0-5: Temporary Emergency Housing	Review the local demographics for the lowest income segments and assess strategies to plan for those. Are regulations needed to ensure this housing is safe and healthy? Do they respond to strategies in countywide plans for reducing homelessness?
<b>Strategies to Mitigate Physical Displacement</b>	
PD-1: Strategic Acquisition and Financing of Existing Multifamily Development	To better retain affordable housing, cities, counties, and housing authorities can catalog naturally occurring affordable housing and housing with income restrictions or covenants that are about to expire.

PD-2: Support Third-party Purchases of Existing Affordable Housing	Using public resources to empower trusted institutions can preserve or create affordable housing and space for community-serving organizations and businesses.
PD-3: Notice of Intent to Sell/ Sale Ordinance	A "Notice of Intent to Sell" ordinance requires owners of multifamily buildings to provide official notification to tenants and local housing officials. The notice gives public authorities the opportunity to plan for a potential purchase in the interest of preserving housing that serves low- or moderate-income residents.
PD-4: Foreclosure Intervention Counseling	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 affordable housing funds to support these programs.
PD-5: Mobile Home Park Preservation and Relocation Assistance	The Washington State Department of Commerce offers a manufacture/mobile home relation assistance program that provides financial resources to assist displaced residents, particularly those who meet low-income thresholds.
PD-6: Mobile Home Park Conversion to Cooperative	The Washington State Housing Finance Commission, in partnership with Resident Owned Communities (ROC) Northwest and ROC USA, offers the financial tools and expert guidance for manufactured-housing ("mobile-home") communities to become self-owned cooperatives.
PD-7: Tenant Relocation Assistance	Local governments, authorized by WAC 365-196-835 and detailed in RCW 59.18.440, can pass an ordinance that requires developers, public funds, or a combination of the two to provide relocation funds for those displaced by development of new housing in upzoned areas.
PD-8: Just Cause Eviction Protections	Local jurisdictions can pass just cause eviction protections that mandate that proprietors provide tenants a legally justifiable reason when being asked to vacate.
PD-9: "Right to Return" Policies for Promoting Home Ownership	A "right to return" policy works to reverse the effects of past physical displacement by providing down payment assistance for first-time homebuyers who can prove that they have been victims of displacement. Programs may prioritize cases of displacement by direct government action.
PD-10: Regulation Short-term Rentals	A first step is to track STR activity by requiring registration and reporting from owners of these units. Policy regulations should prioritize actions that reduce the likelihood of converting long-term rentals into STRs.



## APPENDIX B. RESOURCES FOR AFFORDABLE HOUSING

Agency	Program	Description
Washington State Department of Commerce (Commerce)	Housing Trust Fund	Provides state and federal funds for affordable housing construction and preservation. HOME Investment and Partnership Program funds are also awarded through the Housing Trust Fund Process.
Commerce	Connecting Housing to Infrastructure Program (CHIP)	The program helps affordable housing projects connect to water, sewer, and stormwater infrastructure by paying for waived connection fees, the infrastructure to connect to regional water, sewer, or stormwater systems, or for on-site stormwater facilities. Up to \$1M in funding per project. Applications outside Seattle/King County are given priority.
Commerce	Weatherization	Commerce contracts with local agencies that weatherize low-income homes and apartments.
Commerce	Washington (WA) Foreclosure Fairness Program	Provides homeowner foreclosure assistance for offering free housing counseling, civic legal aid, and foreclosure mediation.
Commerce	Mobile/ Manufactured Home Relocation Assistance Program	Reimburses costs of mobile and manufactured home relocation up to \$7,500 for a single-section home and \$12,000 for a multi section home. Also reimburses for demolition, removal, and down payment for another manufactured home.
Commerce	Consolidated Homeless Grant (CHG)	The CHG provides resources to fund homeless crisis response systems to support communities in ending homelessness. Grants are provided to local governments and nonprofits. Funding is from document recording fees authorized through the Homeless Housing and Assistance Act.
Commerce	Brownfield Revolving Loan Fund (BRLF)	Provides technical assistance and low interest loans for cleanup activities on contaminated properties for redevelopment activities, including affordable housing development.
WA Department of Archeology and Historic Preservation (DAHP)	Federal historic tax credit program	A 20% Federal income tax credit on the qualified amount of private investment spent on certified rehabilitation of a National Register listed historic buildings.
Washington State Housing Finance Commission (WSHFC)	Low Income Housing Tax Credits (LIHTC)	The nine percent Low-Income Housing Tax Credit Program (LIHTC) allocates federal income tax credit to developers to encourage the construction and rehabilitation of affordable multifamily housing. Housing credit is allocated through an annual competitive process in which projects are evaluated and scored according to the Commission's established criteria.
WSHFC	Multifamily bond programs	Multifamily Housing Bonds with 4% Low Income Housing Tax Credit provides access to bond and tax credit financing for affordable housing developers.

WSHFC	Bond financing for non-profit facilities	Helps 501(c)(3) nonprofits save money through lower-interest loans for construction, capital improvements and equipment.
WSHFC	Manufactured home community investment program	The Commission helps preserve manufactured home communities by allowing them to purchase and manage their communities.
WSHFC	Land acquisition (for housing non- profits)	The Land Acquisition Program assists eligible nonprofit organizations in Washington state to purchase land suited for either multifamily or single-family affordable housing development.
WSHFC	Home mortgage loan programs	The Commission currently operates two mortgage loan programs: Home Advantage and House Key Opportunity and eleven down payment assistance programs. The Commission works through a network of participating lenders who originate and close the loans.
WSHFC	Down payment assistance	Programs vary, but the Commission offers down payment assistance loans for homebuyers who use the Commission's programs.
WSHFC	Homeowner-ship education programs	Through local partnerships, WSHFC helps homebuyers learn how to purchase and maintain a home. Commission-sponsored homebuyer education seminars are free; open to the public; and include information about the Commission's first mortgage programs, down payment assistance, and other loan programs. Seminars are accepted by all affordable housing loan programs as meeting or exceeding educational requirements.
WSHFC	Sustainable Energy Programs	The Commission offers several ways to affordably develop energy-efficient buildings, upgrade existing buildings and create or conserve energy. Smaller loans are available through the Energy Spark home loan program. The Sustainable Energy Trust (SET) provides low interest loans for energy efficiency or renewable energy projects and a tax-exempt or tax credit bond for larger projects (over \$1 Million).
US Department of Housing and Urban Development (HUD)	Section 8, Public Housing	<p>The "Section 8" housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants can find their own housing, including single family homes, townhouses, and apartments.</p> <p>Public (site-based) housing provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to high rise apartments for elderly families.</p>

HUD	Home Rehabilitation Loan Program (HRLP) (2018)	Provides deferred loans to rural, low-income households that need repairs and improvements on their primary residence for health, safety, or durability. Funding for the loan program comes from the Washington Capital Budget.
HUD	Continuum of Care (CoC) Program	The CoC program provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families.
HUD	Emergency Solutions Grants (ESG)	Grants of federal funds to provide street outreach, emergency shelter, rental assistance, and related services.
HUD	Section 811 Project Rental Assistance (PRA) demonstration	Federal funds provide project- based rental assistance. The program creates collaboration between Commerce and Department of Social and Health Services (DSHS) that will increase rental housing units for persons with disabilities by integrating Section 811 PRA assisted units within existing, new, or rehabilitated multifamily properties.
HUD	Tenant-Based Rental Assistance (TBRA)	Uses federal funds to support communities providing utility, deposit, and ongoing rental assistance. Eligible households are referred to TBRA through local coordinated entry systems.
HUD	Community Development Block Grant (CDBG)	Provides federal funds for the following activities: housing rehabilitation, homeownership assistance, local connections to sewers and affordable housing plans. Can NOT fund new housing construction but can fund infrastructure in support of new affordable housing.
HUD	Indian Community Development Block Grant (ICDBG) Program	Provides direct grants for use in developing viable Indian Communities, including decent housing, a suitable living environment and economic opportunities, primarily for low- and moderate-income persons.
US Department of Agriculture (USDA) Rural Development	Single Family Housing Guaranteed Loan Program	Assists approved lenders in providing loans to low- and moderate-income households for adequate, modest, decent, safe, and sanitary dwellings as their primary residence in eligible rural areas. The program provides a 90% loan note guarantee to approved lenders to reduce the risk of extending 100% loans to eligible rural homebuyers.
USDA Rural Development	Single Family Housing Direct Home Loans (Section 502 Direct Loan Program)	This program, also known as the Section 502 Direct Loan Program, assists low- and very- low-income applicants to obtain decent, safe, and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a brief time. The amount of assistance is determined by the adjusted family income.
USDA Rural Development	Single Family Housing Repair (Section 504 Home Repair) Loans and grants	This program provides loans to very-low-income homeowners to repair, improve or modernize their homes, or grants to elderly very-low-income homeowners to remove health and safety hazards.
USDA Rural Development	Rural Community Development Initiative (RCDI) Grants	RCDI grants are awarded to help support housing, community facilities and community and economic development projects in rural areas. Can be used to provide training, such as homeownership education, or technical assistance, such as strategic plan development.

Community Development Financial Institution	New Market Tax Credit Program	Permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs) in low-income communities. All the qualified equity investments must in turn be used by the CDE to provide investments in low-income communities. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.
Rural Community Assistance Cooperation (RCAC)	Housing Development (non-profits)	RCAC provides support to develop rental or for sale affordable housing and community facilities in the rural west. Support includes technical assistance in LIHTC, USDA Rural Development 515, 514/516, HOME, CDBG, AHP, tax-exempt bonds, state housing trust funds, project-based Section 8, local and state resources, and conventional financing
RCAC	Section 523 Mutual Self-Help Housing	Low-income borrowers work together under the guidance of a non-profit public housing entity (self-help grantee) to build each other's homes. With a construction supervisor on site, building groups perform at least 65% of the construction work required (known as "sweat equity"). In most cases, the grantee also manages the construction loans, develops the building site, provides homeownership training, offers building plans, qualifies the borrower for his/her mortgage and markets the program in the service area.
Local	Sales and use tax for affordable housing	A local vote, or council approval (as of 2020), would authorize a local sales and use tax of up to 0.1 percent per dollar spent. Funds must be used for construction of affordable housing or behavioral health-related facilities for named groups with incomes of 60% or less of county median income.
Local	Free or discounted public land	Public agencies (local government or utility) can discount or gift land they own for "public benefit," defined as affordable housing for households up to 80% AMI.
Local	Affordable housing property tax levy	A local vote may authorize a levy of up to \$0.50 per \$1,000 assessed value for up to ten years to finance affordable housing for very low-income households (equal to or under 50 % AMI). Must declare an affordable housing emergency and have an affordable housing financing plan. Program was expanded in 2020 to allow the use of revenues to include affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for "low-income" households up to 80% of median income.
Local	Affordable and Supportive Housing Sales and Use Tax	RCW 82.14.540 created a revenue-sharing partnership between the state and counties and cities for affordable and supportive housing investments. It authorized a local sales tax option that is a credit against the state sales tax rate of 6.5%. Housing and services may be provided only to persons whose income is at or below 60% of the median income of the city or county imposing the tax.
Local	Sales and Use Tax for Chemical Dependency, Mental Health Services or Therapeutic Courts	RCW 82.14.460 authorized counties to levy a one-tenth of one percent sales and use tax to fund new mental health, chemical dependency, or therapeutic court service. Any county may impose a mental health and chemical dependency sales tax up to 0.1% for mental health and drug treatment purposes.

Local	Real Estate Excise Tax 2 (REET 2)	A 0.25% REET which may be imposed by any city, town or county fully planning under the Growth Management Act (GMA), to be used for "capital projects" specified in the capital facilities plan element of the jurisdiction's comprehensive land use plan, including affordable housing projects through January 1, 2026. Jurisdictions may only use a portion of REET funds on affordable housing.
Local	Impact fee waivers	Impact fee waiver for up to one of fees for permanently restricted affordable housing (for rental or purchase) for households earning less than or equal to 80% AMI. 80% may be waived; but if 100% of fees are waived, 20% must be paid with other public money. A school district receiving impact fees must approve any exemption.
Local	Multifamily tax exemption program	12-year property tax exemption on the value of improvements for 4+ new or rehabilitated, rental or ownership housing units if at least 20% of units are affordable to households earning 115% AMI or less. Must define a "residential targeted area" within an urban center within which the exemption would apply.
Local	Fee waivers for water or sewer connection	Waiver or delay of tap-in charges, connection, or hook-up fees for low-income persons for water, sanitary or storm sewer, electricity, gas, or other utility.
Local	Sewage and solid waste fees	Assistance for sewer and solid waste fees.
Local	Affordable Housing Incentive Programs	Any GMA city or county may enact or expand affordable housing incentive programs through development regulations or conditions on rezoning or permit decisions, or both, on residential, commercial, industrial, or mixed-use development. The program may include mandatory or optional elements, such as density bonuses within the urban growth area, height, and bulk bonuses, fee waivers or exemptions, parking reductions, expedited permitting, or mandatory amount of affordable housing provided by each development.
Local	Community Revitalization Financing (CRF)	The CRF authorizes creation of tax increment areas where community revitalization projects and programs are financed by diverting a portion of the regular property taxes imposed by local governments within the tax increment area.
Local	Local Infrastructure Financing Tool Program (LIFT)	Provides funding for local infrastructure using sales tax, property tax and selected other excise tax increases generated by an economic development project as part of a revenue development area designated by



		the sponsoring local government.
Local	Local Revitalization Tool (LRF)	Authorizes cities and counties to create "revitalization areas" and allows certain revenues to be used for payment of bonds issued for financing local public improvements within the revitalization area.
Local	Deferral of property tax	A claimant may apply to defer payment of 50% of special assessments or real property taxes, or both, provided the household's combined disposable income is \$57,000 or less and the claimant must have paid one-half of the total assessments and taxes for the year.
Local	Tax deferral for retired persons	Allows eligible agencies to provide tax relief to eligible households (less than 75% AMI).
Local	Tax deferral for certain people	Property tax exemption for seniors or veterans with certain qualifications.

## **APPENDIX 2: INDIVIDUAL HOUSING NEEDS ASSESSMENT**

# HOUSING NEEDS ASSESSMENT

## CITY OF SNOQUALMIE, WASHINGTON



# PROJECT OVERVIEW

## WHAT IS A HOUSING NEEDS ASSESSMENT, AND WHY IS THE CITY OF SNOQUALMIE CREATING ONE?

Washington State House Bill 1923, passed in 2020 and codified as [RCW 36.70A.600](#), granted the Washington State Department of Commerce (Commerce) \$5 million in the 2019 Legislative Session to provide grant funds to local governments for activities to increase residential building capacity, streamline development, or develop a Housing Action Plan (HAP). Another round of grant funding was made available in 2021.

