

- Meetings may be viewed on the [City of Anacortes website](#), on the City of Anacortes [YouTube](#) Channel, or on TV [Channel 10](#).
- The public may also watch, listen to, or participate in the meeting live by visiting <https://us02web.zoom.us/j/89255646791> or by telephoning 1-253-215-8782 and entering Meeting ID 892 5564 6791.
- The public is encouraged to comment via email to [cityclerk@cityofanacortes.org](mailto:cityclerk@cityofanacortes.org) or via written comment addressed to City Clerk, P.O. Box 547, Anacortes, WA 98221. Public comments received by the [City Clerk](#) prior to 3:00 p.m. the day of the meeting will become part of the record for the meeting, just as if presented in person.
- Complete guidelines for virtual participation in Anacortes City Council meetings are available [here](#). View the quick video example for connecting to the meeting [here](#).



**Anacortes City Council**  
**Municipal Building Council Chambers**  
**904 6th Street**

**January 17, 2023**  
**6:00 PM**

**PRELIMINARY AGENDA**  
**[Packet Materials](#) / [Watch Meeting](#)**

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Executive Session**
  - a. Potential litigation per RCW 42.30.110(1)(i) (30 minutes) (Discussion)
4. **Announcements and Committee Reports**
  - a. Finance Committee (Report)
  - b. Economic Development Committee (Report)
  - c. Skagit County Law and Justice Council (Report)
  - d. Public Works Committee (Report)
  - e. Anacortes Housing Authority Board Appointment (Report)
  - f. Civil Service Commission Appointment (Report)
  - g. Historic Preservation Board Appointment (Discussion/Action)
  - h. Museum Advisory Board Appointments (Discussion/Action)
5. **Public Comment**
6. **Consent Agenda**
  - a. Minutes of January 3 and January 9, 2023 (Action)
  - b. Approval of claims in the amount of \$743,169.52 (Action)
7. **Public Hearings**
  - a. \* Resolution 3104: Adopting a Housing Action Plan as a Guiding Document with Recommendations for Future Housing Policy, Planning, and Regulatory Amendments to Improve the Availability and Affordability of Housing for the Entire Community (Discussion/Action)

*Per Resolution 3051, citizens wishing to comment on items not on the agenda may do so under Public Comment. Citizens wishing to comment on items indicated with an asterisk (\*) may do so as those items are considered by Council during the course of the meeting.*

The City of Anacortes is committed to making public meetings available and accessible to all members of the community.  
 For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.

8. **Other Business**

- a. \* Agreement with Anacortes Family Center on Alternative Response Team (Discussion/Possible Action)
- b. Resolution 3107 – Declaring an Emergency and Waiving State Competitive Bidding Requirements for the Repair of the 36" Water Transmission Pipeline (Action)

9. **Adjournment**

*Per Resolution 3051, citizens wishing to comment on items not on the agenda may do so under Public Comment. Citizens wishing to comment on items indicated with an asterisk (\*) may do so as those items are considered by Council during the course of the meeting.*

The City of Anacortes is committed to making public meetings available and accessible to all members of the community.  
For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



## City Council Memo

---

TO: Anacortes City Council  
FROM: Matt Miller, Mayor  
DATE: January 17, 2023  
RE: Housing Authority Board Appointment

---

### Summary Statement:

The following re-appointment to the Housing Authority Board is being presented at the regular City Council meeting on January 17, 2023.

I appreciate the contributions of this volunteer and their willingness to serve our community. If you have any questions or feedback regarding this candidate, please contact me prior to the meeting.

Appointed by the Mayor Requiring Confirmation by City Council

---

### Housing Authority Appointment:

- Susan Rooks, current term expiring, new 5-year term effective through December 31, 2027



## City Council Memo

---

TO: Anacortes City Council  
FROM: Matt Miller, Mayor  
DATE: January 17, 2023  
RE: Civil Service Commission Appointments

---

### Summary Statement:

The following alternate appointments to the Civil Service Commission are being presented at the regular City Council meeting on January 17, 2023.

I appreciate the contributions of our volunteers and their willingness to serve our community. If you have any questions or feedback regarding these candidates, please contact me prior to the meeting.

Appointed by the Mayor Requiring Confirmation by City Council

---

### Civil Service Commission Appointments

- Mike Ward, appointment as Alternate Civil Service Commissioner, effective February 1, 2023 through December 31, 2026
- Mary-Ann Gutierrez, appointment change from Alternate to Regular Civil Service Commissioner, effective through end of current term 12/31/2024



## City Council Memo

---

TO: Anacortes City Council  
FROM: Matt Miller, Mayor  
DATE: January 17, 2023  
RE: Historic Preservation Board Appointment

---

### Summary Statement:

The following appointment to the Historic Preservation Board is being presented at the regular City Council meeting on January 17, 2023.

I appreciate the contributions of our volunteers and their willingness to serve our community. If you have any questions or feedback regarding this candidate, please contact me prior to the meeting.

Appointed by the Mayor Requiring Confirmation by City Council

---

### Historic Preservation Board Re-appointments:

- Kevin Harris, new 3-year term effective through December 31, 2025



## City Council Memo

---

TO: Anacortes City Council  
FROM: Matt Miller, Mayor  
DATE: January 17, 2023  
RE: Museum Advisory Board Appointments

---

### Summary Statement:

The following reappointments to the Museum Advisory Board are being presented at the regular City Council meeting on January 17, 2023.

I appreciate the contributions of our volunteers and their willingness to serve our community. If you have any questions or feedback regarding these candidates, please contact me prior to the meeting.

Appointed by the Mayor Requiring Confirmation by City Council

---

### Museum Advisory Board Appointments:

- Reappointment of Libby Walgamott to the Museum Advisory Board, whose current term is expiring. The new 4-year term will expire December 31, 2026.
- Reappointment of Judith Zersen to the Museum Advisory Board, whose current term is expiring. The new 4-year term will expire December 31, 2026.
- Reappointment of Dana Webb to the Museum Advisory Board, whose current term has expired. The new 4-year term will expire December 31, 2026.

## **Anacortes City Council Minutes - January 3, 2023**

### **Call to Order**

Mayor Matt Miller called to order the Anacortes City Council meeting of January 3, 2023, at 6:00 p.m. Councilmembers Jeremy Carter, Ryan Walters, Anthony Young, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall were present.

Councilmembers Young, Cleland-McGrath and McDougall participated in the meeting remotely via Zoom.

Councilmember Amanda Hubik was absent, but unanimously excused by a Motion by Mr. Carter and a Second by Mr. Young.

### **Pledge of Allegiance**

The assembly joined in the Pledge of Allegiance.

### **Announcements and Committee Reports**

Mayor Miller expressed a Happy New year to all, and noted that work on the Trestle rebuild had begun.

### **Public Comment**

Mayor Miller invited the public to comment on any item not on the agenda.

TJ Fantini of Anacortes offered comments regarding the proposed housing development on West 5th Street as proposed by the Habitat for Humanity on December 12th. Mr. Fantini offered that he is in favor of affordable housing, even in his neighborhood which the proposal is, but expressed concern at the number of houses that are proposed homes in the project. He also expressed concerns with the associated road and sidewalk infrastructure in that same area.

### **Consent Agenda**

Ms. Moulton moved, seconded by Mr. Walters, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

a. Minutes of December 19, 2022

b. Approval of claims in the amount of \$941,362.65

The following vouchers/checks were approved for payment:

EFT numbers: 105096 through 105153, total \$508,205.67

Check numbers: 105154 through 105164, total \$283,733.92

Wire transfer numbers: 315244 through 315943, total \$149,423.06

### **Adjournment**

There being no further business, at approximately 6:09 p.m. the Anacortes City Council meeting of January 3, 2023, was adjourned.

## **Anacortes City Council Minutes - January 9, 2023**

### **Call to Order**

Mayor Matt Miller called to order the Anacortes City Council meeting of January 9, 2023 at 6:00 p.m. Councilmembers Ryan Walters, Anthony Young, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and were present.

Council member Amanda Hubik participated in the meeting remotely via Zoom.

Council member Jeremy Carter was absent, but was unanimously excused by Mr. Young making a motion, and seconded by Ms. Hubik, to excuse his absence.

### **Pledge of Allegiance**

Mayor Miller led the assembly in the Pledge of Allegiance.

### **Announcements and Committee Reports**

#### **Mayors Award of Merit - Joann Stewart**

Don Measamer introduced Joann Stewart and described the good work she has performed making her deserving of the Mayor's Award of Merit.

#### **Housing Affordability and Community Services Committee**

Ms. Cleland - McGrath reported from the Committee meeting held the previous week. The topics discussed included the cold weather shelter, housing vouchers that church and other social organizations provide to those in need, and working on low income housing initiatives in the coming year. Ms. Moulton also pointed out the Anacortes Family Center website has good information on those items.

#### **Planning Committee**

Ms. Moulton reported from the Committee meeting held at 5:00pm, before the Council Meeting started. The topics discussed included the upcoming 2023 Community Development Block Grant opportunity and the upcoming public process later in the year that will be involved with that grant. She also described a Skagit County opportunity for a potential grant award that could be used for affordable housing issues.

#### **Fiber Committee**

Mr. McDougall reported from the Committee meeting held the previous week. The topics discussed included the upcoming Robinson Brothers Construction contract modification, and surpassing 1700 paying customers now signed up. Ms Schuh pointed out the number of Access Fiber customers now is at 1,747.

#### **2023 Skagit County Ferry Haul-Out**

Public Works Director introduced Forrest Jones and Rachel Rowe from Skagit County, who provided information on the Skagit County Guemes Ferry Channel haul out project. The work on the ferry will begin February 27 and end March 20. The work will be done in dry dock locally at Dakota Creek Industries in Anacortes. Slides were shown that describe the coming parking and access changes that will occur during the haul out.

### **Public Comment**

Mayor Miller invited the public to comment.

Michael Painter of Anacortes referenced the ferry haul out, suggesting that better lighting might be helpful, and wondered if the old cannery building area may be available for more parking during the ferry haul out.

### **Consent Agenda**

Mr. Young moved, seconded by Mr. McDougall, to approve the following Consent Agenda item. The motion carried unanimously by voice vote.