The City of Snoqualmie received a grant from Commerce in 2022 to develop a HAP, the goal of which will be to assess current and future housing needs and identify actions and strategies to help the city provide a wider range of housing options available to all income levels.

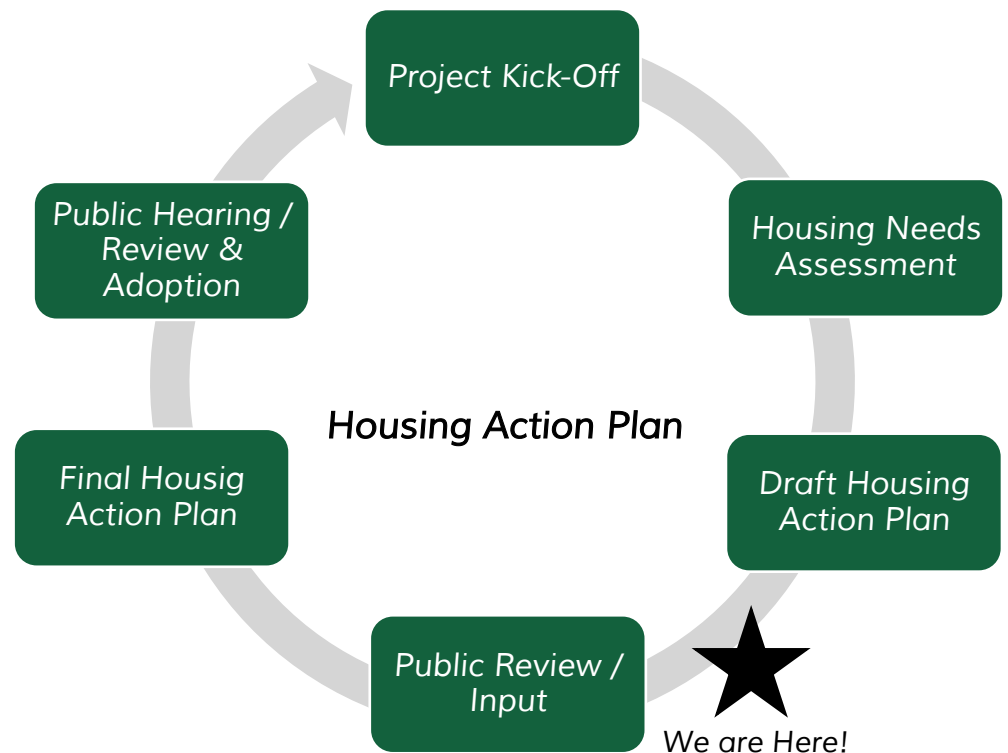
A Housing Needs Assessment (HNA) is a comprehensive study that will be used to inform the HAP. A Regional HNA was completed for the four-city region of Snoqualmie, Carnation, Duvall, and North Bend. This document presents the individual data, further analysis, and findings for Snoqualmie.

## ELEMENTS OF A HOUSING NEEDS ASSESSMENT

1. Community Profile
2. Workforce Profile
3. Housing Inventory
4. Gap Analysis

## QUESTIONS THE HOUSING NEEDS ASSESSMENT WILL HELP ANSWER

1. Who lives and works here, and what are their socioeconomic characteristics?
2. What types of housing are available?
3. How much does housing cost, and what types of housing are needed to meet current and future housing needs?



# HOUSING NEEDS ASSESSMENT OUTLINE

## 1. Community Profile

- a. [Population Characteristics](#)
- b. [Household Characteristics](#)
- c. [Special Housing Needs](#)

## 2. Workforce Profile

- a. [Local Workforce Characteristics](#)
- b. [Jobs to Housing Ratio](#)
- c. [Employment Trends & Projections](#)

## 3. Housing Market

- a. [General Housing Inventory](#)
- b. [Housing Market Conditions](#)
- c. [Special Housing Inventory](#)

## 4. Housing Affordability

## 5. Gap Analysis

### Data Sources:

#### 2020 Decennial Census (US Census Bureau)

#### American Community Survey (ACS)

- Roughly 3.5 million households are surveyed every month, every year
- Explores topics not asked by decennial Census

#### Washington State Office of Financial Management (OFM)

- Obtains data from state and federal agencies, and private businesses

#### United States Department of Housing and Urban Development (HUD)

- Special tabulations of ACS data
- Tax credit affordable housing

#### OnTheMap (OTM)

- Web Application provided by the U.S. Census Bureau
- Maps jurisdictions based on workforce characteristics

#### Employment Security Department (ESD)

- Labor Market and Economic Analysis

#### U.S. Bureau of Labor Statistics

- Quarterly Census of Employment and Wages

#### City of Snoqualmie

- Building permits
- Comprehensive Plan

#### Zillow

- Tracks home values, rental units and market changes on a monthly basis



1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS

6. LAND CAPACITY



# Community Profile

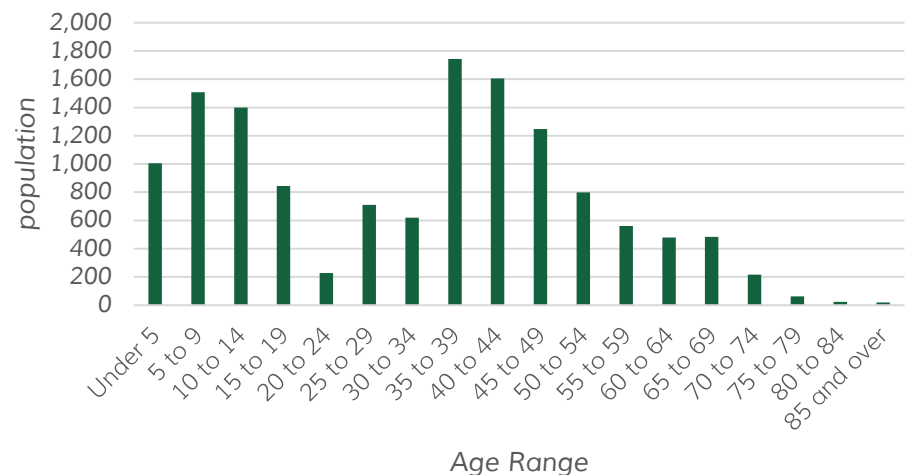
## Population

The Washington State Office of Financial Management (OFM) estimates that **in 2022, Snoqualmie has a population of 14,490 people**. Between 2010 and 2022, Snoqualmie has grown by 3,820 people, an increase of 36 percent over that period (average annual growth rate of 2.58 percent). This is faster than King County's overall rate. Snoqualmie's Comprehensive Plan projects that the **City's population will grow to 15,552 people by 2032**.

As shown in Figure 2, Snoqualmie's population growth over the past several decades was slow from 1980 through 2000 but marked by a big spurt of growth between 2000 and 2020 due to the development of Snoqualmie Ridge. Snoqualmie has grown by only 369 people over the past three years according to OFM as Snoqualmie Ridge has approached full build-out.

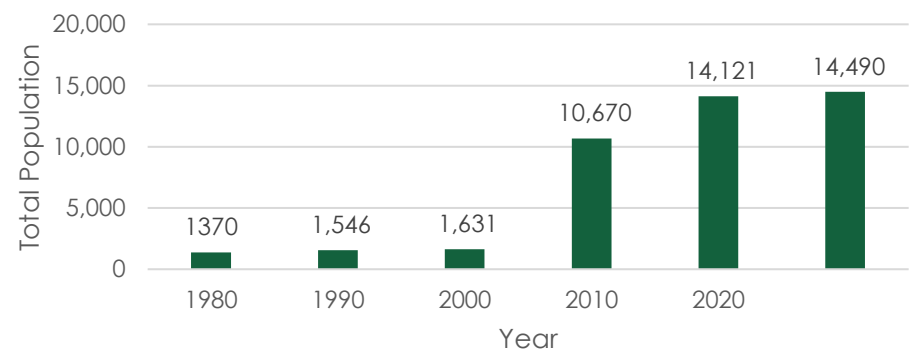
Figure 1 shows that **Snoqualmie's age makeup is concentrated first in adults ages 35 to 44, and then in children ages 5 to 14**. This age distribution could indicate the City has a large number of families at their peak reproduction years with school-aged children. There is a small older population in the City, with only 6.3% of residents over the age of 65. Snoqualmie's median age is 36.3. While not a significant demographic factor currently, the age breakdown dominance by early middle-aged adults with young children means that if today's residents age in the community, by 2040, around a quarter of Snoqualmie's current residents would be 65 or older.

Figure 1. Snoqualmie population by age range



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S0101

Figure 2. Snoqualmie population growth 1980-2022



Source: OFM, April 1 Population Estimates and Historical Intercensal Estimates of Population and Housing



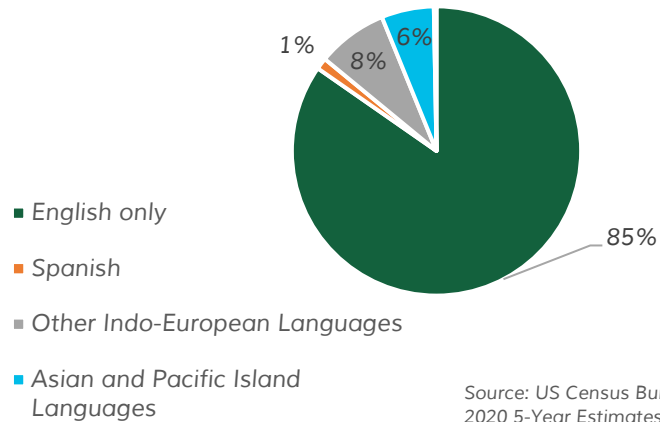
# Community Profile

## Race and Ethnicity

Of the Snoqualmie residents of one race, 81% are White, 13% are Asian, 0.5% are Black or African American, and 0.1% are American Indian and Alaska Native alone. When compared against King County, the City of Snoqualmie has a similar but lower level of population diversity.

As identified in Figure 5, the **dominant language spoken at home by Snoqualmie's residents who are 5 years of age and above is English (84.7 percent)**. The second most spoken language is other Indo-European languages (7.9 percent). Smaller percentages of households speak Asian and other Pacific Island languages and Spanish.

Figure 5. Languages spoken at home, population 5 years and over



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table DP05

Figure 3. Race, 2020

	Population	Percent of Population
White	11,005	81.2%
Black or African American	69	0.5%
American Indian and Alaska Native	10	0.1%
Asian	1,792	13.2%
Native Hawaiian and Other Pacific Islander	0	0.0%
Some other race	64	0.5%
Two or more races	610	4.5%

Source: US Census Bureau, ACS 2020 5-Year Estimates, Table B02001

Figure 4. Ethnicity in Snoqualmie, 2020

	Population	Percent
Hispanic or Latino, any race	661	5%
Not Hispanic or Latino	12,889	95%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates (Table DP05)

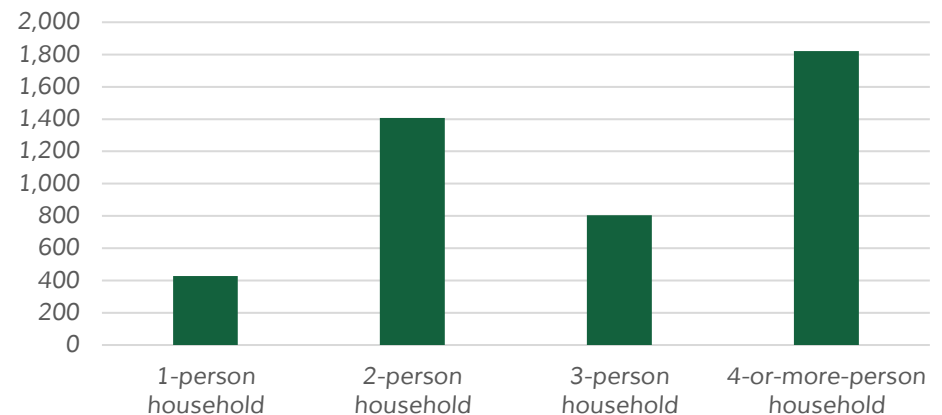
# Community Profile

## Household Size and Tenure

In 2020, there were approximately 4,462 households in Snoqualmie with an average household size of 3.04 people. This is an increase from 3,044 households with an average household size of 2.98 in 2010. 84% of the households in 2020 are owner-occupied while 13% of them are renter-occupied. When comparing against the other jurisdictions in the four-city region, the City of Snoqualmie has the largest number of households. However, when comparing the number of households with population as part of the equation, we see that Snoqualmie actually has a lower percentage of households meaning the average household size is larger than the others.

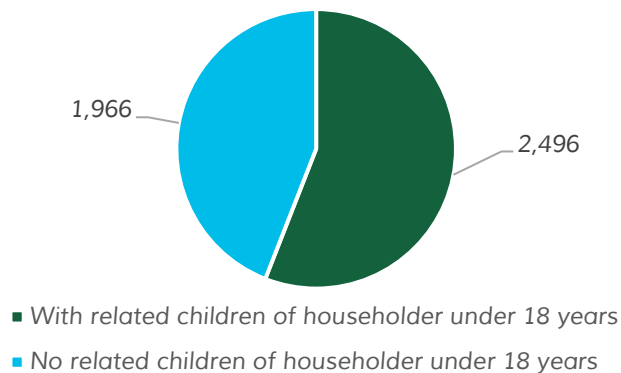
As, identified in Figure 8, **the majority of the Snoqualmie's households (84 percent) own the home that they live in.** This is higher than the overall figure for the state (69 percent).

Figure 6. Persons per Household



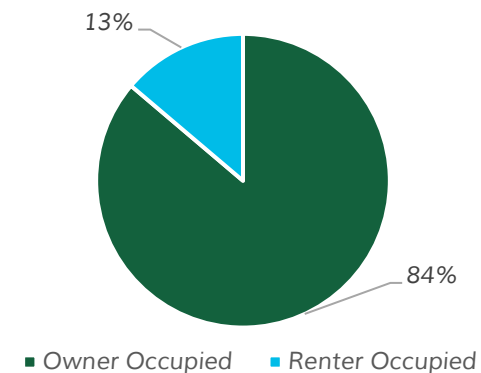
Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

Figure 7. Households with related children



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

Figure 8. Housing tenure in occupied units



Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2501

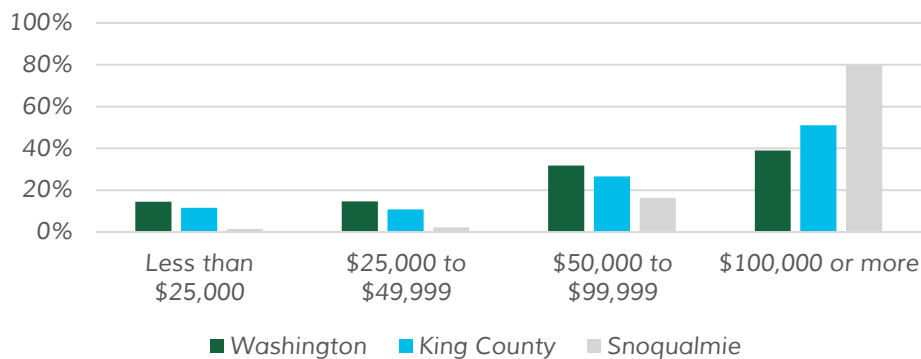
# Community Profile

## Household Financials

As, identified in Figure 9, **Snoqualmie's median household income for 2020 was \$159,450**, which is higher than the median household income for King County and Washington State. The breakdown of incomes in the City of Snoqualmie tends to fall on the higher end of the spectrum. According to the US Census Bureau, 1 percent of the households in Snoqualmie make less than \$25,000 per year, 2 percent make between \$25,000 and \$49,000 per year, 16 percent make between \$50,000 and \$99,999, and 80 percent are making over \$100,000 per year. Between the years 2010 and 2020, the median household income in Snoqualmie increased by 3.2 percent per year from \$116,020 to \$159,450.

The household income distribution in Snoqualmie reveals that the modal value of income ranges is above \$100,000, which broadly tracks the median household income value. Roughly 16 percent of Snoqualmie's households make under \$50,000 per year (Figure 10).

Figure 10. Household income ranges, 2020



Source: US Census Bureau, ACS 2021 5-Year Estimates, Table S1901

Figure 9. Median household income, 2020

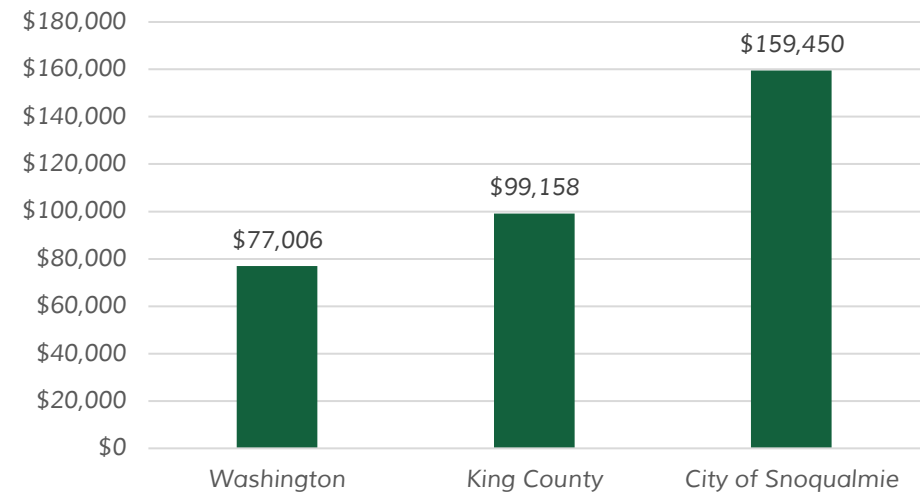
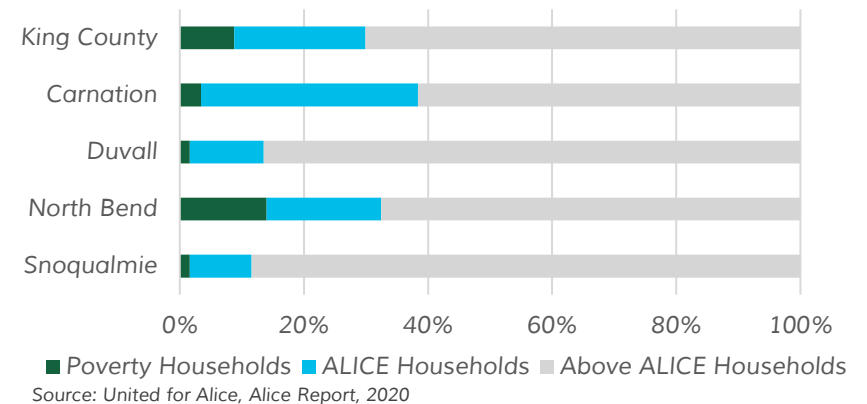


Figure 11. ALICE Data, King County, Select Cities, 2018



Source: United for Alice, Alice Report, 2020



# Community Profile

## Household Characteristics – HUD Income Limits

The US Department of Housing and Urban Development (HUD) publishes Consolidated Planning/CHAS data, which group households by income level relative to MFI. These data include adjustments to account for differences in household size relative to living expenses. The 2022 Income Limits published for the Seattle-Bellevue, WA HUD Metro FMR Area, shown below, calculate eligibility for housing assistance like Section 8 vouchers. To read this table, a family of four making \$38,800 or less per year would be considered extremely low income and may qualify for Section 8 housing vouchers. An extremely low-income two-person household, meanwhile, makes no more than \$31,050 per year in the Seattle-Bellevue metro area. These data are not available specifically for Snoqualmie.

Figure 12. Housing and Urban Development Income Limits

FY 2022 Income Limit Area	Median Family Income	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Seattle- Bellevue, WA HUD Metro FMR Area	\$134,600	Very Low (50%) Income Limits (\$)	45,300	51,800	58,250	64,700	69,900	75,100	80,250	85,450
		Extremely Low Income Limits*	27,200	31,050	34,950	38,800	41,950	45,050	48,150	51,250
		Low (80%) Income Limits (\$)	66,750	76,250	85,800	95,300	102,950	110,550	118,200	125,800

Source: HUD FY 2022 Income Limits

\* Extremely low income was defined in the 2014 Consolidated Appropriations Act as the greater of 60 percent of the Section 8 very low-income limit or the poverty guideline established by HHS, provided it does not exceed the 50 percent very low-income limit.

+ MFI, or Median Family Income, is a special tabulation of the 2015-2019 5-Year ACS prepared by the Census Bureau for HUD to use as the basis for calculating fair market rents. MFI is reported as being higher than median household income as cited on the previous page because MHI includes all households (including 1-person households), while MFI is family households only.

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS



# WORKFORCE

## Snoqualmie's Jobs

As of 2019, the most recent year for which detailed Census job data are available, **Snoqualmie was home to 6,473 workers and 5,053 jobs**. As shown in Figure 13, These jobs are clustered in the historic downtown along SR 202 and adjacent to Snoqualmie Ridge on Snoqualmie Parkway. The **industries that employ the most people in Snoqualmie are Educational Services, Manufacturing, and Accommodation and Food Services** (Figure 14).

Figure 13. Snoqualmie Jobs Distribution

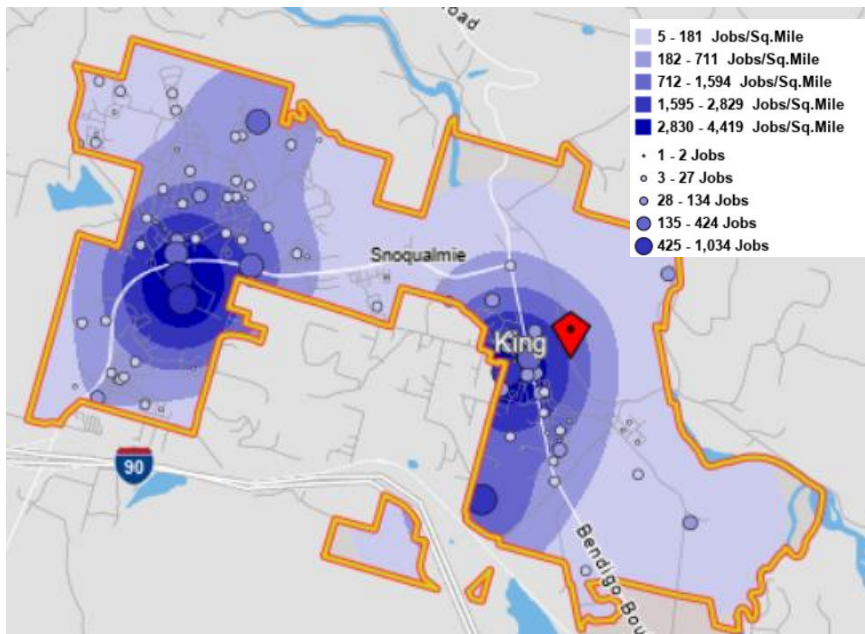


Figure 14. Snoqualmie Jobs by NAICS Industry Sector, 2019

	Jobs	Percent
Agriculture, Forestry, Fishing and Hunting	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction	32	0.6%
Utilities	19	0.4%
Construction	228	4.5%
Manufacturing	842	16.7%
Wholesale Trade	209	4.1%
Retail Trade	104	2.1%
Transportation and Warehousing	29	0.6%
Information	319	6.3%
Finance and Insurance	63	1.2%
Real Estate and Rental and Leasing	28	0.6%
Professional, Scientific, and Technical Services	185	3.7%
Management of Companies and Enterprises	0	0.0%
Administration & Support, Waste Management and Remediation	96	1.9%
Educational Services	1,070	21.2%
Health Care and Social Assistance	526	10.4%
Arts, Entertainment, and Recreation	234	4.6%
Accommodation and Food Services	584	11.6%
Other Services (excluding Public Administration)	139	2.8%
Public Administration	346	6.8%

Source for both Figures 13 and 14: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).



# WORKFORCE

## Job Inflow-Outflow

According to an inflow-outflow analysis from the US Census Bureau from 2019 (the most recent year for which these data are available), Snoqualmie is home to 5,053 jobs and 6,473 employed people. **Approximately 91 percent of employed people (5,883 out of 6,473) who live in Snoqualmie are employed outside of the city limits** (Figure 15), meaning they commute largely to communities like Redmond, Seattle, Issaquah, and Bellevue (Figure 16). The Census also estimates that **of Snoqualmie's 5,053 jobs, approximately 88 percent (4,463 jobs) are filled by workers who live outside of the city limits**. Many of the workers that commute to Snoqualmie come from the west, from communities like Issaquah (Figure 17). This combination of a high percentage of workers who live in Snoqualmie, but work outside of Snoqualmie, and a high percentage of Snoqualmie's jobs being filled by workers who don't live in Snoqualmie, is an important housing-related issue that the Housing Action Plan will help address.

Figure 15. Inflow-Outflow Map

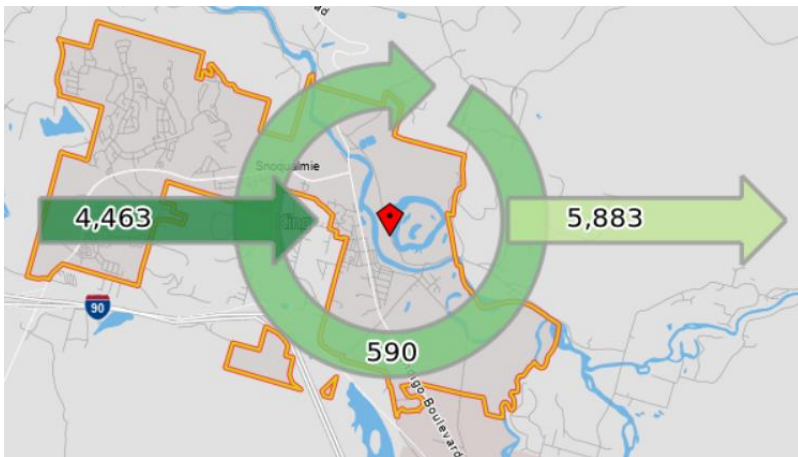


Figure 16. Commute Direction – Workers who live in Snoqualmie

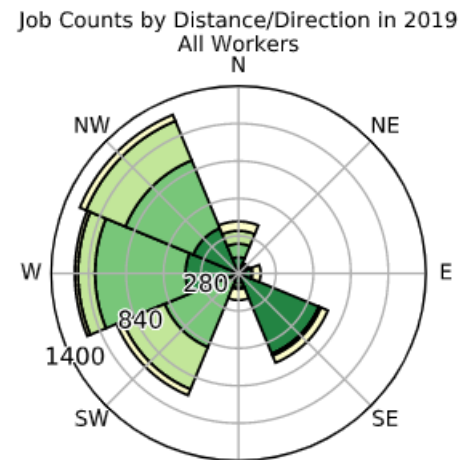
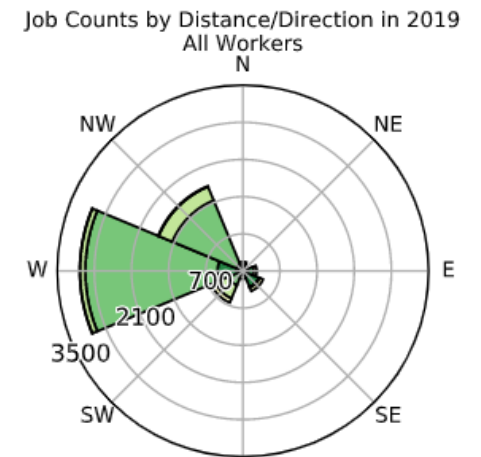


Figure 17. Commute Direction – Workers who live outside of Snoqualmie



Source for Figures 15-17: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

# WORKFORCE

## Earnings

Of the 9,349 people aged 16 years and over in Snoqualmie, 7,574 are in the labor force, for a labor force participation rate of 81 percent. Of those participating in the labor force, 7,378 were employed as of the 2020 American Community Survey, for an unemployment rate of 2.4 percent.

Of Snoqualmie's employed residents in the civilian labor force, 6,186 are private wage and salary workers, 973 work for some level of government, and 219 are self-employed or unpaid family workers.

The median household income in Snoqualmie in 2020 is \$159,450, higher than King County and two of the four cities in the region. Of the 4,462 households in the city, 4,270 report earnings through employment (96 percent). 576 report Social Security or Supplemental Security income (13 percent), 508 report retirement income (11 percent), and 78 report using cash public assistance and/or food stamp/SNAP benefits in the past 12 months (2 percent). Figure 18 at right shows counts and average (mean) annual individual wages across select occupation categories as defined by the Census Bureau and Bureau of Labor Statistics.