- a. Approval of claims in the amount of \$1,535,446.46  
EFT numbers: 105165 through 105218, total \$701,788.97  
Check numbers: 105219 through 105228, total \$808,496.29  
Wire transfer numbers: 315907 through 316277, total \$25,161.20

### **Other Business**

#### **Contract Award: HVAC Maintenance and On-Call Repair Services 2023-2025 #23-016-FAC-001**

Public Works Director Henry Hash provided some background information on the need for HVAC services for the City, and introduced a contract for an on-call HVAC repair service. It is a 4-year contract, with a provision to not exceed \$350,000 or 4 years, whichever comes first.

CAROLYN MOULTON moved, seconded by ANTHONY YOUNG, to authorize the Mayor to sign contract 23-016-FAC-001 for HVAC maintenance and on-call repair services. Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

#### **Contract Modification: Municipal Broadband Network – 2021 Westside Backbone Expansion**

Ms. Schuh introduced the contract modification request for the Robinson Brothers Construction (RBC) contract, provided some background information on the City's Access Fiber program, as well as background information on the project in question that the contract modification is related to, which is Fiber expansion in the City's West End, or Skyline, area.

ANTHONY YOUNG moved, seconded by BRUCE MCDOUGALL, to authorize the Mayor to sign a contract modification for the Fiber 2021 Westside Backbone Expansion. Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

#### **City of Anacortes & Community Action of Skagit County Agreement**

Ms. Schuh introduced Bill Hinkel, Executive Director of Skagit County Community Action (SCCA), who provided information on the work SCCA provides, and how the organization is looking forward to opening a satellite office in Anacortes. Mr. Hinkel then introduced Sandy York, Division Director of SCCA. Ms. York then presented a series of slides that provided more detailed information on the services and programs that will be provided at the Anacortes office.

CHRISTINE CLELAND-MCGRATH moved, seconded by RYAN WALTERS, to authorize the Mayor to enter into an agreement with SCCA to establish a satellite office in Anacortes. Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

### **Adjournment**

There being no further business, at approximately 7:05 p.m. the Anacortes City Council meeting of January 9, 2023 was adjourned.

**The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the January 17, 2023 City Council meeting:**  
[Download this file in OpenDocument spreadsheet format.](#)

| Invoice Doc # | Invoice Date | Invoice #        | Vendor Full Name               | Description                                                                    | Total Amount | Approval Queue |
|---------------|--------------|------------------|--------------------------------|--------------------------------------------------------------------------------|--------------|----------------|
| 316739        | 7/14/2022    | ReimbCousins     | COUSINS, RICHARD               | MEDICAL COPAY                                                                  | \$ 104.62    | hr             |
| 316753        | 9/2/2022     | 5510-6           | SEMRAU ENGINEERING & SURVEYING | ON-CALL STORMWATER SITE REVIEWS - HIDDEN SHORES - THROUGH 8/31/22              | \$ 3,253.00  | plan           |
| 316408        | 9/29/2022    | 96452            | WHITNEY EQUIPMENT CO INC       | SCREWS                                                                         | \$ 223.78    | dwwtp          |
| 316505        | 10/3/2022    | 295572           | ANACORTES ANIMAL HOSPITAL      | BOARD AND DISTRAINER; SEPTEMBER 2022                                           | \$ 206.76    | apd            |
| 316792        | 10/13/2022   | 1200470305       | HDR ENGINEERING, INC           | WTP ELECTRICAL SYSTEM: PROJECT MANAGEMENT/SYSTEM SUPPORT: 7/31-9/24/22         | \$ 4,418.34  | dwwtp          |
| 316760        | 11/15/2022   | INV00014356      | DEMCO, INC.                    | 2023 PASSPORT SIGNUP SOFTWARE ANNUAL                                           | \$ 819.37    | publib         |
| 316775        | 11/30/2022   | 271557           | MSDSOONLINE, INC.              | MSDSOONLINE HQ ACCOUNT - RENEWAL 1/26/23 - 1/25/24                             | \$ 114.24    | hr             |
| 316798        | 11/30/2022   | 815              | WIDENER & ASSOCIATES           | TOMMY THOMPSON TRAIL TRESTLE RESTORATION - ENVIRONMENTAL PERMITTING - NOV 2022 | \$ 1,369.20  | parks1         |
| 316796        | 11/30/2022   | 817              | WIDENER & ASSOCIATES           | WASTEWATER TREATMENT PLANT OUTFALL PERMITTING SERVICES - NOV 2022              | \$ 24,215.30 | pw1            |
| 316789        | 12/7/2022    | 22-1207          | PACIFIC NORTHWEST SCALE        | WWTP SOLIDS HANDLING SCALE CALIBRATION 2022                                    | \$ 924.80    | dwwtp          |
| 316644        | 12/12/2022   | 300000290019     | PUGET SOUND ENERGY INC         | ALL STATIONS: 11/4 - 12/6/22                                                   | \$ 1,414.98  | medic          |
| 316344        | 12/13/2022   | 68437            | COMMERCIAL FIRE PROTECTION INC | FACILITY ANNUAL FIRE EXTINGUISHER SERVICE                                      | \$ 1,407.02  | pwfac          |
| 316778        | 12/16/2022   | 115295           | VECA ELECTRIC & TECHNOLOGIES   | WWTP UNINTERRUPTED POWER SUPPLY AND ENTRY WAY RECEPTACLE INSTALLATION          | \$ 9,357.13  | pw1            |
| 316512        | 12/16/2022   | 14A8CD15-2023315 | WIN-911 SOFTWARE               | WIN-911 BASIC CUSTOMER CARE SUBSCRIPTION - 2023                                | \$ 868.80    | dwwtp          |
| 316765        | 12/17/2022   | AMP Invoice #4   | ANACORTES MUSIC PROJECT        | LTAC 2022 AMP INVOICE NO 4                                                     | \$ 3,778.00  | plan           |
| 316768        | 12/18/2022   | 73359217         | INGRAM LIBRARY SERVICES, LLC   | ADULT BOOKS                                                                    | \$ 85.12     | publib         |
| 316741        | 12/19/2022   | 39914160         | LIFELINE                       | LIFELINE SERVICES, LEOFF 1 RETIREE 12/18/22-1/18/23                            | \$ 166.32    | hr             |

| Invoice Doc # | Invoice Date | Invoice #            | Vendor Full Name               | Description                                                             | Total Amount | Approval Queue |
|---------------|--------------|----------------------|--------------------------------|-------------------------------------------------------------------------|--------------|----------------|
| 316790        | 12/19/2022   | 69249                | COMMERCIAL FIRE PROTECTION INC | ANNUAL FIRE ALARM INSPECTIONS - 2022                                    | \$ 9,359.35  | pw1            |
| 316638        | 12/19/2022   | 9165861              | DEPARTMENT OF NATURAL          | 2022 FOREST LAND ASSESSMENT                                             | \$ 1,481.11  | medic          |
| 316342        | 12/21/2022   | A25329/1             | DEVERE, LINDA                  | SENIOR CENTER SUPPLIES                                                  | \$ 18.49     | parks1         |
| 316478        | 12/22/2022   | 0074147-IN           | REISNER DISTRIBUTOR INC        | INCINERATOR FUEL                                                        | \$ 1,686.78  | dwwtp          |
| 316740        | 12/22/2022   | 1154635597           | WILSON DDS, NICHOLAS J         | DENTAL SERVICES, LEOFF1 RETIREE                                         | \$ 182.80    | hr             |
| 316788        | 12/22/2022   | 2132-10              | MAKERS ARCHITECTURE            | AFFORDABLE HOUSING ACTION PLAN - THROUGH NOVEMBER 2022                  | \$ 7,320.00  | plan           |
| 316353        | 12/22/2022   | ReimbTottenham       | TOTTENHAM, BRIAN               | EMPLOYEE BOOT REIMBURSEMENT                                             | \$ 200.00    | parks1         |
| 316756        | 12/27/2022   | 17092-22             | H W LOCHNER, INC               | R AVENUE LONG-TERM IMPROVEMENT PROJECT - ENGINEERING - 11/12/22-12/9/22 | \$ 28,611.06 | pw1            |
| 316483        | 12/27/2022   | 68917                | COMMERCIAL FIRE PROTECTION INC | FIRE EXTINGUISHER MAINTENANCE                                           | \$ 2,457.90  | dshop          |
| 316755        | 12/28/2022   | 2022-1107            | PUBLIC SAFETY TESTING, INC     | PRE-EMPLOYMENT TESTING SERVICES FOR POLICE AND FIRE - OCT-DEC 2022      | \$ 692.00    | hr             |
| 316777        | 12/28/2022   | 29525                | SKAGIT PUBLISHING LLC          | PUBLISH AA-316056                                                       | \$ 113.68    | finance        |
| 316773        | 12/28/2022   | 29526                | SKAGIT PUBLISHING LLC          | PUBLISH AA-316079                                                       | \$ 44.66     | finance        |
| 316343        | 12/28/2022   | 360-299-0973-1017915 | ZIPLY FIBER                    | WWTP 2023 12/28-1/27/23                                                 | \$ 473.22    | dwwtp          |
| 316486        | 12/29/2022   | 0294807-IN           | REISNER DISTRIBUTOR INC        | LUBE OIL- SHOP                                                          | \$ 1,135.51  | dshop          |
| 316425        | 12/29/2022   | 6048                 | GRINDLINE SKATEPARKS INC       | SKATE PARK DESIGN AND BID DOCUMENTS - DECEMBER 2022                     | \$ 9,974.00  | parks1         |
| 316427        | 12/30/2022   | 0185292              | GEOENGINEERS, INC.             | ON-CALL CRITICAL AREAS-RELATED SERVICES - JULY 30 - DEC. 16, 2022       | \$ 218.50    | plan           |
| 316795        | 12/30/2022   | 1000832              | TONKIN HILLSBORO CJDR          | RAM 5500 CHASSIS FOR LIGHT RESCUE TRUCK                                 | \$ 84,409.22 | pw1            |
| 316751        | 12/30/2022   | 255119               | NUCLEAR SOURCES AND SVCS, INC. | WWTP DENSITY METER SOURCE DISPOSAL                                      | \$ 3,370.40  | dwwtp          |
| 316643        | 12/30/2022   | 3638888              | ZOLL MEDICAL CORPORATION       | 3 REPLACEMENT AED BATTERIES                                             | \$ 1,211.76  | medic          |
| 316603        | 12/30/2022   | December 2022        | KORTERUD, WAYNE D              | INDIGENCY SCREENING                                                     | \$ 415.00    | court          |
| 316511        | 12/30/2022   | S221217              | INSTRUMENT TECHNOLOGIES, INC.  | FLOWMETER VERIFICATION                                                  | \$ 1,950.00  | dwwtp          |
| 316509        | 12/31/2022   | 0001-284685          | NAPA                           | WIPER BLADES- #027                                                      | \$ 23.30     | dshop          |