1 – ACS 2020 5-Year Estimates Table S2401

2 – ACS 2021 5-Year Estimates Table B24011

\* - no data or large margin of error

**Figure 18. Occupation and Wages, Civilian Employed Population 16+**

Occupation	Count <sup>1</sup>	Average Annual Wages <sup>2</sup>
Management	1,394	\$119,130
Business and financial operations	509	\$84,593
Computer and mathematical	962	\$156,618
Architecture and engineering	439	\$115,886
Life, physical, and social sciences	30	\$164,545
Community and social services	115	\$43,077
Legal	50	\$150,074
Educational instruction and library	466	\$72,885
Art, design, entertainment, sports, and media	226	\$45,694
Health diagnosing and treating practitioners	458	\$67,426
Health technologists and technicians	52	\$56,250
Health care support	42	\$33,150
Protective services (fire, law enforcement)	224	\$86,369
Food preparation and serving	202	\$25,285
Building and grounds clearing and maintenance	46	\$n/a*
Sales and related	937	\$51,350
Office and administrative support	450	\$66,010
Personal care and service occupations	175	\$54,048
Farming, fishing, and forestry	20	\$n/a*
Construction and extraction	276	\$63,942
Installation, maintenance, and repair	33	\$100,833
Production	111	\$88,808
Transportation	109	\$51,607
Material moving	52	\$9,069*



# WORKFORCE

## Future Job Estimates

Job growth forecasts by the Washington State Employment Security Department suggest that industries in the King County region are expected to increase in employment by between 0.2% and 2.5% annually over the next ten years. Using countywide growth projections as a basis, local employment in the four cities of the Snoqualmie Valley Region is projected to increase by 2,277 jobs by 2030. The majority of job growth is projected to occur in the services sector followed by the retail sector (Figure 20). The King County Countywide Planning Policies, in adopting housing and employment growth targets to implement Vision 2050, identifies Snoqualmie as needing to plan for 4,425 additional jobs in addition to the 1,500 housing units.

Figure 20. Employment Forecast in the Snoqualmie Valley Region

Sector	Regional		Projected 2030	
	2019 Emp.	Projected AGR	Emp.	Change
Industrial	2,394	0.2%	2,453	59
Retail	1,046	2.5%	1,374	328
Service	6,540	2.4%	8,474	1,934
Government	463	1.1%	519	56
<b>Total</b>	<b>10,443</b>	<b>1.8%</b>	<b>12,820</b>	<b>2,377</b>

Source: U.S. Census On the Map data, Washington ESD Industry Growth Projections

Figure 19. Projected Employment, Seattle-King County

2020 Employment Estimate	1,401,300
2021 Employment Estimate	1,389,300
2023 Employment Estimate	1,478,500
2025 Employment Estimate	1,547,200
2030 Employment Estimate	1,678,000
Average Annual Growth Rate 2020-2023	1.8%
Average Annual Growth Rate 2023-2025	2.3%
Average Annual Growth Rate 2025-2030	1.64%

Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS



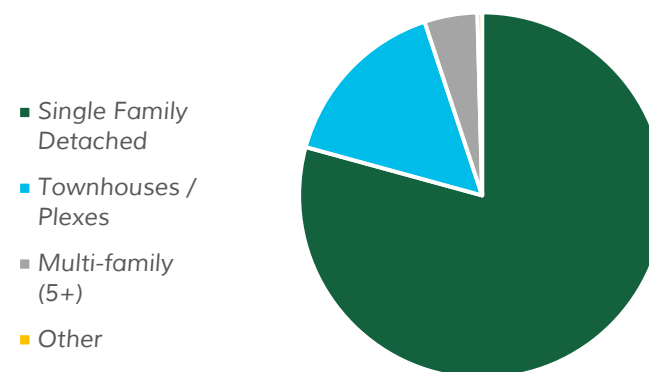
# HOUSING MARKET

## Housing Supply

OFM estimates that **Snoqualmie had approximately 4,674 housing units in 2020.** As shown in Figure 21, the ACS determined that the **vast majority of Snoqualmie's housing stock (79.3 percent) are single-family homes.** Most of Snoqualmie's housing units have 3 or more bedrooms (Figure 22). Also, **approximately 86 percent of the housing units in Snoqualmie are owner occupied.** Additionally, as shown below, **most of Snoqualmie's housing stock was built between 2000 and 2009.** (Note that this does not account for projects in the permitting pipeline, as these survey data were collected over a 5-year span from 2016 to 2020.)

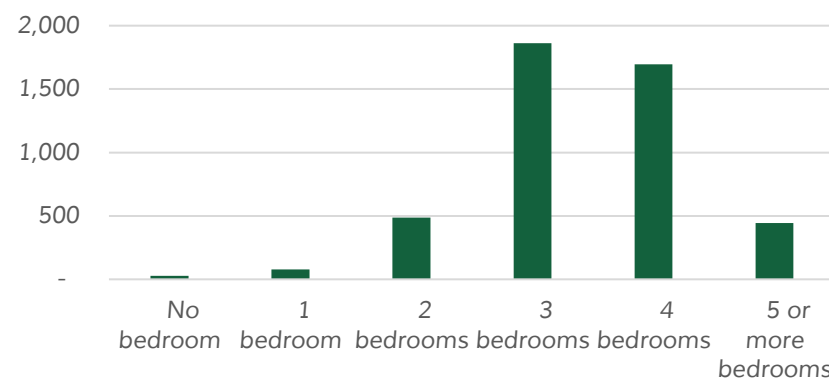
The 2020 ACS estimates that the **overall vacancy rate in Snoqualmie was 2.9 percent during the survey period.** Vacancy rates are said to represent a healthy balance between supply and demand when rates are 5 to 6 percent. This indicates a potential for upward pressure on prices and therefore new construction. More recent data are needed to fully understand the price pressure on supply but rising prices and relatively slow new construction indicate that supply may not be keeping pace with demand.

Figure 21. Housing units by type, 2020



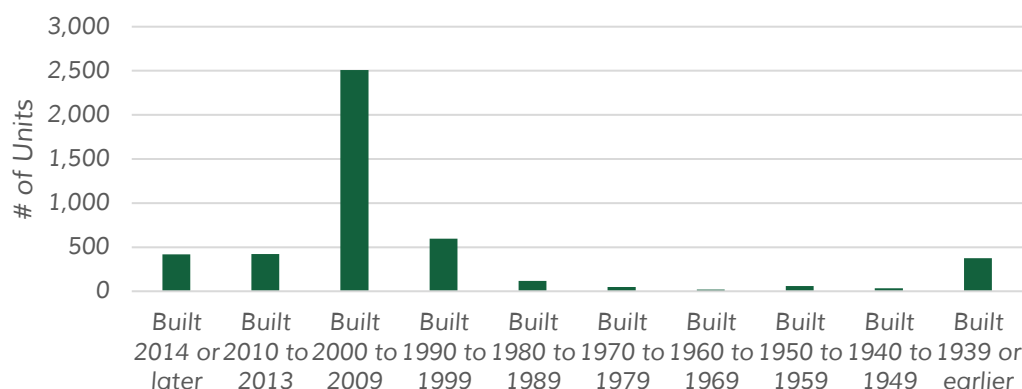
Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25024)

Figure 22. Number of bedrooms in housing units, 2020



Source for Figures 21-23: US Census Bureau, ACS 2020 5-Year Estimates, Table DP04

Figure 23. Year structure built

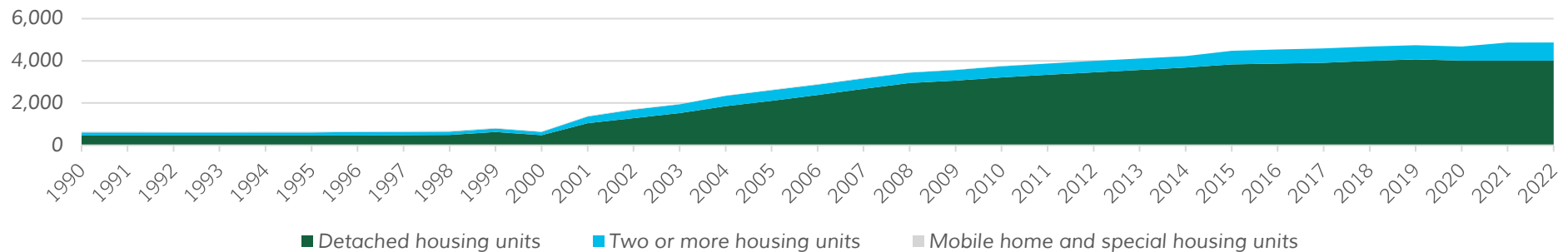


# HOUSING MARKET

## Housing Construction

As shown in Figure 24, according to the state Office of Financial Management, **the majority of the housing units constructed in Snoqualmie since 1990 have been single-family homes, with a steep rise after 2000 with the development of Snoqualmie Ridge.** There has been far less construction of multi-family units than single-family, with only **10 net new multi-family units being constructed between 1990 and 2022.** Similarly, the number of mobile homes or other housing units fell prior to 2000 and came back up to previous levels in 2010, but the overall trend is flat.

Figure 24. Permitted housing units by type, 1990-2022



Source: Office of Financial Management Postcensal estimates of housing, 1980, 1990-present

According to data submitted by the cities for the Regional Housing Needs Assessment, Snoqualmie has actually issued building permits for a total of 47 new residential units between 2019 and 2021, which is not yet reflected in the OFM totals.

*note: this will be updated with new permits not counted in the city's initial response to the data request.*

Figure 25. New Building Permits Issued 2019-22

Residential New Building Permits Issued: 2019-22			
	2019	2020	2021
Snoqualmie	4	-	-
Carnation	11	19	17
Duvall	40	208	26
North Bend	85	142	143
<b>Total</b>	<b>140</b>	<b>369</b>	<b>186</b>

Source: Building permit data provided by cities.



# HOUSING MARKET

## Housing Demand

The 2018 Snoqualmie Comprehensive Plan anticipates that **Snoqualmie will grow from 10,670 people in 2010 to 15,552 people by 2032, a growth of 4,882 people in 12 years.** The adopted King County Countywide Planning Policies, in implementation of the regional growth strategy outlined in PSRC's Vision 2050, identify a housing target of 1,500 new housing units by 2044. The city has 421 units in the permitting pipeline since the baseline data were collected, meaning that if Snoqualmie meets its housing targets, **1,079 new housing units will be needed by 2044.**

The demographic breakdown for Snoqualmie shows that 60 percent of the city's population is a member of the Millennial generation or Generation Z (younger than 40). Importantly, Snoqualmie has a higher percentage of its population in the Millennial generation than the other cities in the region. This is important because while Millennials are the most likely generation to have young children, this means Millennial households with children will likely be empty nesters nearing retirement in 20 years. Furthermore, Millennials have less accumulated wealth and are less likely than previous generations were at this stage to own homes or have retirement savings. Also, **while only 6 percent of the city is currently aged 65 and over, if current adults age in place, the city will be 23 percent over the age of 65 by 2040.**

Additionally, Snoqualmie has a high proportion of its population making 120 percent or more of the area median income. While housing is expensive in Snoqualmie, households here are likely to have more buying power than some other peer communities.

Figure 26 Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S0101

Figure 27 Source: US Census Bureau, ACS 2020 5-Year Estimates, Table S2503

Figure 26. Population by generation, 2020

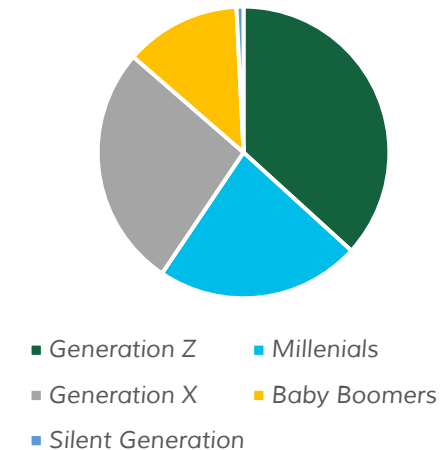
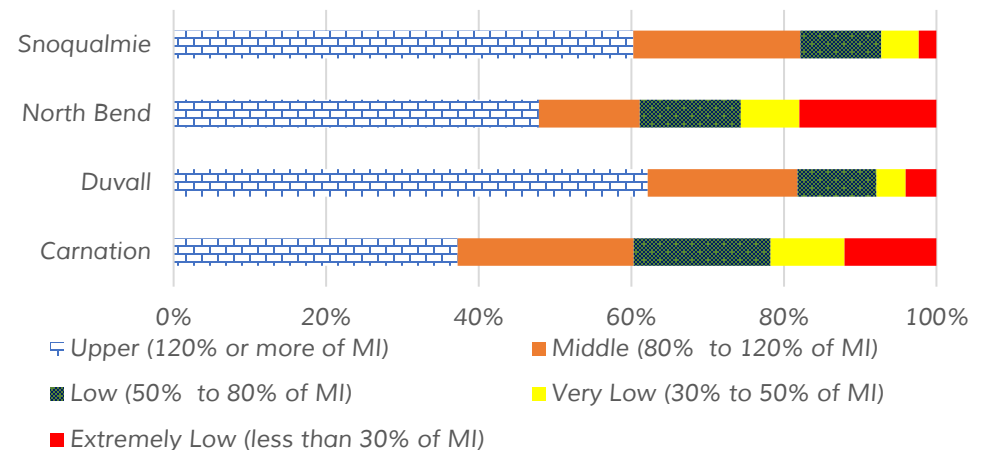


Figure 27. Households by HUD Income Threshold, 2020



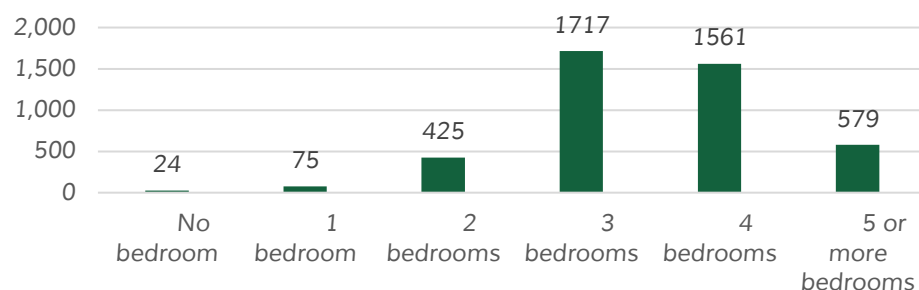


# HOUSING MARKET

## Housing Demand

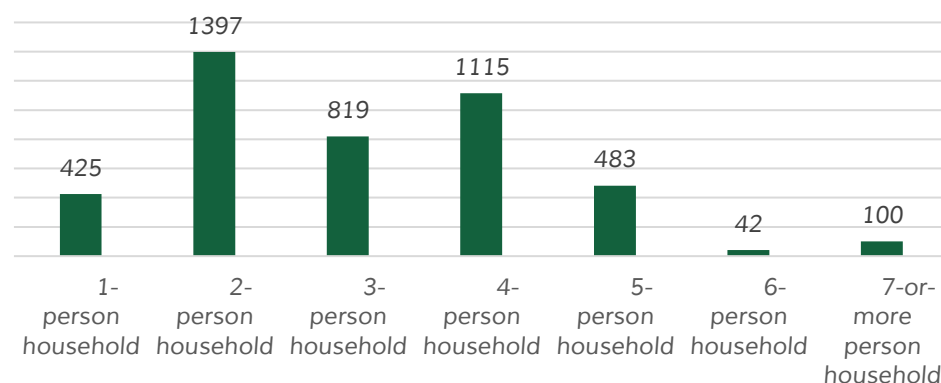
One way of examining how well Snoqualmie's housing stock matches with its demand is by comparing the size of units with the number of people in households. While there are certainly many reasons why a household might choose to live in a housing unit with more bedrooms than they might technically need, starting with the largest housing units for the largest families can help determine whether there is a supply and demand mismatch for smaller households.