| Invoice Doc # | Invoice Date | Invoice #            | Vendor Full Name               | Description                                                       | Total Amount | Approval Queue |
|---------------|--------------|----------------------|--------------------------------|-------------------------------------------------------------------|--------------|----------------|
| 316639        | 12/31/2022   | 11395                | PETDATA, INC                   | PETDATA LICENSING FEES DEC                                        | \$ 1,453.20  | finance        |
| 316484        | 12/31/2022   | 12W3201              | MOTOR TRUCKS, INC              | REPAIRS #601                                                      | \$ 196.59    | dshop          |
| 316632        | 12/31/2022   | 14908                | OSPINSIGHT INTERNATIONAL, INC  | OSPINSIGHT SERVICE 2022-2023                                      | \$ 21,231.23 | fiber          |
| 316791        | 12/31/2022   | 2111                 | SKAGIT CONSERVATION DISTRICT   | NPDES PHASE II PUBLIC OUTREACH AND EDUCATION 2022 - DECEMBER 2022 | \$ 606.39    | pw1            |
| 316620        | 12/31/2022   | 2120119              | UTILITIES UNDERGROUND LOCATION | DECEMBER LOCATE TICKETS                                           | \$ 179.31    | dshop          |
| 316787        | 12/31/2022   | 22-166-WTR-0011      | LAKESIDE INDUSTRIES, INC.      | RETAINAGE RELEASE                                                 | \$ 2,503.15  | pw1            |
| 316807        | 12/31/2022   | 22-179-IDS-0011      | US CRANE & HOIST, INC.         | RETAINAGE RELEASE                                                 | \$ 410.00    | pw1            |
| 316805        | 12/31/2022   | 22-200-FAC-0011      | NORTHWEST COLORS INC.          | RETAINAGE RELEASE                                                 | \$ 4,000.00  | pw1            |
| 316759        | 12/31/2022   | 226755               | INFOSEND, INC.                 | DECEMBER 2022 PROCESSING                                          | \$ 3,776.23  | finance        |
| 316345        | 12/31/2022   | 2311                 | THE CLEAN TEAM                 | JANITORIAL SERVICES                                               | \$ 1,400.00  | pwfac          |
| 316736        | 12/31/2022   | 32746                | ORCA INFORMATION, INC          | BACKGROUND CHECK                                                  | \$ 53.00     | hr             |
| 316499        | 12/31/2022   | 34684                | THRIFTY CLEANERS               | UNIFORM CLEANING 12/1-12/31/22                                    | \$ 31.55     | apd            |
| 316429        | 12/31/2022   | 4129                 | BOYS & GIRLS CLUBS             | DEC - LUNCH PROGRAM SERVICE PROVISION                             | \$ 100.00    | finance        |
| 316612        | 12/31/2022   | 44718                | PACIFIC SECURITY               | SECURITY DETAIL                                                   | \$ 691.25    | court          |
| 316357        | 12/31/2022   | CL53811              | REISNER DISTRIBUTOR INC        | VEHICLE FUEL - DEC 2022                                           | \$ 27,768.32 | finance        |
| 316647        | 12/31/2022   | COURT & BUILDING FEE | WASHINGTON STATE TREASURER     | COURT & BLDG FEES TO STATE - OTR 4                                | \$ 11,847.87 | finance        |
| 316432        | 12/31/2022   | CPLS                 | DEPARTMENT OF LICENSING        | CPLS TO DOL; DEC 2022                                             | \$ 342.00    | apd            |
| 316749        | 12/31/2022   | GC00119374           | CODE PUBLISHING, LLC           | CODIFICATION SERVICES - ANNUAL FEES                               | \$ 1,205.84  | legal          |
| 316754        | 12/31/2022   | IN949257             | NOANET                         | MUNICIPAL FIBER NETWORK COORDINATED SERVICES - DECEMBER 2022      | \$ 7,797.86  | fiber          |
| 316479        | 12/31/2022   | RefundFidalgoMHOA    | FIDALGO MARINA OWNERS ASSOC.   | VALUE OF PROJECT CHANGED-REFUND                                   | \$ 1,707.75  | bldg           |
| 316633        | 12/31/2022   | T21-003.08           | TUTTLE ENGINEERING AND MGMT    | GRAND VIEW CEMETERY EXPANSION - PHASE 2 - SEPTEMBER-DECEMBER 2022 | \$ 6,386.00  | parks1         |
| 316617        | 1/1/2023     | 052-0010-00          | CITY OF ANACORTES              | OPS: 12/1-12/31/22                                                | \$ 1,527.37  | dshop          |
| 316614        | 1/1/2023     | 10624                | PORT OF ANACORTES              | MOORAGE FOR MARINE 29 - JANUARY                                   | \$ 396.73    | medic          |
| 316742        | 1/1/2023     | 108301               | ASSOCIATION OF WASHINGTON      | AWC 2023 ANNUAL MEMBERSHIP                                        | \$ 14,106.00 | hr             |
| 316743        | 1/1/2023     | 112622               | ASSOCIATION OF WASHINGTON      | 2023 AWC WORKER'S COMP RETRO & D&A CONSORTIUM MEMBERSHIP          | \$ 35,829.97 | hr             |

| Invoice Doc # | Invoice Date | Invoice #           | Vendor Full Name              | Description                                                                      | Total Amount  | Approval Queue |
|---------------|--------------|---------------------|-------------------------------|----------------------------------------------------------------------------------|---------------|----------------|
| 316412        | 1/1/2023     | 1395814-0043-8      | WASTE MANAGEMENT              | DECEMBER 2022 CONTRACTED SERVICES                                                | \$ 128,925.60 | finance        |
| 316423        | 1/1/2023     | 190-1840-00         | CITY OF ANACORTES             | WWTP 12/1-12/31/22                                                               | \$ 5,307.77   | dwwtp          |
| 316803        | 1/1/2023     | 2285                | SKAGIT COUNCIL OF GOVERNMENTS | SCOG DUES 2023                                                                   | \$ 16,981.00  | plan           |
| 316799        | 1/1/2023     | 34017               | COMMERCIAL ALARM & DETECTION  | LIBRARY FIRE ALARM MONITORING AGREEMENT - 1ST QUARTER 2023                       | \$ 97.92      | pw1            |
| 316503        | 1/1/2023     | 5066467439          | RICOH USA, INC                | APD FRONT OFFICE COPIER 12/1-12/31/22                                            | \$ 20.94      | apd            |
| 316349        | 1/1/2023     | 5066467448          | RICOH USA, INC                | S/N C86086497 PUB DEF COPIES 10/1-12/31/22                                       | \$ 46.72      | finance        |
| 316802        | 1/1/2023     | 5330700278          | SIEMENS INDUSTRY, INC         | 2023 HVAC CONTROL SYSTEMS SERVICE                                                | \$ 11,502.34  | pw1            |
| 316762        | 1/1/2023     | 73606874            | INGRAM LIBRARY SERVICES, LLC  | ADULT BOOKS                                                                      | \$ 1,018.19   | publib         |
| 316763        | 1/1/2023     | 73606875            | INGRAM LIBRARY SERVICES, LLC  | TEEN AND JUVENILE BOOKS                                                          | \$ 1,450.50   | publib         |
| 316197        | 1/2/2023     | 0402                | FIDALGO CLEANING              | CLEANING; PUBLIC SAFETY BUILDING 1/2-1/15/23                                     | \$ 800.00     | apd            |
| 316430        | 1/2/2023     | 8498 30 017 0319913 | COMCAST                       | LIBRARY INTERNET ACCESS 1/9-2/8/23                                               | \$ 185.23     | fiber          |
| 316516        | 1/2/2023     | 866180              | HASA, INC                     | SODIUM HYPOCHLORITE                                                              | \$ 4,989.41   | dwwtp          |
| 316517        | 1/3/2023     | 0001-284807         | NAPA                          | WIRE- #4001                                                                      | \$ 17.28      | dshop          |
| 316526        | 1/3/2023     | 0001-284823         | NAPA                          | OIL FILTER- STOCK                                                                | \$ 64.89      | dshop          |
| 316333        | 1/3/2023     | 0001-284832         | NAPA                          | NAPAGOLD AIR FILTER                                                              | \$ 16.42      | dshop          |
| 316518        | 1/3/2023     | 0001-284833         | NAPA                          | RELAY AND SOCKETS #4001                                                          | \$ 36.69      | dshop          |
| 316521        | 1/3/2023     | 0001-284853         | NAPA                          | GREASE SEAL- #837                                                                | \$ 76.48      | dshop          |
| 316495        | 1/3/2023     | 023111024           | GALLS, LLC.                   | UNIFORM SHIRTS; SGT LEETZ                                                        | \$ 166.68     | apd            |
| 316800        | 1/3/2023     | 1753856             | FIRSTLINE COMMUNICATIONS      | SHORETEL SUPPORT AGREEMENT - 2/3/23-2/3/24                                       | \$ 9,518.78   | infosys        |
| 316770        | 1/3/2023     | 200000666863        | PUGET SOUND ENERGY INC        | LIBRARY 10TH STREET LED 12/3/22-1/3/23                                           | \$ 9.95       | publib         |
| 316772        | 1/3/2023     | 200000667218        | PUGET SOUND ENERGY INC        | LIBRARY 10TH & M ST 12/3-1/3/23                                                  | \$ 20.73      | publib         |
| 316502        | 1/3/2023     | 200012505505        | PUGET SOUND ENERGY INC        | WTP 12/1-12/31/22                                                                | \$ 75,711.03  | dwwtp          |
| 316426        | 1/3/2023     | 2023-0007           | THE WATERSHED COMPANY         | SHORELINE MASTER PROGRAM (SMP) USER GUIDE & WEBSITE PROJECT - THRU DEC. 31, 2022 | \$ 3,475.00   | plan           |
| 316501        | 1/3/2023     | 220025931985        | PUGET SOUND ENERGY INC        | CHERRY LANE & ORCHARD AVE ST LIGHTS: 12/3/22 -1/3/23                             | \$ 7.83       | dshop          |
| 316507        | 1/3/2023     | 220030712800        | PUGET SOUND ENERGY INC        | STREET LIGHTS: 12/3/22-1/3/23                                                    | \$ 3.99       | dshop          |