Figure 28. Number of bedrooms in occupied housing units, 2020



Sources: ACS 2020 5-Year Estimates, Table B25009 (right) and B25042 (left)

Figure 29. People per household, 2020



Based on these data, we can assign households to their likeliest housing unit size starting with the largest households as seen below. Orange highlight means households that could be over-housed. This analysis shows that as many as 2,461 households in Snoqualmie may be over-housed, indicating a lack of supply of units more appropriate to smaller households.

Figure 30. Analysis of Household Size and Housing Unit Size

Bedrooms, Occupied Housing Units	Total	7-person HH	6-person HH	5-person HH	4-person HH	3-person HH	2-person HH	1-person HH
No bedroom (studio)	24							24
1 bedroom	75							75
2 bedrooms	425						99	326
3 bedrooms	1,717					419	1,298	
4 bedrooms	1,561			46	1,115	400		
5 + bedrooms	579	100	42	437				

Sources: ACS 2020 5-Year Estimates, Tables B25009 and B25042. Analysis by LDC, Inc.

1. COMMUNITY PROFILE

2. WORKFORCE

3. HOUSING MARKET

4. HOUSING AFFORDABILITY

5. HOUSING GAPS





## 4. HOUSING AFFORDABILITY

Rents and housing prices have increased substantially between 2010 and 2020 in Snoqualmie, King County, and Washington State as a whole. As shown in Figure 31, median rent prices in Snoqualmie between 2010 and 2020 have risen by approximately 43 percent, which is less than both King County (69 percent increase) and Washington State (51 percent increase), although the raw values are much higher. Median home prices have grown more slowly than median monthly rents at a rate of 34 percent (Figure 32).

As shown in Figure 33 (next page), Zillow estimates that the median home price in Snoqualmie has risen from \$697,735 in August 2020 to \$1,011,912 in August 2022 (a 45 percent increase). The vacancy rate for owner-occupied homes is about 2.2 percent and is effectively 0 percent for rental homes, which indicates that demand for both owner-occupied homes and rental homes greatly exceeds supply.



Figure 31. Median monthly rent, 2010 and 2020

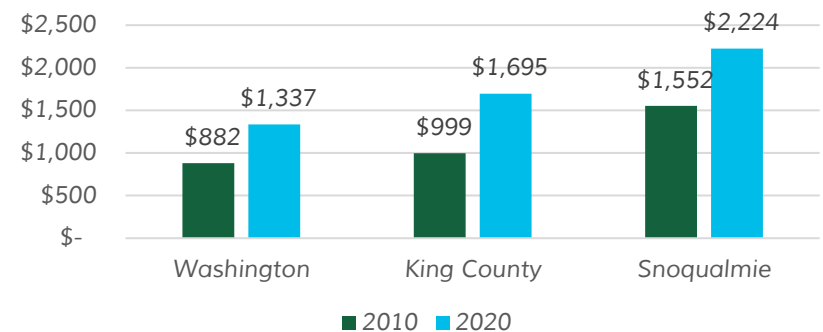
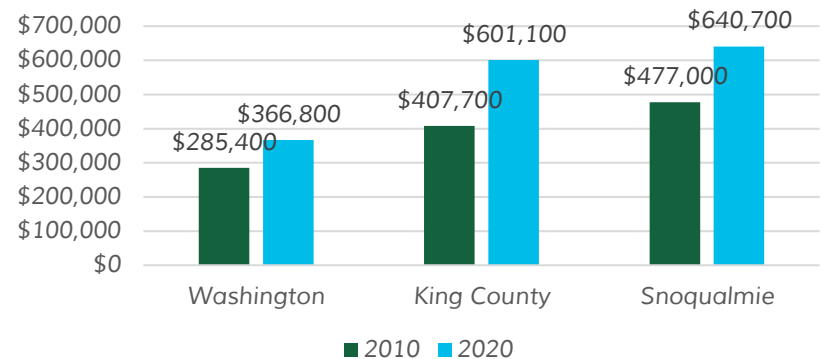


Figure 32. Median home value, 2010 and 2020

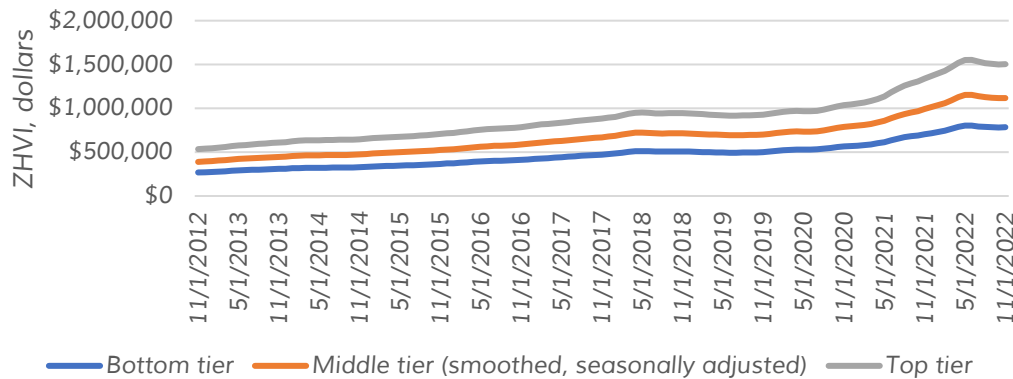


Source: US Census Bureau, ACS 2020 5-Year Estimates, Table D404

# Housing Affordability

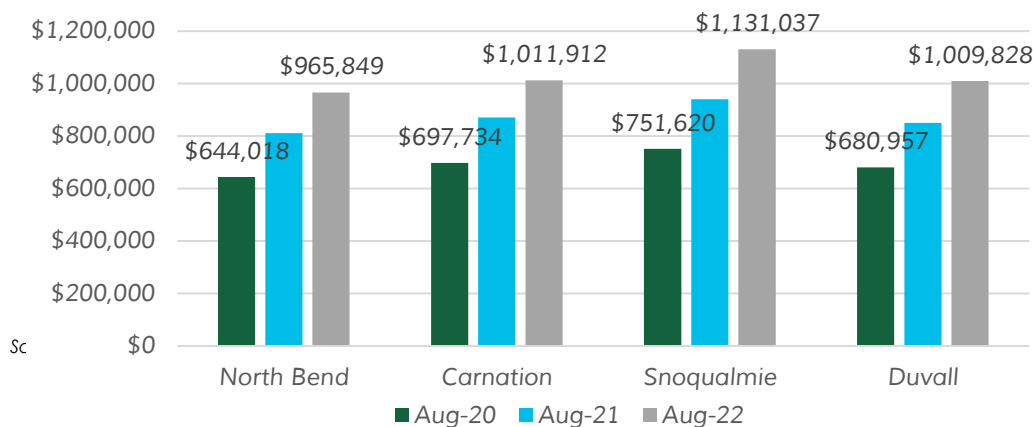
The price of single-family homes has risen extremely quickly since 2020. The “mid-tier” home value as estimated by the real estate data company Zillow near the end of 2022 was \$1,116,641, up 42 percent from two years ago. Top-tier homes (top third of estimated home values) rose 45 percent over that time, while bottom-tier (bottom one-third of values) homes rose 39 percent as shown in Figure 33 below. The median home sales price, as reported from RMLS data via the Regional Housing Needs Assessment, rose even faster over the past two years, from \$751,620 in 2020 to \$1,131,037 in 2022, an increase of 50 percent (Figure 35).

Figure 33. Snoqualmie home value estimates, 2012-2022



Source: Zillow ZHVI All Homes (SFR, Condo/Co-op) Bottom, Mid, and Top Tier

Figure 35. Median home sales price, select cities, 2020-2022



Source: RMLS data as of 8/18/22

By comparing the median household income to the median home price, we can better understand home ownership attainability in the Snoqualmie Valley Region. As shown Figure 34 below, a household would need to earn at least 183% of the regional median household income level to be able to “afford” a median priced home of \$1,050,000 (assuming they have 10% down payment and allocate no more than 30% of income to housing). Fewer than 34 percent of Snoqualmie’s households could afford the median home under these conditions.

Figure 34. Housing Attainability Calculations

## Snoqualmie Valley Region Housing Attainability

Regional Median Household Income (2022)*	\$134,600
Regional Housing Cost (median price, 2022)	\$1,029,657
Downpayment (@10%)	\$102,966
Mortgage Amount (Principal and interest only)	\$926,691
Monthly Housing Payment**	(\$6,161)
Annual Qualifying Income (@30% of income)	\$246,433
Percent of MHI for qualifying households	183%

\* based on current U.S. Housing and Urban Development data for FY 2022.

\*\* assumes 10% down payment on 30-yr mortgage @ 6.9% APR interest.

Source: FCS Analysis from Regional Housing Needs Assessment

# Housing Affordability

Many of Snoqualmie’s households, especially renters are burdened by the cost of their housing and pay more than a third of their annual income towards the cost of their housing. For instance, as of 2019 (the latest year for which detailed estimates are available), approximately 23 percent (1,000 households) of Snoqualmie’s households were cost burdened. Of these cost burdened households, renter households are much more likely to pay more than a third of their income toward housing, with 32 percent of renter households being cost burdened, compared to 21 percent of households who live in owner-occupied units.

**Figure 36. Cost Burdened Households, 2015-2019**

Cost Burden	Renter Households		Owner Households		Total Households	
	> 30%	> 50%	> 30%	> 50%	> 30%	> 50%
Household Income ≤ 30% HAMFI	34	4	4	4	45	15
Household Income >30% to ≤50% HAMFI	60	0	100	60	160	60
Household Income >50% to ≤80% HAMFI	30	0	220	85	255	85
Household Income >80% to ≤100% HAMFI	90	0	125	0	215	0
Household Income >100% HAMFI	0	0	325	15	325	15
<b>Total</b>	<b>214</b>	<b>4</b>	<b>774</b>	<b>164</b>	<b>1,000</b>	<b>168</b>

Source: HUD-CHAS Tabulations of 2015-2019 ACS 5-Year Estimates. Note that the renter plus owner numbers do not necessarily add up to the total due to low-number rounding by HUD.

Using the more stringent “severe cost burden” threshold (households paying more than 50 percent of their income in rent or housing costs, only 1 percent of Snoqualmie residents are severely cost burdened, according to the most recent data.

All told, according to the HUD-CHAS data, as of 2019, there were 214 households who rent their unit and pay more than 30 percent of their incomes toward rent or housing. There were 774 households who own their unit who were cost burdened.



# Housing Affordability

## RACIAL AND ETHNIC DISPARITIES MERIT A TARGETED APPROACH TO RELIEVING COST BURDEN

Among households who own their housing units, 21 percent of white, non-Hispanic households (head of household) who own their homes face some level of cost burden. 34 percent of white households who rent their units face cost burden. While some racial groups report low numbers due to sampling error and data disaggregation performed by HUD and the census bureau for privacy reasons, 17 percent of Asian-headed homeowner households, 41 percent of Hispanic-headed homeowner households, and 38 percent of Hispanic-headed renter households face some level of cost burden.

Despite the limitations of these data due to margins of error and sample size, it is clear that cost burden is not just a problem facing renters.

**Figure 37. Cost Burdened Households by Race**

	Owner Occupied				Renter Occupied			
	Not Cost Burdened	Cost Burdened	Severely Cost Burdened	Not Computed (No/Negative income)	Not Cost Burdened	Cost Burdened	Severely Cost Burdened	Not Computed (No/Negative income)
White, Non-Hispanic	2,460	490	170	0	295	155	4	20
Black or African-American, Non-Hispanic	20	0	0	0	0	0	0	0
Asian, Non-Hispanic	340	70	0	0	50	0	0	0
American Indian or Alaska Native, Non-Hispanic	0	0	0	0	0	0	0	0
Pacific Islander, Non-Hispanic	0	0	0	0	0	0	0	0
Hispanic, Any Race	50	35	0	0	25	15	0	0
Other (including Multiple Races), Non-Hispanic	40	20	0	0	60	45	0	0

Source: HUD-CHAS Tabulations of 2015-2019 ACS 5-Year Estimates; Table 9

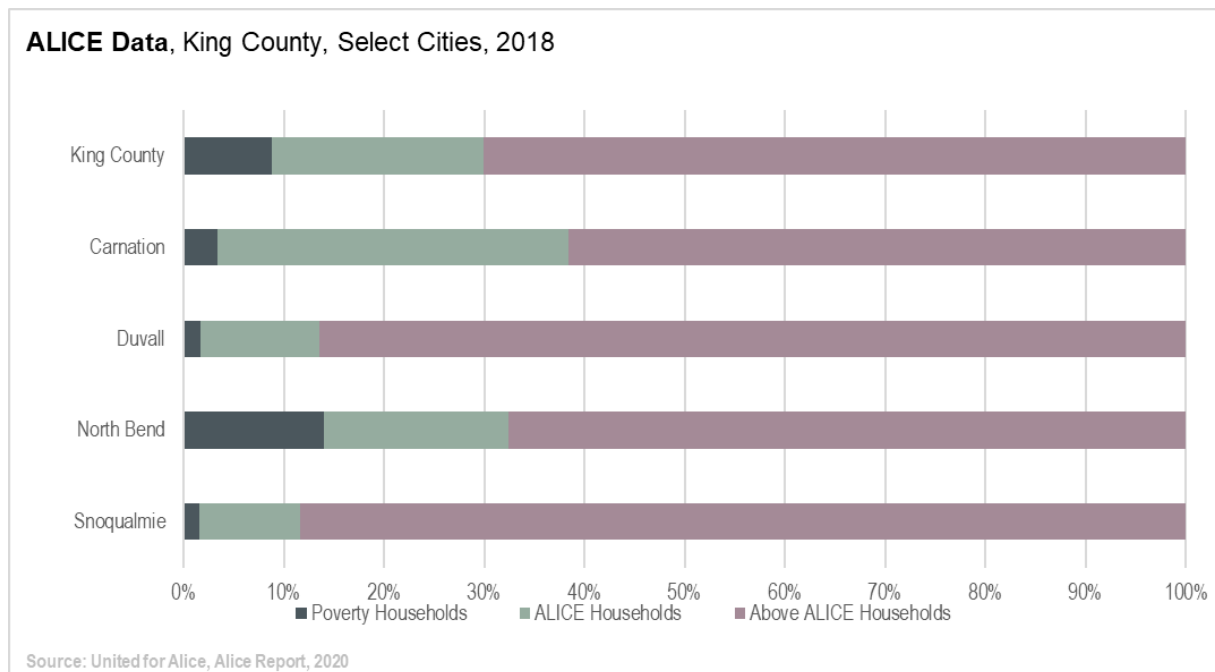
# Housing Affordability

## ASSET LIMITED AND INCOME CONSTRAINED & EMPLOYED RESIDENTS (ALICE)

The Snoqualmie Valley Regional Housing Needs Assessment (included as Appendix B of the Housing Action Plan) presents data by city on the proportion of residents facing overall economic hardship as measured by the United Way through its ALICE framework. ALICE, which stands for Asset Limited, Income Constrained, Employed, considers the total cost of household essentials, including housing, childcare, food, transportation, technology, and health care, plus taxes and a 10 percent contingency. Colloquially, it can be useful to think of the ALICE threshold as defining working class or the working poor.

Using this methodology, the Regional HNA finds that around 10 percent of Snoqualmie households can be described by the ALICE threshold. This, plus, the roughly 2 percent of households who meet the federal definition of poverty, give Snoqualmie a lower combined poverty share than the county and the lowest in the region.

Figure 38. Asset-Limited, Income-Constrained, Employed Data



1. COMMUNITY PROFILE
2. WORKFORCE
3. HOUSING MARKET
4. HOUSING AFFORDABILITY
5. HOUSING GAPS



## 5. HOUSING GAPS

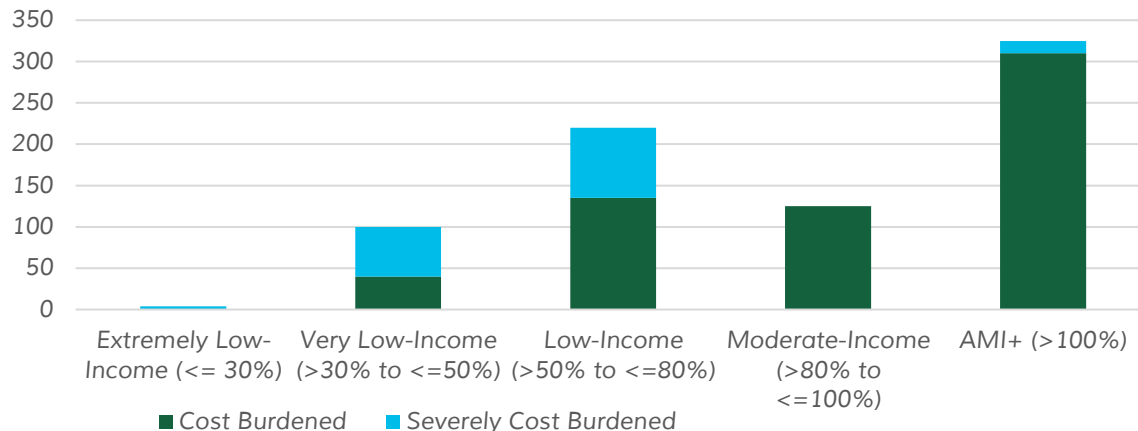
There are two primary components to the analysis of housing gaps: the current gap between the supply and demand of housing units that are affordable to Snoqualmie's current households, and an estimate of how many more units (and what kinds of units) are needed to accommodate the projected growth over the planning horizon.

### CURRENT GAP

Using the 2015-2019 HUD-CHAS data on cost burden, Snoqualmie was during that period home to 214 households who rent their housing unit who are cost burdened (paying more than 30 percent of their incomes in rent). There are also 324 households making 80 percent or below of the AMI who own their unit who are cost burdened. There are **188** units of subsidized affordable housing at the Panorama Apartments project aimed at low-income households that did not exist during the survey period. Therefore, the current gap between what is affordable and available for households making under 80 percent of the median income and the current demand is **350 units**. If a more restrictive threshold of paying more than 50 percent of income toward housing is used, there are 14 renting households and 39 owning households who are paying at least 50 percent of their incomes toward rent, for a total gap (after deducting subsidized units) of **164 units**. These cost burden figures are illustrated in Figure 38 below.

Another way of examining the current housing gap can be illustrated by comparing the size of current housing units and the sizes of households. As shown in Figure 30 on page 19, Snoqualmie may have 326 one-person households potentially living in 2-bedroom housing

Figure 39. Household income distribution by level of cost burden



Source: HUD-CHAS Tabulations of 2015-2019 ACS 5-Year Estimates

Figure 40. Income ranges for affordability calculations

Income Grouping for Cost Burden Analysis	Income Range
Less than 30% Area Median Family Income	Less than \$38,800
30 - 50% Area Median Income	\$38,800- \$64,700
50 - 80% Area Median Income	\$64,700- \$95,300
80 - 100% Area Median Income	\$95,300- \$134,600
100% Area Median Income and Above	\$134,600 and above

Source: HUD Fiscal Year 2022 Income Limits

## Housing Gaps Continued

units, 1,298 two-person households likely living in 3-bedroom housing units, 400 three-person households likely living in 4-bedroom housing units, and 437 five-person households living in 5+ bedroom homes. Another way of describing the current housing gap, therefore, might be that **up to 2,461 households** in Snoqualmie are living in dwelling units that may be too large for their needs in part because not enough smaller units are available. While this figure cannot be directly compared to the gaps identified above based on cost burden, it provides a useful window into the types of housing that the city currently lacks in sufficient numbers.

### PROJECTED GAP

The housing target for 2019-2044 for Snoqualmie, per the adopted King County Countywide Planning Policies, is 1,500 units. The city has 421 net new units in the permitting pipeline between January 1, 2019 and June 2022. After subtracting the pipeline projects, as documented in the Regional HNA, the city needs to account for 1,079 additional housing units (the city has remaining capacity for 696 housing units, for a deficit of 383 units).

The city currently is short 350 housing units that are affordable to current households making less than 80 percent of the area median income. Around 1,079 units are needed to account for projected growth. This means **the total gap is 1,429 units, or 65 units per year through 2044.**

### SNOQUALMIE HOUSING GAP CALCULATIONS

#### Projected gap

Housing target, 2019 – 2044: 1,500 units

Net new units in pipeline, 2019- 2022: 421

Remaining housing units needed: **1,079 units**

#### Total gap

Current affordability gap: 350 units

Projected Gap: 1,079 units

Total Gap: 350 + 1,079 = **1,429 units**

Number of new housing units needed per year, on average, 2023 -2044: **65 units per year**



## APPENDIX 3: HOUSING POLICY TABLE

Comprehensive Plan Policy Summary – City of Snoqualmie													
Policy Info					Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
<b>Housing</b>  <b>Goal 4:</b>  <b>A broad range of durable and energy-efficient housing options are available for all income levels to support a complete and sustainable community.</b>	1. Housing Preservation and Improvement	<b>4.1</b> The integrity of Snoqualmie's existing older neighborhoods has been maintained to provide a range of diverse, affordable housing choices that supports the community's character and distinctiveness.	4.1.1	Maintain zoning and development regulations that support the continued integrity and ongoing residential use of existing older neighborhoods and housing wherever feasible.	X								
			4.1.2	As available, seek funding to assist homeowners in the 100-year floodplain with housing elevations.	X								X
			4.1.3	Make street, storm drainage, sidewalk, streetscape and other infrastructure improvements as appropriate to support revitalization of housing, protect	X								

Comprehensive Plan Policy Summary – City of Snoqualmie													
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				significant capital investments, avoid higher costs from deferred maintenance, and preserve property values.									
			4.1.4	Work with Residential Owners Associations like the Ridge ROA to implement comprehensive plan policies.	X								
			4.1.5	Support the rehabilitation or relocation of existing, structurally sound housing, and provide referrals where appropriate to agencies such as the King County Home Repair program to facilitate reuse.	X								X

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.1.6	Assist in the effort to reach low-income households eligible for free weatherization through existing programs.						X	X		
	2. Diverse Housing	4.2 A sufficient mix of housing types, sizes, costs and densities enables current and future citizens from a wide range of economic levels, age groups and household make-ups to live within the City and provides housing to meet the needs of local employees.	4.2.1	Encourage innovative housing that helps promote City goals for affordability, high-quality sustainable design, and housing to meet diverse household sizes, types and age ranges, and consider flexibility in density and design standards to support such projects.	X	X	X	X	X	X	X	X	

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.2.2	Encourage accessory dwelling units and small-lot housing through appropriate regulation and incentive programs, with regulations that minimize procedural requirements and address neighborhood compatibility.					X				
			4.2.3	In residential areas with alley access, encourage and allow for small-lot and cottage housing subject to regulations to address issues of neighborhood compatibility, such as reduced or aggregated parking areas, streetscape orientation, common amenities, and open space.	X								X

Comprehensive Plan Policy Summary – City of Snoqualmie													
Policy Info					Policy Categories								
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			4.2.4	Assure that land use regulations allow for the siting and operating of emergency, transitional and permanent special needs housing, and ensure that sufficient land is zoned to allow their location near shops, services, and transit.							X		X
			4.2.5	To increase opportunities for seniors to live in accessible housing with nearby services, allow and encourage a range of housing types for senior, such as independent living, various degrees of assisted living, and skilled nursing care facilities, and provide incentives for developing senior							X		



Comprehensive Plan Policy Summary – City of Snoqualmie													
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				housing such as reduced or waived permit fees, density bonuses and reduced parking requirements.									
			4.2.6	Require some number of living units in Planned Residential zones to be designed with Universal Design principles, so that there is at least one no-step entrance, the master bedroom suite or all bedrooms are on the ground floor and the floor plan is wheelchair-friendly.							X		
			4.2.7	Support the development of rental apartments that are appropriate for families with children, including the provision of services, recreation, and other amenities as feasible.				X					

Comprehensive Plan Policy Summary – City of Snoqualmie													
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	3. Affordable Housing	4.3 A sufficient amount of quality affordable housing with healthy living environments is available to meet the needs of low and moderate-income residents, and provide the opportunity for our business' lower-wage employees to live within the City.	4.3.1	Strive to meet the targets established and defined in the Countywide Planning Policies for low- and moderate-income housing as a percentage of projected overall household inventory.						X			
			4.3.2	Work with County, State, Federal and non-profit organizations to create and retain affordable housing, and apply for federal and state housing funds available to assist in the development or improvement of affordable housing.						X			

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.3.3	Evaluate the supply and condition of affordable housing in the City every five years to measure the effectiveness of City housing policies, regulations and incentives and provide assistance to retain low-income units where feasible.						X			

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.3.4	To the maximum extent feasible, require affordable housing to be: provided in new Mixed Use, Planned Residential and Innovative Development district projects; either proximal to services or dispersed throughout new developments; and include an appropriate mix of rental and owner-occupied units that are made available to people with qualifying incomes.						X			

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.3.5	With the cooperation of other government entities, non-profit housing organizations, and housing developers, investigate alternative means for keeping affordable housing affordable, so that units do not immediately appreciate beyond the reach of applicable income levels.						X			
			4.3.6	Consider strategies and mechanisms such as density bonuses, expedited permit processes, and where allowed by law, tax waivers and relief from development fees, to encourage very low- and low-income housing development.						X			



Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.3.7	Grant priority to the development review process for projects providing 15 percent or more of the proposed residential units as affordable units.						X			
			4.3.8	Encourage development and utilization of Community Land Trusts as one tool for addressing the community's affordable housing needs.						X			

Comprehensive Plan Policy Summary – City of Snoqualmie													
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	4. Sustainable Design & Construction	4.4 The City supports sustainable housing design through applicable code, programs, partnerships and educational efforts	4.4.1	To reduce housing operation and maintenance costs, energy use and impact on natural resources, encourage the use of high quality, durable, and low-maintenance building materials, high-efficiency energy systems, and environmentally responsible building principles in all new housing and renovation projects.									X
			4.4.2	Provide education to citizens on green housing renovation options and energy conservation.									X

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.4.3	Require new housing developments to provide streetscape improvements, open space, and recreation amenities to support the City's urban forest goals, establish a sense of neighborhood cohesion and permanence, and promote community distinctiveness.									X
			4.4.4	Utilize floor area ratio and other standards as appropriate to promote housing that is affordable, in-scale with the lot, and has reduced environmental impacts over its lifetime.						X			X

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			4.4.5	Maintain a Housing Inspection and Code Enforcement Program to ensure the continued safety and viability of rental housing, with annual Building Department inspections.		X		X		X			
<b>Land Use</b> <b>Goal 7:</b>	1. Urban Growth Area	7.1 Snoqualmie's urban growth area is sufficiently sized and configured to accommodate projected growth, and maintains long term compatibility between a range of land uses.	7.1.1	Maintain a sufficient supply of suitable land in the applicable land use designations within the City and urban growth area to ensure residential development capacity meets or exceeds the City's twenty-year housing projections.									

Comprehensive Plan Policy Summary – City of Snoqualmie													
Policy Info					Policy Categories								
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	2. Balanced, Healthy Development Pattern	7.2 A generally compact development pattern of physically connected, distinct, complete neighborhoods that provide for a balanced mix of land uses essential to the daily life of Snoqualmie citizens, employees and surrounding rural area residents.	7.2.1	Zone to allow and encourage mixed-use areas that integrate residential, commercial, office and public uses so that housing, jobs, daily needs and other activities are within easy walking distance of each-other.				X					X
			7.2.2	Direct development of higher-density housing to areas in close proximity to shops, public facilities and transit stops to help create place and identity, reduce commuting expenses, reduce greenhouse gas emissions and encourage physical activity.				X					



Comprehensive Plan Policy Summary – City of Snoqualmie													
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			7.2.3	Encourage land assembly allowing for feasible and attractive housing or mixed housing/commercial developments, and facilitate matching compatible owners that can work jointly to consolidate and sell or develop such land.				X					X
			7.2.4	Maintain a town and neighborhood center focus for the Historic Snoqualmie and Snoqualmie Ridge neighborhoods that combines commercial, civic, cultural, residential and recreational uses.				X					X

Comprehensive Plan Policy Summary – City of Snoqualmie													
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	3. Floodplain Land Use	7.3 Development and conservation within the 100-year floodplain is managed to protect existing and new development from flood hazards and to promote enjoyment of the natural and scenic character of the Snoqualmie River shoreline.	7.3.1	Limit creation of new single family residential lots in the floodplain to low density where roads and services are adjacent, but allow for small lot infill and redevelopment with attached townhomes and residential units above commercial uses in the floodplain where such uses can be served by alleys and are within walking distance of the historic downtown commercial core.			X	X					X

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			7.3.2	Encourage a range of housing options and settings by allowing for creation of new lots in the floodplain through subdivisions with various low density lot sizes as appropriate, depending on existing infrastructure, development pattern and proximity to the downtown core.	X	X	X						
			7.3.3	Help protect development from flood hazards through residential lot coverage standards and impervious surface standards for different land use designations.	X	X	X	X	X				

Comprehensive Plan Policy Summary – City of Snoqualmie													
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			7.3.4	Use the Floodway Overlay District (SMC 17.40) for residentially-zoned districts within the 100-year floodway to provide opportunity for commercial uses compatible in scale, character and impacts to existing single-family uses.									
			7.3.8	Require the first floor of new residential construction and construction involving substantial improvements to existing residential structures to be elevated to at least three feet above the base flood elevation.									