| Invoice Doc # | Invoice Date | Invoice #     | Vendor Full Name               | Description                                                                | Total Amount | Approval Queue |
|---------------|--------------|---------------|--------------------------------|----------------------------------------------------------------------------|--------------|----------------|
| 316348        | 1/3/2023     | 2305          | THE CLEAN TEAM                 | LTAC PUBLIC RESTROOM MAINTENANCE                                           | \$ 400.00    | plan           |
| 316744        | 1/3/2023     | 2306          | THE CLEAN TEAM                 | 2022 JANITORIAL SERVICES -                                                 | \$ 4,300.00  | pw1            |
| 316488        | 1/3/2023     | 300000006951  | PUGET SOUND ENERGY INC         | STREET LIGHTS: 12/1-12/29/22                                               | \$ 461.43    | dshop          |
| 316489        | 1/3/2023     | 300000290043  | PUGET SOUND ENERGY INC         | STREET LIGHTS: 11/2-12/2/22                                                | \$ 18,811.60 | dshop          |
| 316497        | 1/3/2023     | 300000325005  | PUGET SOUND ENERGY INC         | STREET LIGHTS: 11/09-12/08/22                                              | \$ 106.08    | dshop          |
| 316500        | 1/3/2023     | 300000340004  | PUGET SOUND ENERGY INC         | STREET LIGHTS: 12/-12/29/22                                                | \$ 81.90     | dshop          |
| 316757        | 1/3/2023     | INV-KA-150407 | KNOX COMPANY                   | 2023 ANNUAL CLOUD SUBSCRIPTION                                             | \$ 626.69    | medic          |
| 316520        | 1/4/2023     | 0001-284979   | NAPA                           | LIGHT #4001                                                                | \$ 58.27     | dshop          |
| 316515        | 1/4/2023     | 0001-284980   | NAPA                           | WIRE- # 4001                                                               | \$ 16.65     | dshop          |
| 316519        | 1/4/2023     | 0001-285020   | NAPA                           | OIL FILTER #016                                                            | \$ 5.41      | dshop          |
| 316524        | 1/4/2023     | 0001-285036   | NAPA                           | PAINT BRUSH #2001                                                          | \$ 19.58     | dshop          |
| 316523        | 1/4/2023     | 0001-285043   | NAPA                           | BLACK SPRAY PAINT #2001                                                    | \$ 51.83     | dshop          |
| 316606        | 1/4/2023     | 14015         | NORTHWEST CLEAN AIR AGENCY     | 2023 LOCAL ASSESSMENT - PER CAPITA FEE                                     | \$ 8,875.00  | finance        |
| 316645        | 1/4/2023     | 2022 Q4-Ana   | SKAGIT COUNTY DEM              | 4TH QTR SHARED COSTS                                                       | \$ 13,696.59 | medic          |
| 316752        | 1/4/2023     | 22411.07-1    | GRAY & OSBORNE INC             | ON-CALL STORMWATER-RELATED SERVICES - BASIN B2 MODELING - 12/4/22-12/31/22 | \$ 651.42    | plan           |
| 316781        | 1/4/2023     | 29919         | SKAGIT PUBLISHING LLC          | PUBLISH AA-315463                                                          | \$ 40.60     | finance        |
| 316785        | 1/4/2023     | 29920         | SKAGIT PUBLISHING LLC          | PUBLISH AA-315469                                                          | \$ 40.60     | finance        |
| 316780        | 1/4/2023     | 29921         | SKAGIT PUBLISHING LLC          | PUBLISH AA-318672                                                          | \$ 89.32     | finance        |
| 316779        | 1/4/2023     | 29922         | SKAGIT PUBLISHING LLC          | PUBLISH AA-318761                                                          | \$ 154.28    | finance        |
| 316628        | 1/4/2023     | 319405        | DOORMAN COMMERCIAL, LLC        | MUSEUM STORAGE DOOR REPLACEMENT                                            | \$ 4,491.84  | pw1            |
| 316496        | 1/4/2023     | 731120033     | WASHINGTON STATE DEPARTMENT    | INFRACTION TICKET BOOKS                                                    | \$ 779.38    | apd            |
| 316476        | 1/4/2023     | 9561777039    | GRAINGER                       | MAINTENANCE SUPPLIES                                                       | \$ 22.65     | dwwtp          |
| 316630        | 1/4/2023     | AN 855627     | CENTRAL WELDING SUPPLY CO, INC | O2 FOR AMBULANCE                                                           | \$ 134.27    | medic          |
| 316351        | 44930        | RefundPainter | PAINTER, MICHAEL               | WA PARK CAMPING REFUND                                                     | \$ 40.00     | parks1         |
| 316522        | 1/5/2023     | 0001-285074   | NAPA                           | SEALER #2001                                                               | \$ 35.72     | dshop          |
| 316525        | 1/5/2023     | 0001-285097   | NAPA                           | BATTERY #424                                                               | \$ 171.85    | dshop          |
| 316527        | 1/5/2023     | 0265924       | SIRENNET.COM                   | SPEAKERS, LIGHTS #3001, #3002. #3003                                       | \$ 918.82    | dshop          |
| 316433        | 1/5/2023     | 112425        | WALTON BEVERAGE COMPANY, INC   | CITY HALL BREAK ROOM SUPPLIES                                              | \$ 220.00    | finance        |

| Invoice Doc # | Invoice Date | Invoice #         | Vendor Full Name              | Description                                                              | Total Amount | Approval Queue |
|---------------|--------------|-------------------|-------------------------------|--------------------------------------------------------------------------|--------------|----------------|
| 316608        | 1/5/2023     | 112426            | WALTON BEVERAGE COMPANY, INC  | AFD BREAKROOM SUPPLIES                                                   | \$ 210.00    | medic          |
| 316514        | 1/5/2023     | 112427            | WALTON BEVERAGE COMPANY, INC  | OPS: BREAKROOM SUPPLIES                                                  | \$ 142.65    | dshop          |
| 316513        | 1/5/2023     | 1753896           | FIRSTLINE COMMUNICATIONS      | HELP WITH VOIP SYSTEM                                                    | \$ 289.01    | infosys        |
| 316776        | 1/5/2023     | 20070 - OC-08     | H W LOCHNER, INC              | ON-CALL PROFESSIONAL PLAN REVIEW CONSULTANT SERVICES - 10/15/22-12/31/22 | \$ 1,429.78  | pw1            |
| 316508        | 1/5/2023     | 702               | BLUE COW CARWASH              | 3RD & 4TH QUARTER CAR WASHES                                             | \$ 1,560.00  | dshop          |
| 316498        | 1/5/2023     | BINV0010139       | GOBLE SAMPSON ASSOCIATES, INC | PUMP TUBING FOR CHEMICAL PUMPS                                           | \$ 3,872.65  | dwtpt          |
| 316622        | 1/5/2023     | I6296338          | HD FOWLER COMPANY INC         | INVENTORY SUPPLIES FROM #309277                                          | \$ 369.20    | wdist          |
| 316623        | 44931        | I6296339          | HD FOWLER COMPANY INC         | WATER INVENTORY UNDER                                                    | \$ 374.16    | wdist          |
| 316422        | 1/5/2023     | Invoice #1        | ANACORTES ROTARY CLUB         | LTAC 2022 ROTARY TRAIL SIGN                                              | \$ 3,264.04  | plan           |
| 316621        | 1/6/2023     | 0001-285165       | NAPA                          | OIL FILTERS- SHOP STOCK                                                  | \$ 72.74     | dshop          |
| 316794        | 1/6/2023     | 1222              | SKAGIT COUNTY PUBLIC HEALTH   | SENIOR SERVICES PROGRAM 2022 - 4TH QUARTER                               | \$ 9,742.50  | pkrec          |
| 316635        | 1/6/2023     | 1282546           | LIFE ASSIST, INC              | I-GEL RESUS PKS, MEGAMOVERS, SHARPS                                      | \$ 3,609.06  | medic          |
| 316629        | 1/6/2023     | 210617            | OASYS INC                     | PLOTTER CHARGE BASE AND CONTRACT 1/9/23-2/8/23                           | \$ 168.79    | pw1            |
| 316487        | 1/6/2023     | 23000042 RI 05700 | VEOLIA ENVIRONMENTAL SERVICES | MICROSAND 21 TONS/FOURTEEN 3,000-LB BAGS                                 | \$ 8,373.06  | dwtpt          |
| 316607        | 1/6/2023     | 242781            | NORTHSTAR CHEMICAL INC.       | PLANT CHEMICALS - SODIUM BISULFITE                                       | \$ 3,139.97  | dwtpt          |
| 316616        | 1/6/2023     | 300000006951      | PUGET SOUND ENERGY INC        | STREET LIGHTS: 12/3 - 12/31/22                                           | \$ 3.79      | dshop          |
| 316636        | 1/6/2023     | ContractKiser     | KISER, SHERRI                 | DROP-IN ADULT VOLLEYBALL GYM SUPERVISOR                                  | \$ 873.00    | pkrec          |
| 316737        | 1/7/2023     | 000025W5A83013    | UNITED PARCEL SERVICE, INC    | UPS SHIPPING; WEEK ENDING 1-7-23                                         | \$ 11.69     | apd            |
| 316738        | 1/7/2023     | 220013286491      | PUGET SOUND ENERGY INC        | APD 12/7/22 - 1/6/23                                                     | \$ 2,617.22  | apd            |
| 316598        | 1/7/2023     | 220013286525      | PUGET SOUND ENERGY INC        | HEART OF ANACORTES 12/7-1/6-23                                           | \$ 159.46    | plan           |
| 316615        | 1/7/2023     | 220015523313      | PUGET SOUND ENERGY INC        | 501 Q AVE: 12/7- 12/31/22                                                | \$ 35.68     | dshop          |
| 316610        | 1/7/2023     | 220021901958      | PUGET SOUND ENERGY INC        | TSUNAMI SIREN SKYLINE 12-7 TO 1-6-2023                                   | \$ 10.89     | dwtpt          |
| 316761        | 1/8/2023     | 73728042          | INGRAM LIBRARY SERVICES, LLC  | ADULT BOOKS                                                              | \$ 159.75    | publib         |
| 316599        | 1/9/2023     | 010-0020-01       | BOSS, JACQUELINE              | UB Refund Cst #054163                                                    | \$ 0.27      | finance        |