Comprehensive Plan Policy Summary – City of Snoqualmie													
	Policy Info				Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
	4. Residential Land Use	7.4 High quality residential areas that provide dwelling units of various type, density, and costs to meet the needs and interests of a diverse population.	7.4.1	Maintain land use designations and zoning to allow and encourage a spectrum of housing types and price ranges that match the jobs in the City and make it possible for people to live and work in Snoqualmie.	X	X	X	X	X	X	X		
			7.4.2	Define residential density according to Table 1.1, and maintain zoning that promotes new residential subdivisions containing an integrated mix of lot sizes to promote housing diversity and avoid streetscape monotony.	X	X	X						



Comprehensive Plan Policy Summary – City of Snoqualmie													
Policy Info					Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
			7.4.3	Limit the height and scale of multifamily buildings to three stories, but consider additional height for special needs or affordable housing, where viewshed impacts can be mitigated.				X		X	X		
			7.4.4	Use multiple family housing as a transition between uses so that higher density apartment and townhouse projects are located closer to commercial and industrial land uses, and lower density duplex, triplex, garden apartments and townhouses are located closer to single family areas.		X	X	X					

Comprehensive Plan Policy Summary – City of Snoqualmie													
	Policy Info				Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
			7.4.5	Provide for residential streets that maintain property values and encourage walking by supporting pedestrian safety and comfort, through standards that require on-street parking and sidewalks separated by planter strips with street trees.	X	X	X	X					
			7.4.6	Allow day care homes in all residential zones and allow day care centers in single family zones through the conditional use process, subject to state licensing and other requirements.	X	X	X	X					X

Comprehensive Plan Policy Summary – City of Snoqualmie													
Policy Info					Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
	5. Commercial and Industrial Land Use	7.5 A local economy that meets our citizens' everyday commercial needs, supports a vibrant tourism industry, provides living-wage jobs, enhances community distinctiveness, and maintains a sufficient and sustainable tax base for the City.	7.5.3	Allow and encourage neighborhood scale retail and service business uses within large-scale master-planned residential and mixed-use developments.									X
			7.5.6	Support the transformation of underutilized lands such as brownfields and greyfields to viable mixed-use or commercial/ industrial employment areas as appropriate.									X

Comprehensive Plan Policy Summary – City of Snoqualmie													
	Policy Info				Policy Categories								
Element	Section	Objective	Policy #	Policy Text	Single Family Housing	Duplex	Town-homes	Multi-Family	ADUs	Affordable Housing	Seniors and Other Special Needs Groups	Tiny House	Other
	6. Institutional & Utilities Land Use	7.6 Needed institutional and utility land uses are accommodated within the community with minimal land use conflicts.	7.6.2	Allow for institutional uses in Mixed Use and Planned Commercial/Industrial districts, and specify certain institutional uses, such as museums, interpretive centers, and community recreation centers as appropriate for designated Parks and Open Space areas.									X

## **APPENDIX 4: CITY RESOLUTION ADOPTING PLAN**









## **APPENDIX 5: COPY OF RCW 36.70A.600**

## Cities planning under RCW 36.70A.040—Increasing residential building capacity—Housing action plan authorized—Grant assistance.

(1) A city planning pursuant to RCW 36.70A.040 is encouraged to take the following actions in order to increase its residential building capacity:

(a) Authorize development in one or more areas of not fewer than five hundred acres that include at least one train station served by commuter rail or light rail with an average of at least fifty residential units per acre that require no more than an average of one on-site parking space per two bedrooms in the portions of multifamily zones that are located within the areas;

(b) Authorize development in one or more areas of not fewer than two hundred acres in cities with a population greater than forty thousand or not fewer than one hundred acres in cities with a population less than forty thousand that include at least one bus stop served by scheduled bus service of at least four times per hour for twelve or more hours per day with an average of at least twenty-five residential units per acre that require no more than an average of one on-site parking space per two bedrooms in portions of the multifamily zones that are located within the areas;

(c) Authorize at least one duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure of physical constraint that would make this requirement unfeasible for a particular parcel;

(d) Authorize a duplex, triplex, quadplex, sixplex, stacked flat, townhouse, or courtyard apartment on one or more parcels for which they are not currently authorized;

(e) Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences;

(f) Adopt a subarea plan pursuant to RCW 43.21C.420;

(g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii), except that an environmental impact statement pursuant to RCW 43.21C.030 is not required for such an action;

(h) Adopt increases in categorical exemptions pursuant to RCW 43.21C.229 for residential or mixed-use development;

(i) Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;

(j) Authorize a duplex on each corner lot within all zoning districts that permit single-family residences;

(k) Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW;

(l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city. For purposes of this subsection, the calculation of net density does not include the square footage of areas that are otherwise prohibited from development, such as critical areas, the area of buffers around critical areas, and the area of roads and similar features;

(m) Create one or more zoning districts of medium density in which individual lots may be no larger than three thousand five hundred square feet and single-family residences may be no larger than one thousand two hundred square feet;

(n) Authorize accessory dwelling units in one or more zoning districts in which they are currently prohibited;

(o) Remove minimum residential parking requirements related to accessory dwelling units;

(p) Remove owner occupancy requirements related to accessory dwelling units;



(q) Adopt new square footage requirements related to accessory dwelling units that are less restrictive than existing square footage requirements related to accessory dwelling units;

(r) Adopt maximum allowable exemption levels in WAC 197-11-800(1) as it existed on June 11, 2020, or such subsequent date as may be provided by the department of ecology by rule, consistent with the purposes of this section;

(s) Adopt standards for administrative approval of final plats pursuant to RCW **58.17.100**;

(t) Adopt ordinances authorizing administrative review of preliminary plats pursuant to RCW **58.17.095**;

(u) Adopt other permit process improvements where it is demonstrated that the code, development regulation, or ordinance changes will result in a more efficient permit process for customers;

(v) Update use matrices and allowable use tables that eliminate conditional use permits and administrative conditional use permits for all housing types, including single-family homes, townhomes, multifamily housing, low-income housing, and senior housing, but excluding essential public facilities;

(w) Allow off-street parking to compensate for lack of on-street parking when private roads are utilized or a parking demand study shows that less parking is required for the project;

(x) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to build accessory dwelling units. A city may condition this program on a requirement to provide the unit for affordable home ownership or rent the accessory dwelling unit for a defined period of time to either tenants in a housing subsidy program as defined in RCW **43.31.605**(14) or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement under the program, it must provide additional incentives, such as:

(i) Density bonuses;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions; or

(v) Expedited permitting; and

(y) Develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to convert a single-family home into a duplex, triplex, or quadplex where those housing types are authorized. A local government may condition this program on a requirement to provide a certain number of units for affordable home ownership or to rent a certain number of the newly created units for a defined period of time to either tenants in a housing subsidy program as defined in RCW **43.31.605**(14) or to tenants whose income is less than eighty percent of the city or county median family income. If the city includes an affordability requirement, it must provide additional incentives, such as:

(i) Density bonuses;

(ii) Height and bulk bonuses;

(iii) Fee waivers or exemptions;

(iv) Parking reductions; or

(v) Expedited permitting.

(2) A city planning pursuant to RCW **36.70A.040** may adopt a housing action plan as described in this subsection. The goal of any such housing plan must be to encourage 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, including strategies aimed at the for-profit single-family home market. A housing action plan may utilize data compiled pursuant to RCW **36.70A.610**. The housing action plan should:

(a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households;

(b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;

(c) Analyze population and employment trends, with documentation of projections;

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

(e) Review and evaluate the current housing element adopted pursuant to RCW **36.70A.070**, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

(g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

(3) The adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement the actions specified in subsection (1) of this section, with the exception of the action specified in subsection (1)(f) of this section, are not subject to administrative or judicial appeal under chapter **43.21C** RCW.

(4) Any action taken by a city prior to April 1, 2023, to amend its comprehensive plan or adopt or amend ordinances or development regulations, solely to enact provisions under subsection (1) of this section is not subject to legal challenge under this chapter.

(5) In taking action under subsection (1) of this section, cities are encouraged to utilize strategies that increase residential building capacity in areas with frequent transit service and with the transportation and utility infrastructure that supports the additional residential building capacity.

(6) A city that is planning to take at least two actions under subsection (1) of this section, and that action will occur between July 28, 2019, and April 1, 2021, is eligible to apply to the department for planning grant assistance of up to one hundred thousand dollars, subject to the availability of funds appropriated for that purpose. The department shall develop grant criteria to ensure that grant funds awarded are proportionate to the level of effort proposed by a city, and the potential increase in housing supply or regulatory streamlining that could be achieved. Funding may be provided in advance of, and to support, adoption of policies or ordinances consistent with this section. A city can request, and the department may award, more than one hundred thousand dollars for applications that demonstrate extraordinary potential to increase housing supply or regulatory streamlining.

(7) A city seeking to develop a housing action plan under subsection (2) of this section is eligible to apply to the department for up to one hundred thousand dollars.

(8) The department shall establish grant award amounts under subsections (6) and (7) of this section based on the expected number of cities that will seek grant assistance, to ensure that all cities can receive some level of grant support. If funding capacity allows, the department may consider accepting and funding applications from cities with a population of less than twenty thousand if the actions proposed in the application will create a significant amount of housing capacity or regulatory streamlining and are consistent with the actions in this section.

(9) In implementing chapter 348, Laws of 2019, cities are encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

[ **2022 c 246 § 1**; **2020 c 173 § 1**; **2019 c 348 § 1**.]

## APPENDIX 6: COMMERCE CROSS-WALK

The following table illustrates how the HSP complies with the requirements under HB 1923 and codified in RCW 36.70A.200(2) as implemented by the Washington Department of Commerce.

HB 1923 Requirement	Compliance
Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households;	The HNA presented herein quantifies existing and projected housing needs for all income levels, including extremely low-income households. It documents housing and household characteristics on pages 7 through 10 in Appendix 1. It addresses cost burden and the housing gap on pages 25 through 26.
Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;	The final HSP presented herein delineates a wide variety of strategies and policies designed to increase the supply and variety of housing needed to serve the needs identified in the HNA. For example, recommended actions in the Plan call for modifying development regulations (use tables and bulk regulations) to increase the places and situations where “missing middle” housing can be built. The plan recommends more widespread use of the R-2 and R-3 zones in areas currently zoned R-1 that have not developed fully to incorporate more diverse housing types into future neighborhoods. Other actions to increase the supply and diversity of housing types include revising tiny home and ADU regulations, using the multi-family tax exemption as an incentive to build affordable housing, allowing first-floor residential in some commercial zones, and building partnerships with affordable housing developers.
Analyze population and employment trends, with documentation of projections;	The Regional and Individual HNAs fully analyze population and employment trends, with documentation of projections. Care has been taken in this process to account for the demographic and economic factors that make Snoqualmie unique. These projections, particularly population, are used as the basis for

	calculating expected housing needs over the planning period.
Consider strategies to minimize displacement of low-income residents resulting from redevelopment;	The HSP contemplates a number of strategies explicitly designed to minimize displacement of low-income residents resulting from redevelopment. For example, actions on tenant protection, permanent supportive and transitional housing, and MFTE all help address displacement from redevelopment although redevelopment pressure in Snoqualmie is currently low.
Review and evaluate the current housing element adopted pursuant to RCW <a href="#">36.70A.070</a> , including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;	The HSP includes an evaluation of the success of the current Housing Element of the adopted Snoqualmie Comprehensive Plan (Appendix 3). This evaluation finds that the Land Use and Housing Elements of the existing Snoqualmie comprehensive plan provide a good deal of existing policy support for several of the strategies in this HSP. Recommendations for the City as it sets its sights on a plan update due in June 2024 include policy support for reducing displacement, increasing equity, and planning for and accommodating all economic segments of the community.
Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and	The HSP effort prioritized public and stakeholder engagement from the beginning. The project team developed an interview protocol with key stakeholders as required by RCW 36.70A.600 and held 10 interviews in late 2022 and early 2023 to vet the Housing Needs Assessment and develop draft housing actions for the HSP. City staff and the project team also developed a project webpage and made the draft HAP and final HNA available in navigable documents, and the City has reached out through its communication channels.
Include a schedule of programs and actions to implement the recommendations of the housing action plan.	The HSP includes an implementation strategy for its policies in Chapter F. This action implementation table was developed by the project team in consultation with City staff and elected and appointed officials.

## APPENDIX 7: GLOSSARY OF TERMS AND FUNDING SOURCES

### **Affordable Housing Development Information**

This section describes the affordable housing development and finance process and how it differs from market rate development, lists common state and local funding sources for housing, and includes a description of geographies associated with affordable housing benefits.

### **Typical Affordable Housing Development Process**

The development of new, multifamily regulated affordable housing is a long and complex process. It is subject to many of the same development conditions as market-rate development, with added complexity due to lower rents requiring additional, lower-cost funding. The development process begins in predevelopment (design and feasibility, land entitlements, and funding applications) then enters construction, before beginning operations. The following are typical development phases for regulated affordable housing projects.

### **Design and Feasibility**

Affordable housing developers start with an understanding of the need for less expensive housing in an area.

How many units are needed at what rent level?

What income levels have the biggest gaps in housing supply?

What populations are struggling with housing costs the most?

Just like market rate developers, affordable housing developers test the financial feasibility of what they hope to build against the local political and economic conditions. They must estimate what it will cost to build, what affordability levels the region needs, and the amount of funding available to build the project. If the project is not financially or politically feasible (i.e., cannot find adequate funding sources or does not meet a neighborhood's goals), building the housing will be immensely challenging. Key challenges that are considered: cost of land, development allowed on the land (zoning), costs of construction, rents or prices, costs of operations (for multifamily), or local opposition to the project.