| Invoice Doc # | Invoice Date | Invoice #            | Vendor Full Name               | Description                                    | Total Amount         | Approval Queue |
|---------------|--------------|----------------------|--------------------------------|------------------------------------------------|----------------------|----------------|
| 316600        | 1/9/2023     | 140-1830-00          | LEARMONTH TRUST                | UB Refund Cst #060226                          | \$ 185.07            | finance        |
| 316613        | 1/9/2023     | 14353                | NW COMMUNICATIONS, INC         | REPAIR 6 FIRECOM HEADSETS                      | \$ 631.04            | medic          |
| 316748        | 1/9/2023     | 1753942              | FIRSTLINE COMMUNICATIONS       | NUISANCE CALL HANDLER SUPPORT                  | \$ 96.34             | infosys        |
| 316642        | 1/9/2023     | 22162i               | BEAVER EQUIPMENT, LLC          | ROTORK MOTORS X 2                              | \$ 7,044.37          | dwtp           |
| 316601        | 1/9/2023     | 500-5060-00          | ROBINSON BROTHERS CONSTRUCTION | UB Refund Cst #063627                          | \$ 17.27             | finance        |
| 316649        | 1/9/2023     | Invoice #1           | ANACORTES FARMERS MARKET       | LTAC AFM 2022                                  | \$ 10,000.00         | plan           |
| 316605        | 1/9/2023     | Invoice #1           | ANACORTES MUSEUM FOUNDATION    | LTAC MUSEUM HISTORIC SIGNAGE                   | \$ 3,849.48          | plan           |
| 316624        | 1/9/2023     | Invoice #1 Brochures | ANACORTES MUSEUM FOUNDATION    | LTAC MUSEUM BROCHURES                          | \$ 5,800.00          | plan           |
| 316747        | 1/10/2023    | INV2584486           | COPIERS NORTHWEST, INC         | CANON/IRC5560I<br>FINANCE/OPS/WWTP 12/8-1/7/23 | \$ 525.37            | finance        |
| 316618        | 1/31/2023    | INV65327             | VECTOR SOLUTIONS               | SUBSCRIPTION 1/31/23 - 1/30/24                 | \$ 5,154.94          | medic          |
|               |              |                      |                                |                                                |                      |                |
|               | <b>Total</b> |                      |                                |                                                | <b>\$ 743,169.52</b> |                |



## City Council Agenda Bill

**Meeting Date:** January 17, **Agenda Item:** 7.a.  
2023

**Agenda Item Title:** Resolution 3104: Adopting a Housing Action Plan as a Guiding Document with Recommendations for Future Housing Policy, Planning, and Regulatory Amendments to Improve the Availability and Affordability of Housing for the Entire Community

**Staff Contact(s):** DON MEASAMER

|                                                    |                           |
|----------------------------------------------------|---------------------------|
| <b><u>Approved for Submittal to Council by</u></b> | <b><u>Action Type</u></b> |
| Joann Stewart                                      | Public Hearing            |
| DON MEASAMER                                       |                           |

**Item Summary:** The Anacortes Housing Action Plan (HAP) defines policies, strategies and implementing actions that promote greater housing diversity, affordability, and access to opportunities for residents of all income levels. The process to develop the HAP included a review of Anacortes's system of policies, programs, and regulations that share opportunities for housing development. The purpose of this effort is to identify ways to encourage construction of both affordable and market rate housing in a greater variety of types, densities, and cost levels. The priorities of the HAP were informed by a housing needs assessment, (existing conditions report), community and stakeholder engagement.

The HAP is intended to inform updates to the Anacortes Comprehensive Plan (most notably the Housing and Land Use elements) and to guide implementation strategies such as development regulations, housing programs, fee structures, and infrastructure spending priorities.

**Budget Impact:**  
NA

**Previous Action:** Presentations before the Planning Commission and City Council

**Recommended Motion:** Motion to approve Resolution 3104 Adopting the Anacortes Housing Action Plan as Presented

**Alternative Actions:** Revise as needed

**Attachments (listed in order presented):**

1. HAP Resolution 3104
2. Anacortes Housing Action Plan\_FINAL\_23-0109
3. Anacortes HAP - Existing Conditions Report\_FINAL\_22-1019
4. Anacortes HAP Public Engagement Plan\_FINAL\_22-1205
5. Anacortes HAP\_City Council\_23-0117\_v2 Pwr Pt
6. HAP Comments

**RESOLUTION NO. 3104**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANACORTES ADOPTING A HOUSING ACTION PLAN ~~AS A GUIDING DOCUMENT WITH RECOMMENDATIONS FOR FUTURE HOUSING POLICY, PLANNING, AND REGULATORY AMENDMENTS TO~~ IMPROVE THE AVAILABILITY AND AFFORDABILITY OF HOUSING FOR THE ENTIRE COMMUNITY**

**WHEREAS**, Revised Code of Washington (RCW) 36.70A.600 provides for cities planning under the Growth Management Act (GMA) to prepare a Housing Action Plan (HAP); and

**WHEREAS**, the goal of the HAP is to encourage construction of additional affordable and market rate housing in a greater variety of housing types and prices that are accessible to a greater variety of incomes, ~~including strategies aimed at the for-profit single family home market~~; and

**WHEREAS**, preparation of the HAP involved extensive public outreach that included stakeholder interviews, community survey, planning commission public meeting, city council public hearing, and city web page that made available related documents and allowed for early and continuous public participation and public comment; and

**WHEREAS**, the City of Anacortes finds that adequate and affordable housing is key to ensuring a vibrant community with a desirable quality of life; and

**WHEREAS**, ~~T~~the City of Anacortes finds that there is a need for a variety of housing types that are affordable across all income levels; and

**WHEREAS**, the City of Anacortes recognizes the need for a more comprehensive strategy in addressing housing needs; and

**WHEREAS**, the Housing Action Plan was developed by evaluating the City's ongoing efforts and analyzing Anacortes's current and future housing needs through a housing needs analysis and collaborating with the community; and

**WHEREAS**, the City Council held a meeting on December 19, 2022, to introduce the Housing Action Plan and take public comment; and

**WHEREAS**, the City Council held a public hearing on January 17, 2023 ;

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Anacortes, Washington, that:

**SECTION 1** – The Council hereby adopts- the Anacortes Housing Action Plan as shown in Attachment A.

**SECTION 2** – The City Council intends to select specific measures from the ~~the~~ Anacortes Housing Action Plan- to propose as development regulation updates to address Anacortes’s housing needs.

**SECTION 3** – The Housing Action Plan will be a useful foundation for updates of the policies in the 2025 Comprehensive Plan’s Land Use and Housing Elements.

~~Section 4 —The City Council intends no development outside its jurisdiction, e.g., Guemes Island...~~

**INTRODUCED, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ANACORTES THIS \_\_\_\_\_.**

\_\_\_\_\_  
MATT MILLER, -MAYOR

Approved as to form and legality:

Steve D. Hoglund, City Clerk Treasurer

\_\_\_\_\_  
Darcy Swetnam, WSBA #40530  
City Attorney

ATTEST:

\_\_\_\_\_

# Anacortes Housing Action Plan



January 2023

## Thank You

Special thanks to the Anacortes community for sharing your time, knowledge, and energy to shape this housing action plan that meets your needs and interests.

### **Mayor**

Matt Miller

### **City Council**

Ryan Walters\*

Christine Cleland-McGrath\*

Jeremy Carter

Amanda Hubik

Bruce McDougall

Carolyn Moulton\*

Anthony Young

\*Housing Affordability and Community Services committee members

### **Planning Commission**

Sarah Ruether

Gary Molyneaux

Jeffrey Graf

Ward R. MacKenzie

Jack Curtis

Frank Jeretzky

Linda Martin

### **City Staff**

Don Measamer, Director of the Planning, Community & Economic Development Department

Libby Grage, Planning Manager

Grace Pollard, Senior Planner

Joann Stewart, Program Coordinator

Robert Hoxie, GIS Coordinator/Asset Program Supervisor

Marli Stevens, GIS/Asset Coordinator

Steve Hogle, Finance Director

### **Consultant Team**

MAKERS Architecture & Urban Design: Bob Bengford, Scott Bonjukian, Rachel Miller, Yifan Xing

Leland Consulting Group: Chris Zahas, Andrew Oliver, Sam Brookham

### **Washington State**

This plan was supported by a Department of Commerce grant for cities to support housing affordability.

# Contents

## Table of Contents

|                                        |    |
|----------------------------------------|----|
| Executive Summary .....                | 4  |
| 1 – Background Information.....        | 7  |
| 2 – Regulatory Strategies.....         | 13 |
| 3 – Programmatic Strategies .....      | 47 |
| 4 – Citywide Planning Strategies ..... | 58 |
| 5 – Funding Strategies .....           | 69 |
| 6 – Implementation .....               | 81 |

## Abbreviations

ACS. American Community Survey, an annual product of the U.S. Census Bureau.

ADU. Accessory dwelling unit.

AHA. Anacortes Housing Authority.

AFC. Anacortes Family Center.

AMC. Anacortes Municipal Code (city law).

AMI. Area median income.

CHAS. Comprehensive Housing Affordability Strategy, a product of the U.S. Department of Housing and Urban Development.

GIS. Geographic information system.

GFC. General facilities charge.

HACS. Housing Affordability and Community Services, a committee of the Anacortes City Council.

HAP. Housing Action Plan.

HUD. U.S. Department of Housing and Urban Development.

LEHD. Longitudinal Employer-Household Dynamics, a product of the U.S. Census Bureau.

MFTE. Multifamily tax exemption program.

MSA. Metropolitan Statistical Area.

OFM. Washington State Office of Financial Management.

RCW. Revised Code of Washington (state law).

## Executive Summary

The Anacortes Housing Action Plan (HAP) defines strategies and implementing actions that promote greater housing diversity, affordability, and access to opportunity for residents of all income levels. The process to develop the HAP included a review of Anacortes's system of policies, programs, and regulations which shape opportunities for housing development and which impact the affordability of existing and new housing.

The purpose of this effort is to identify ways to encourage construction and preservation of both affordable and market-rate housing in a greater variety of types, densities, and cost levels. The priorities for the HAP were informed by a housing needs assessment, public engagement, discussion with the City Council and Planning Commission, and City staff.

The HAP is intended to inform updates to the Anacortes Comprehensive Plan (most notably the Land Use and Housing elements) and to guide implementation strategies such as development regulations, housing programs, and infrastructure spending priorities.

### Objectives

The HAP objectives listed below were developed from the original research questions and the results of housing needs analysis report. They drive the recommended actions and strategies.

1. Support the local economy and workforce with more rental homes.
2. Create a greater variety of homeownership opportunities.
3. Slow down and stabilize the rise in housing prices.
4. Refine regulatory standards to reduce barriers to housing development.
5. Adopt new financial tools to support and promote development and maintenance of housing.

### Housing Vision

The housing vision is common set of principles for people living and working in Anacortes. It builds off the vision statement of the Comprehensive Plan and the goals and policies of the Housing Element.

1. Everyone who works in Anacortes (from teachers and nurses to restaurant and retail staff) can afford to live in Anacortes if they choose.
2. Children who grow up in Anacortes can afford starter homes in the town near their friends and family.
3. Seniors have options to gracefully age in place in the community near essential services and caretakers.
4. Local housing contributes to climate change and sustainability goals by allowing people to drive fewer miles and live near jobs and daily services.

## Why Housing Matters

Anacortes has an interest in providing a sufficient supply, diversity, and price range of housing because of housing's connections to all other qualities of the city and the needs of its people. Housing and shelter are essential to human health and well-being. The availability of housing for people in different stages of life and in different classes directly affects whether people choose to live and work in Anacortes, the success and vitality of local businesses, the protection of natural resources and rural lands, and the rate of climate-changing emissions.



**Housing matters because people matter.** Housing affects these major interests of Anacortes:

### Quality of Life

Low vacancies prevent all generations and families from trading up or trading down their housing. Recent graduates looking for work seek housing they can afford at entry-level wages. Families make decisions on whether and where to raise children based on the availability and location of housing that fits their needs. The ability of seniors to have familial or hired caretakers relies on the availability and price of housing for themselves and healthcare workers.

### Protecting Rural Landscapes

The lack of housing in the city puts pressure on the development of rural farms, forests, and resource lands outside of the city. This effect occurs at both a local and regional scale across Skagit County. Compact and taller housing helps Anacortes grow up instead of growing out.

### Economic Development and Essential Workers

Local Anacortes businesses, industries, and essential services like policing, teaching, and healthcare depend on a stable workforce. Having housing choices affordable to most people earning local wages is critical to building a diverse economy and thriving community.

### Traffic and Emissions

Without financial and practical options to live where they work, workers will mostly drive into Anacortes from elsewhere. This contributes to increased traffic congestion, safety risk, and carbon emissions. Transportation is the biggest contributor to carbon emissions in the state.

### Avoiding Displacement

Higher housing costs make more people more vulnerable to losing their home, which affects their ability to hold down a job, graduate school, care for children, or contribute to community.

## Housing Actions and Strategies

The housing actions are organized by broader strategy sections of this plan. The implementation timeline is an estimate of how long it will take to implement an action. There are also many sub-sections which may require different timelines if additional community outreach is needed, alignment with the City's annual budget process is necessary, or there is a desire to roll policy updates into the next major Comprehensive Plan update. See Section 6 for more details on implementation priorities.

| Strategy                            | Description                               | Priority | Time         |
|-------------------------------------|-------------------------------------------|----------|--------------|
| <b>Regulatory Strategies</b>        |                                           |          |              |
| 2.1                                 | Allow more housing types in more zones    | High     | 0-6 months   |
| 2.2                                 | Map the R3A zone and update its standards | High     | 0-6 months   |
| 2.3                                 | Streamline ADU regulations                | High     | 0-6 months   |
| 2.4                                 | Adjust form and intensity standards       | High     | 0-6 months   |
| 2.5                                 | Adjust definitions and design standards   | High     | 0-6 months   |
| 2.6                                 | Adjust parking standards                  | High     | 0-6 months   |
| 2.7                                 | Building code amendments                  | Medium   | 6-12 months  |
| <b>Programmatic Strategies</b>      |                                           |          |              |
| 3.1                                 | Short-term rental regulations             | Medium   | 0-6 months   |
| 3.2                                 | Anti-displacement strategies              | Medium   | Ongoing      |
| 3.3                                 | Homelessness strategies                   | High     | Ongoing      |
| <b>Citywide Planning Strategies</b> |                                           |          |              |
| 4.1                                 | Hire a housing coordinator                | High     | 0-6 months   |
| 4.2                                 | Housing Element updates                   | Medium   | 12-24 months |
| 4.3                                 | Land Use Element updates                  | Medium   | 12-24 months |
| 4.4                                 | Public land for affordable housing        | Medium   | Ongoing      |
| <b>Funding Strategies</b>           |                                           |          |              |
| 5.1                                 | Multifamily tax exemption program         | High     | 0-6 months   |
| 5.2                                 | Development fee adjustments               | Low      | 0-6 months   |
| 5.3                                 | Tax increment financing                   | Low      | 6-12 months  |
| 5.4                                 | Funding for ADU development               | Medium   | 6-12 months  |
| 5.5                                 | Inclusionary zoning and fee-in-lieu       | Low      | Long term    |
| 5.6                                 | Transit and sidewalk funding              | Medium   | 6-12 months  |
| 5.7                                 | State advocacy                            | Low      | Ongoing      |

## Next Steps

The urgency of Anacortes's housing challenges demand that a variety of strategies and actions be pursued immediately and simultaneously. This plan informs and recommends code updates in 2023 (Strategy 2). A housing coordinator staff position should be created and hired to implement all HAP strategies and serve as the City's lead on housing policy and coordination. Updates and evaluation are recommended in the next Comprehensive Plan update in 2025, and other programmatic, funding, and planning actions can start independently as soon as resources are allocated.

# 1 – Background Information

## 1.1 – Project Purpose

Anacortes is a great place to live, but it is getting more expensive. As the population grows, the supply of homes is not keeping up with increased demand. As a result, it is getting harder for people of average means to find and afford a home. The supply of housing is closely linked to the price of housing.<sup>1</sup>

The purpose of the Housing Action Plan is to identify strategies that promote more housing options for current and future residents at all income levels and support increases in the housing supply. Anacortes's residents are diverse and each household has its own preferences and experiences in how they live. This plan is intended to help guide City actions over the next several years to promote more housing choices for current and future residents.

The City is able to undertake this project thanks to grant funding provided by Washington State through the Department of Commerce. This grant program allocated funds for cities with the goal of supporting housing affordability through regulatory and planning actions.

## 1.2 – Housing Needs

Anacortes's current and future housing needs are detailed in the HAP Existing Conditions and Housing Needs Analysis Report. A summary is provided here.

Anacortes is expected to see demand for an additional 3,019 housing units through 2045, based on a projected annual growth rate of 1.4%. Figure 1 shows the approximate breakdown of these units by tenure and household income. There is demand for 1,451 rental units and 1,561 ownership units. The ownership units will likely target higher income brackets than the rental units. Many units will need to be affordable to households earning under 80% of the Area Median Income (AMI), or \$68,900 for a family of four as of 2022. Currently, the Anacortes Housing Authority and Anacortes Family Center together provide 387 units to households earning under 80% of the AMI, and in some cases to households earning less than 50% of the AMI.

These estimates and Figure 1 are future-looking based on expected net population growth. A recent report by nonprofit Up For Growth also suggests there may be additional need based on historical underproduction of housing.<sup>2</sup> In most metropolitan areas, housing shortages worsened between 2012 and 2019.<sup>3</sup> Based on the formation of new households or people living in undesirable situations (such as adult children living with their parents), the Skagit, Island, and San Juan Counties area unproduced nearly 2,300 units. If taken proportionally by population,

---

<sup>1</sup> "Housing Supply: A Growing Deficit." Freddie Mac. May 2021.

<https://www.freddiemac.com/research/insight/20210507-housing-supply>

<sup>2</sup> "2022 Housing Underproduction in the U.S." Up For Growth. 2022. <https://upforgrowth.org/apply-the-vision/housing-underproduction/>

<sup>3</sup> "Housing shortage has spread across Pacific Northwest, new study shows." *The Seattle Times*. August 2022. <https://www.seattletimes.com/seattle-news/data/housing-shortage-has-spread-across-pacific-northwest-new-study-shows/>

Anacortes underproduced 170 units between 2012 and 2019. Additional guidance on underproduction from the Washington Department of Commerce will be available in early 2023.

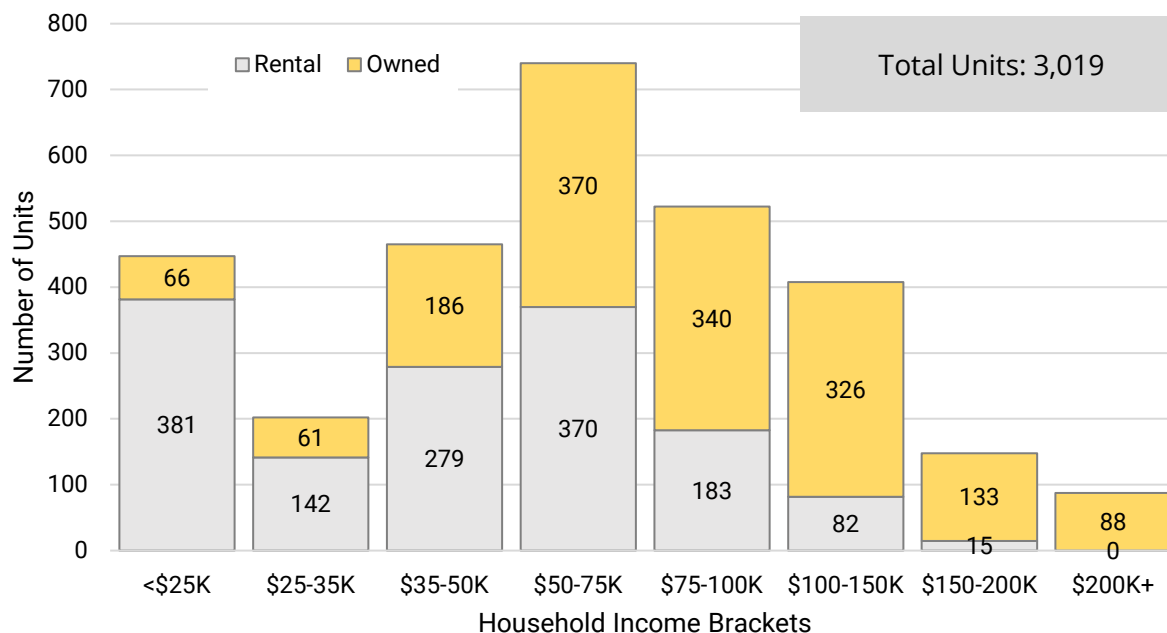


Figure 1. Approximate Demand for New Housing Units, City of Anacortes, 2021-2045. Source: Leland Consulting Group

Currently, about a third of Anacortes households are considered cost burdened, spending more than 30% of their income on housing costs. As shown in Figure 2 below, the share of cost-burdened households increases as income levels decrease. Almost 80% of very low income households (earning 30-50% AMI) spend more than a third of their income on housing.