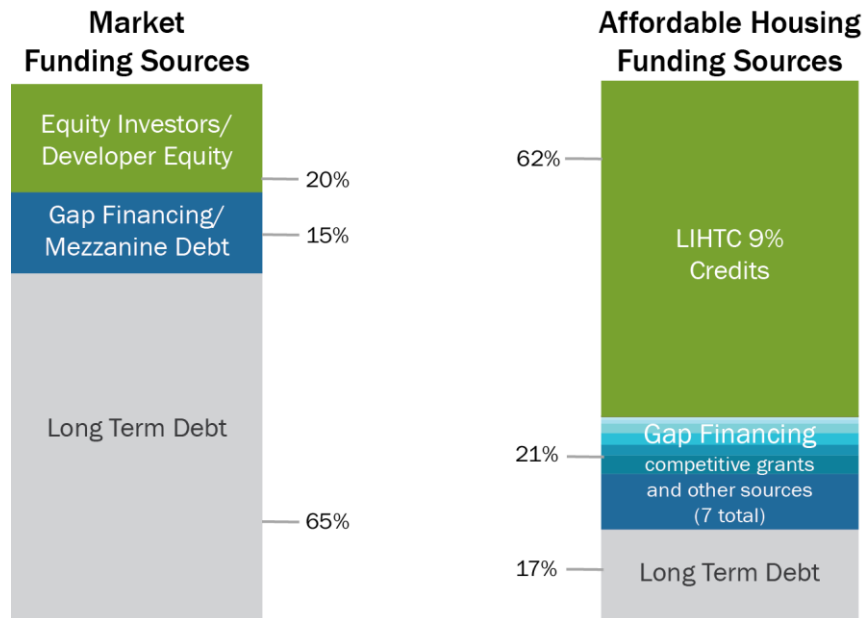
### **How does affordable housing differ?**

Both affordable housing development and market-rate development need to go through design and feasibility. Affordable housing development differs from market-rate development in this stage due to limited funding. With the goal of providing below-market rents, the financing structure (often called the "capital stack") of an affordable housing development needs to fill a gap (often called a "funding gap") between what it costs to build the property and what the property's operations can support. A market rate development will typically have investor equity and one or two types of debt financing, but an affordable housing development may also need to secure public funding, grants, operating subsidies, and low-cost or forgivable debt on top of competitive investor equity sources (see the figure on the following page). Some affordable housing developers need to secure predevelopment loans or grants as they work out the logistics of project feasibility.



Sometimes, affordable housing developments are given free or reduced cost land, which aids feasibility and reduces the amount of debt needed.

### Typical Capital Stacks in a Market Rate and a 9% LIHTC Affordable Housing Development



Source: ECONorthwest

### Land Use Entitlements

This is the process of getting control of the site (buying land or assembling parcels) and getting the legal authority to develop (zoning and permitting, design review, neighborhood opposition, etc.). This can take months or years depending on the type of project, the required level of public review, the time it takes to obtain permits, the amount of neighborhood opposition, and many other factors. Developers typically take out pre-development loans to cover these costs, meaning that delays incur “carrying costs” (the interest that accrues on the loan each month of the process). This loan may be wrapped into or repaid by the construction loan.

### How does affordable housing differ?

Both affordable housing developments and market-rate developments need to secure land use entitlements. One major way that affordable housing development differs from market-rate development in this stage, is due to neighborhood opposition. It is common for neighborhoods to object to a new affordable housing development, and some may use the slow land use entitlements process to delay or “kill” a project. Some market-rate developments may face opposition in this process, but they may also be in a better financial position to weather delays (e.g., if a market rate developer does not need a pre-development loan, delays do not incur carrying costs).

### **Public Funding Applications**

This is a unique step required of affordable housing development that does not apply to market-rate development. Often, affordable housing developments receive public funding in exchange for renting to low-income households. With rents set below market, the property will have insufficient rent revenue to cover its operating costs and support the loans needed to pay for development. Thus, the property must apply for a range of low-cost funding, project equity, or grants to reach feasibility and begin construction. This step adds cost, time, complexity, and uncertainty to the development process. Because public funding is limited, these application cycles are very competitive and not all projects will receive the funding to move forward. The policy goals attached to each funding amount can influence the type of housing built (e.g., housing for families or seniors) as well as the income levels served. Most often, a project needs to have site control before it can receive funding.

#### How does affordable housing differ?

Market-rate developments do not typically need to secure public funding for development.

### **Construction**

Once a property has site control, entitlements, and a confirmed design concept, it can begin construction. This stage depends on the availability of labor, materials, and equipment, as well as the complexity and size of the development. The project will take out a construction loan to cover these costs, which means that delays in construction incur additional “carrying costs.” The construction loan is repaid by the permanent loan, which is sized based on the net operating income of the project (rent revenues minus operating expenses).

#### How does affordable housing differ?

Affordable housing projects do not meaningfully differ from market-rate projects in the construction process. However, they may have simpler designs and prioritize faster construction timelines.

### **Operations**

Once the project is built and leased, it begins operations. Rents are determined at the project feasibility stage and are very important in the project’s operating phase. Feasibility and funding applications can occur several years prior to the project operating. The revenues from property rents need to be high enough to cover the cost of operating the property (including maintenance and repairs, landscaping, taxes, and numerous other fees and costs). The project’s net operating income must also service the monthly debt payments on the permanent loan. Banks generally require an income “cushion” to assure that the property has enough operating income to pay its debts. This means that net operating income must be 15 percent to 20 percent higher than the debt payment. Any change in rent revenues (market softening, competition, vacancies, etc.), costs of operations (higher taxes, maintenance costs, capital repairs, etc.) can meaningfully disrupt a property’s operations.

#### How does affordable housing differ?

Affordable housing properties operate under affordability restrictions for a specified period of time (e.g., 15-99 years), and are typically managed by mission-driven developers or non-profit organizations. In contrast, many market rate properties will sell to an institutional investor after the

property stabilizes (after 5 or 8 years of operations). Another difference in affordable housing operations is that typically, affordable housing properties are required to put a portion of operating funds into reserves (both capital reserves and or operating reserves) which serve as a cushion for unexpected vacancies, disruptions to operations, or major capital repairs. These reserves help prevent most affordable housing properties from defaulting on debt service requirements (LIHTC properties, in particular, have very low default rates). Market rate properties are not required to keep reserves. Lastly, another difference in affordable housing operations, is that often the properties may have insufficient cash flow (funds left over after paying for operating expenses and debt) to pay for any cash-flow dependent line items (e.g., the developer fee, cash-flow dependent loans, etc.) In contrast, market rate properties seek financial returns from the property, to provide steady cash flow to the owner or investor. While cash flow is not always available due to market rent fluctuations and or vacancies, the deals are structured to seek financial returns.

### **Local Affordable Housing Funding Sources**

This section describes the state and local affordable housing funding sources available to developers looking to construct affordable housing properties in Snoqualmie. This section focuses solely on funding sources, not indirect financing sources that provide financial benefits to properties via reduced costs. The local funding sources do not include non-financial funding sources, like density bonuses or impact fee waivers, that indirectly provide funding by reducing costs.

### **Washington State Funding Sources**

**The Washington State Housing Finance Commission** offers several funding programs to build multifamily affordable housing. Additionally, properties utilizing some of these funding sources can receive funding “boosts” if they are located in one of the geographic areas described below.

**The Low-Income Housing Tax Credit (LIHTC)** program is the largest source of funding. It has two types: the 9% tax credit program is more valuable, but limited, and is awarded competitively through annual funding applications. The 4% bond tax credit program is less valuable for project financing, but the program is not competitive. Any project that is able to make the funding program work can access the tax credits up to a certain bond cap across the state. These programs typically fund housing units that are affordable to households earning below 60% of AMI.

**The 80/20 Private Activity Bond** program can fund construction and development costs for affordable housing projects. The interest on the funding is tax exempt, thereby reducing total development costs and increasing project feasibility. This program typically funds housing units that are affordable to households earning below 60% of AMI.<sup>6</sup>

**Non-Profit Housing Bonds** can assist 501(c)(3) nonprofits in financing numerous housing developments. These funds are more flexible than other types of financing programs.

**The Land Acquisition Program** assists qualified nonprofits with purchasing land for affordable housing development.

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<sup>6</sup> Washington State Housing Finance Commission. 2020. Multifamily Housing 80/20 Bond Program: <https://www.wshfc.org/mhcf/BondsOnly8020/index.htm>

**The Washington State Department of Commerce** offers three additional funding programs for developing affordable housing.

**The Washington State Housing Trust Fund** provides loans and grants to affordable housing projects through annual competitive applications. This program typically funds housing units that are affordable to households earning below 80% of AMI.

**The Housing Preservation Program** provides funding for affordable housing rehabilitation, preservation, and capital improvement needs. It is only available for projects that have previously received Housing Trust Funds.

**The HOME Program** is a federal block grant program funded through the US Department of Housing and Urban Development (HUD). This program offers funding for the preservation and development of affordable rental housing to non-profit organizations, public housing authorities, and local and tribal governments. HOME Funds typically build units that are affordable to households earning below 50% of AMI.

### **Local Funding Sources**

**A property tax levy** (RCW 84.52.105) – allows jurisdictions to place an additional tax up to \$0.50 per thousand dollars assessed for up to ten years. Funds must go toward financing affordable housing for households earning below 50% MFI.

**A sales tax levy** (RCW 82.14.530) – allows jurisdictions to place a sales tax up to 0.1 percent. At least 60 percent of funds must go toward constructing affordable housing, mental/behavioral health-related facilities, or funding the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided. At least 40 percent of funds must go toward mental / behavioral health treatment programs and services or housing-related services.

**A real estate excise tax (REET)** (RCW 82.46.035) – allows a portion of City REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness. These projects must be listed in the City's the capital facilities plan. Snoqualmie currently uses this.

**Community Development Block Grants (CDBG)** – King County receives CDBG funding from the U.S. Department of Housing and Urban Development (HUD). CDBG funds can be used in a variety of ways, including the funding of low-income housing development and social services to improve the living conditions of homes within the county. CDBG public facilities Notice of Funding Availability typically is published in the fall for contracts that commence during the following summer.<sup>7</sup>

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<sup>7</sup> Pierce County Community Development Block Grant Program. 2020.  
<https://www.co.pierce.wa.us/4853/Community-Development-Block-Grant-Progra>

## **Federal Government Designated Geographic Areas for Affordable Housing Support**

Developing a regulated affordable housing property can be a complex and difficult process. Different funding sources may have different priorities, and the costs of land and development can be prohibitive. To help alleviate some of these difficulties, the federal government has designated certain geographic areas to receive higher priority or more funding for regulated affordable housing development. These include Qualified Census Tracts, Difficult to Develop Areas, and Opportunity Zones, each described below.

### **Qualified Census Tracts**

HUD defines a Qualified Census Tract (QCT) as a Census Tract with “50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI)” or one where the poverty rate exceeds 25 percent. <sup>8</sup> Affordable housing developments in QCTs that apply for LIHTC funding receive a boost in the amount of tax credits they can receive. Snoqualmie does not have any QCTs.

### **Difficult Development Areas**

HUD defines a Difficult Development Areas (DDA) as “areas with high land, construction and utility costs relative to the area median income” and uses HUD Fair Market Rents, income limits, 2010 census, and 5-year American Community Survey (ACS) data as determinants. Snoqualmie is located within zip code 98065, which is considered a Difficult Development Area.

### **Opportunity Zones**

In addition, the 2017 federal Tax Cuts and Jobs Act created the Opportunity Zone program which is designed to incentivize investment in low-income communities by providing tax benefits. Opportunity Zones are Census Tracts where the poverty rate exceeds 20 percent. <sup>9</sup> While there are no specific funding boosts for affordable housing projects developed in Opportunity Zones, the tax incentives make other types of multifamily development more feasible. None of Snoqualmie is currently considered to be an Opportunity Zone.

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<sup>8</sup> HUD. 2020. “Qualified Census Tracts and Difficult Development Areas.” [www.huduser.gov/portal/datasets/qct.html](http://www.huduser.gov/portal/datasets/qct.html)

<sup>9</sup> Washington State Department of Commerce. 2020. “Opportunity Zones-An Incentive to Invest in Lower-Income Areas.” <https://www.commerce.wa.gov/growing-the-economy/opportunity-zones/>

## **APPENDIX 8: SUMMARY OF ENGAGEMENT RESULTS**



# Summary of Engagement Results

This Housing Action Plan was developed with a range of public engagement. The City relied on close consultation with a group of interviewees, contacted with help from city staff, who helped to shape the issues, focus, and vision of the Plan and pointed the way to identification of strategies and actions. The project team conducted in-depth interviews with representatives from the following groups and organizations:

- Ridge Owner's Association
- Reclaim (formerly Snoqualmie Valley Shelter Services)
- Hauglie Insurance
- Snoqualmie Tribe
- Carepoint Clinic
- Mount Si Senior Center
- Panorama Apartments
- Church on the Ridge

The project team asked the interviewees the following questions:

1. How long have you lived in or been involved with the Snoqualmie community?
2. What community or communities do you represent?
3. What do you know about current housing policy in Snoqualmie? What have you seen missing in Snoqualmie's approach to housing?
4. What gaps do you see in housing in Snoqualmie? What types of housing do you think the community needs?
5. What types of "middle housing" do you think Snoqualmie has the greatest need or opportunity for?

The project team used input from city staff as well as from the interviewees to craft action writeups and recommendations. The project team will engage the interviewees and their organizations again once the draft HAP is completed to follow up and fine-tune the plan.

# Community Interview Questions

Interviewer, Company – Date

## Questions – General

1. How long have you lived in or been involved with the Snoqualmie community?
2. What community or communities do you represent?

## Questions – Technical

1. What do you know about current housing policy in Snoqualmie? What have you seen missing in Snoqualmie's approach to housing policy?
2. What gaps do you see in housing in Snoqualmie? What types of housing does this community need? What about in the area surrounding Snoqualmie?
3. What types of "Missing Middle" housing do you think Snoqualmie has the greatest need or opportunity for?

# Community Contacts

Provided by city staff

- **Community Member:** Amy Atchison, Ridge Owners Association Director

**Community Groups:** Snoqualmie Valley Transportation (Amy Biggs), Mt Si Senior Center - Susan Kingsbury-Comeau CAREPoint: Tami Jones, Panorama- Cassandra Garcia, Trail Youth Coffee: Kristen Zuray, Snoqualmie Valley Shelter: Jennifer Kirk, Snoqualmie Tribe: Jamie Martin

- **Local Builders:** Mariah Gill, David Ratliff

- **Local Realtors:** John Pearlstein (E&V) — Angela Donaldson

- **Non-Profit Housing Advocates:** Homestead Community Land Trust, Kathleen Hosfeld, Jennifer Kirk, David Ratliff

- **Local Religious groups:** Michael Kuehner, Church on the Ridge
- Life Community Church

- **School Districts:** Snoqualmie Valley School District

- **Snoqualmie Council Members:** Rob Wotton Rob Wotton, Joylon Johnson