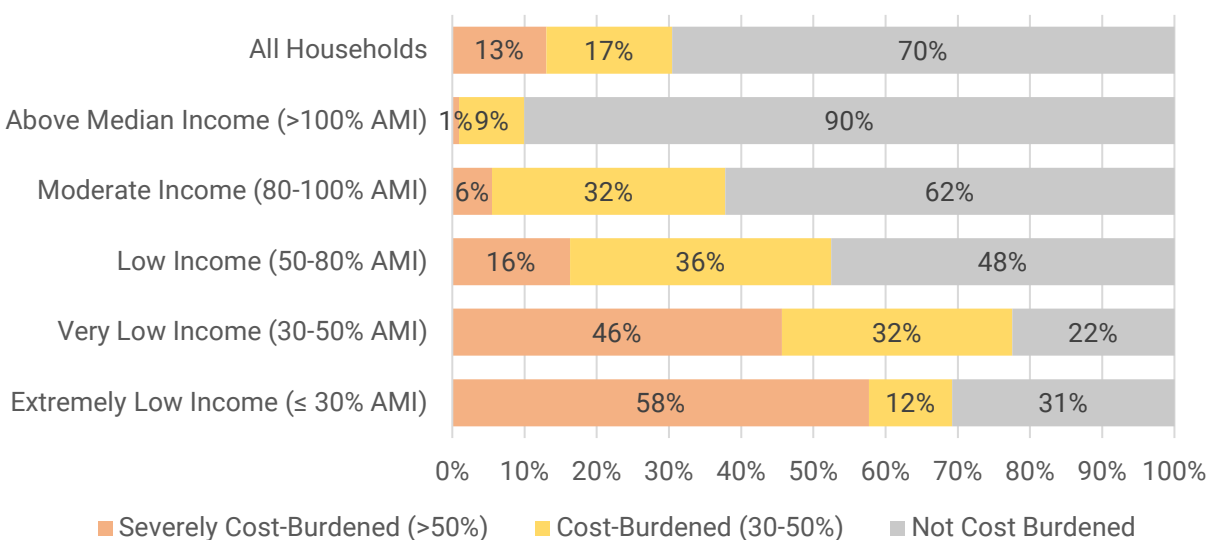


Figure 2. Cost Burden Status by Household Income Level (Percent), 2020. Source: HUD CHAS

Other subgroups of Anacortes residents identified in the HAP Existing Conditions and Housing Needs Analysis Report include:

- Senior households make up 44% of the city's population and a third of these are housing cost burdened. The city is currently underserved by senior and assisted living housing.
- Disabled residents. About half of the households with disabled household members are earning less than 80% AMI.
- People experiencing homelessness. The most recent point-in-time count showed at least 314 people countywide experiencing homelessness. This affects people of all walks of life and age (for instance, only 50% of Anacortes homeless high school students graduate compared to 92% of non-homeless students).<sup>4</sup>

A household is considered to be "cost-burdened" if they are spending more than 30% of their monthly income on housing costs (including rent or mortgage and utilities).

A "severely cost-burdened" household spends more than 50% of their monthly income on housing costs.

The strategies proposed throughout this Housing Action Plan are designed to increase housing options for current and future Anacortes residents at all income levels. Key strategies relating to affordability include increasing allowed density in residential zones, encouraging ADU and middle housing development through incentives and right-sized fees, discouraging new single-family development in some zones, explicitly allowing supportive housing and single-room-occupancy housing, and providing tax breaks in exchange for reduced-rent apartments.

### 1.3 – Racially Disparate Impacts

While Anacortes may not have explicitly racist policies in place today, many policies do have racially disparate origins and impacts. The practice of zoning emerged in the early 1900's and explicitly race-based zoning had to be banned almost immediately as a result of the 1917 Supreme Court case of *Buchanan v. Warley*. After that decision, cities crafted less direct methods to divide people by race and class with zoning policies that are still prevalent today.

The indirect methods largely rely on the differences of wealth, income, and tenure between peoples' race and ethnicities. In Anacortes, for example, 32% of all households are occupied by renters. About 31% of White households are renters, while 53% of Hispanic and Latino households and 63% of Black households are renters<sup>5</sup>. Therefore, policies that restrict the supply and price of rental housing have a disproportionate impact on people of color. Further, almost half of all renter-occupied households are considered cost-burdened, while just one in 10 owner-occupied households are considered cost-burdened.

<sup>4</sup> "One WA school district helped homeless students graduate. Can others?" The Seattle Times. November 2022. <https://www.seattletimes.com/seattle-news/homeless/one-wa-school-district-helped-homeless-students-graduate-can-others/>

<sup>5</sup> Source: American Community Survey 2020 5-Year Estimates, B25003 Tables.

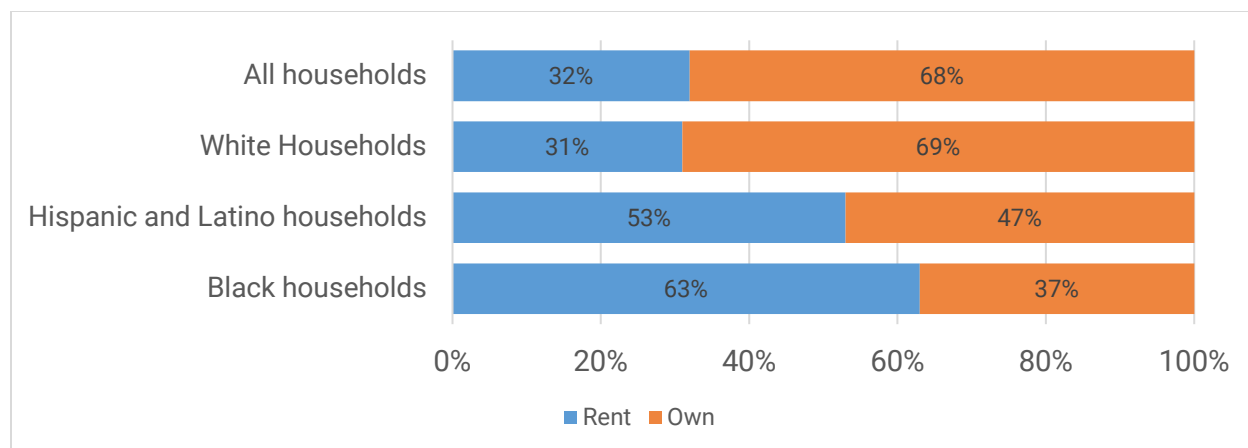


Figure 3. Tenure by race. Source: ACS 2021 5-Year Estimates, Table B25003 series

A common form of rental housing is multifamily (apartment) buildings, which are strictly limited in where and how they can be built in Anacortes compared to where and how single-family homes are regulated.

Zoning matters for social welfare because where people live makes a difference. Neighborhood quality can have significant effects on long-term outcomes like school performance, income, labor mobility, and health. It also contributes to the multi-generational wealth gap if some people are not able to purchase quality homes that increase in value as much over time as homes in higher-priced neighborhoods, resulting in smaller inheritances for descendants.

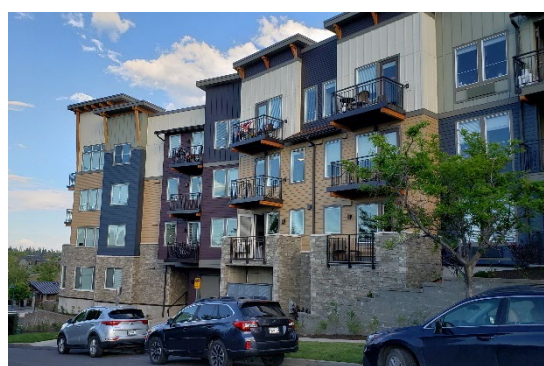


Figure 4. Example of multifamily housing.

People of color generally pay higher shares of their income for housing costs and have less savings for down payments, meaning the home prices they can afford are lower or they are forced to rent. Smaller homes which have lower costs are needed not only for people of color, but also Anacortes's large share of single-person and senior households. Occasionally, larger multi-bedroom homes are good options for people who want to split costs with extended family members or roommates, but apartments with three or more bedrooms are rare and there are few shared-living options like cottage clusters or triplexes available.

Common racially disparate policies and practices at the local level include the following:

- Minimum lot sizes
- Lack of available land zoned for multifamily housing and middle housing (like duplexes and townhomes)

- Multifamily housing only allowed in busy commercial districts, polluted industrial areas, in hazardous areas like floodplains, and/or near loud and unsafe arterial roads
- Multifamily housing not being allowed near amenities like parks, schools, grocery stores, and healthcare facilities
- Excessive minimum setbacks, building height limits, parking standards, historic preservation standards, and other restrictions that limit the housing capacity on individual sites, especially for multifamily and middle housing
- Excessive fees, complicated processes, and unclear regulations, especially for small projects commonly undertaken by local homeowners and small investors like adding an accessory dwelling unit or building a duplex
- Complete prohibitions on low-cost building materials
- Lack of trees and park space in areas near multifamily housing or neighborhoods with lower incomes
- Lack of low-cost transportation options like pedestrian/bike routes and transit service connecting multifamily housing to jobs and services

Middle housing refers to housing choices like duplexes, triplexes, townhomes, accessory dwelling units (ADU's), and cottage housing that fit between the scale of apartment buildings and single-family homes. This type of housing has historically been prohibited in many cities and towns. It has regained appeal because it can be economical to build and thus have lower costs, providing more affordable housing options.

Racially disparate impacts are not limited to Anacortes and this issue has been gaining much-needed attention across the state and country, even earning a [statement on zoning](#) from the White House. Other city-level racially disparate impacts have historically included redlining, where people of color were not able to access loans and credit in certain neighborhoods; highways built through communities of color; and disinvestment in infrastructure like transit, schools, and parks in communities of color.

This Housing Action Plan provides a number of strategies to address most of these issues, which focus on easing regulations and streamlining standards to make it easier to build middle housing and multifamily housing in more locations.

## 1.4 – Public Engagement

The Housing Action Plan was informed by early and continuous public engagement. Engagement was conducted to create a plan that meets the needs and interest of the Anacortes community. Key activities included:

- Public kickoff meeting at the HACS Committee (February 10, 2022)
- Proactive engagement (summarized in the September 2022 Public Engagement Report)
  - 15 stakeholder interviews (April-May 2022)
  - 1,067 valid survey responses (June-July 2022)
- Planning Commission briefing (October 24, 2022)
- City Council briefing (December 19, 2022)
- City Council public hearing and adoption (January 17, 2023)

## 1.5 – State Preemptions

Anacortes should anticipate state preemption on several common types of development regulations which have some of the greatest impacts on housing affordability and site-specific feasibility. The rate of preemption laws on peripheral housing issues has been accelerating in recent years (documented in the HAP Existing Conditions and Housing Needs Analysis Report) and several major bills were proposed in the 2022 legislative session that will likely come around again (as of this writing, some similar housing proposals have been pre-filed for the 2023 legislative session). In some respects Washington is following the lead of Oregon and California which have also passed major zoning preemptions over the last several years.

State preemption is the invalidation of some action by, or the wresting of power from, a local government by the state legislature.

In particular, there is a statewide and national movement toward ending single-family zoning; that is, zoning where the only permitted residential land use is detached, large lot single-family dwellings. The only zone in Anacortes that meets this definition today is the R1 zone and the HAP recommends changing that. Upcoming federal funding programs may also contain grant award incentives or preferences for cities that are ending single-family zoning in the interest of providing diverse housing choices and economic opportunities.

Anacortes can expect other possible statewide interventions on:

- Common ADU regulations like size, parking, owner occupancy, and prohibition on subdivision
- Minimum residential density requirements
- Minimum parking requirements for multifamily housing and/or affordable housing

While no single action by the Legislature can be predictable or assured, growing consensus on the statewide housing affordability crisis gives Anacortes reason to stay updated on legislative proposals, updates to the Growth Management Act, and related laws.

## 2 – Regulatory Strategies

While the City of Anacortes does not directly supply or control the private housing market, it does shape what is possible on Anacortes's land through zoning and development regulations.

Anacortes is not seeing adequate construction of new housing. Since 2016, housing production in Anacortes is averaging 101 units per year. This is 29 units below the annual average of 131 units needed to meet the City's 2016-2036 growth targets.

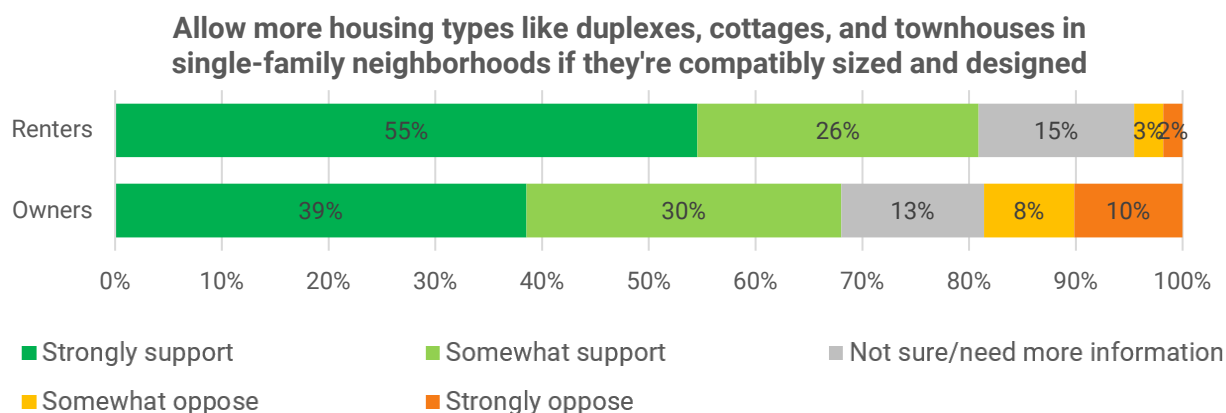
Zoning is not the only factor in these shortfalls – as noted by many stakeholders, vacant land in Anacortes is dwindling, the construction industry is seeing an unprecedented rise in material prices, a labor shortage, supply chain disruptions, and inflation and increased interest rates. Despite this, zoning is typically the main barrier to housing because it is the starting point in determining what type of housing and other buildings can be built on a parcel of land. A 2022 review of land capacity by Leland Consulting Group finds Anacortes has an approximate total capacity for just over 2,000 housing units remaining which probably reflects a development capacity of 10 to 15 years at current allowed densities.

The regulatory strategies and actions of this section could be implemented relatively quickly in a consolidated "Housing Options Ordinance." The actions largely focus on deregulation, streamlining, and relaxing of code requirements to promote more diverse and affordable housing.

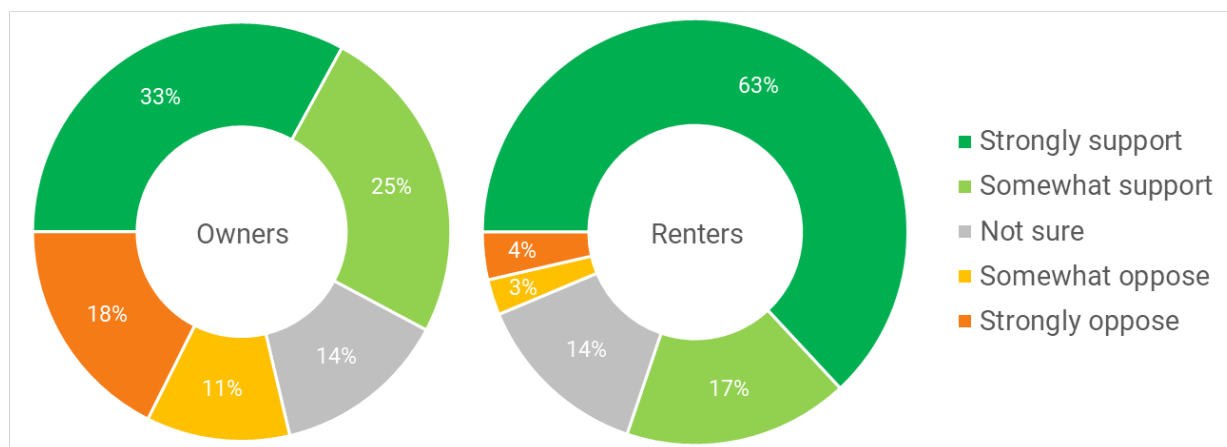
### 2.1 – Allowed Uses

**Action:** Allow more housing types in more residential zones to promote middle housing and affordable housing.

Changing allowed uses is key to expanding housing supply and land capacity. In the HAP community survey, a supermajority of 70% of respondents support the concept to "Allow more housing types like duplexes, cottages, and townhouses in single-family neighborhoods if they're compatibly sized and designed." This concept was also supported by most stakeholders when it came up in interviews.



In addition, a total of 61% of survey takers would strongly or somewhat support a hypothetical multi-floor apartment project planned in or near their neighborhood with rents affordable to people like recent college graduates, teachers, nurses, restaurant workers, mechanics, etc. This is mostly reflected in the proposed mapping of the R3A zone and recommended adjustments to dimensional standards.



Following public interest and an analysis of the situation by the consultant team, considerable changes to allowed housing types are proposed. These are summarized in the table below which is an excerpt from the Anacortes Municipal Code (AMC) Table 19.41.040. Text with an underline indicates an addition and a text with a ~~strikeout~~ indicates a deletion. The table is followed by a description of each major change and a list of related actions.

Note: Some changes to allowed uses will also require adjustments to minimum lot sizes and other standards. These are described throughout Strategy 2.

|                                                     | Residential Zones |                       |                         |                       |                         |                         |              |    |                                                            |
|-----------------------------------------------------|-------------------|-----------------------|-------------------------|-----------------------|-------------------------|-------------------------|--------------|----|------------------------------------------------------------|
| Residential Uses                                    | R1                | R2                    | R2A                     | R3                    | R3A                     | R4                      | R4A          | OT | Conditions/<br>Reference                                   |
| Household living                                    |                   |                       |                         |                       |                         |                         |              |    |                                                            |
| Single-family                                       | P                 | P                     | P                       | P                     | <del>P</del>            | <del>P</del>            | <del>P</del> | P  |                                                            |
| Single-family, small lot                            |                   |                       |                         | P                     | <del>P</del>            | <del>P</del>            | <del>P</del> |    |                                                            |
| Cottage housing                                     | <u>P</u>          | P                     | P                       | P                     | P                       | P                       | P            |    |                                                            |
| Duplex                                              |                   | <del>C</del> <u>P</u> | P                       | P                     | P                       | P                       | P            | P  |                                                            |
| Triplex                                             |                   |                       | <u>P</u> <del>(x)</del> | <del>C</del> <u>P</u> | P                       | P                       | P            |    | <del>(x)</del> <u>Alley-loaded lots only</u>               |
| Townhouse                                           |                   |                       | <u>P</u> <del>(x)</del> | <del>C</del> <u>P</u> | P                       | P                       | P            |    | <del>(x)</del> <u>Alley-loaded lots only, max. 4 units</u> |
| Multifamily dwellings, 4 units                      |                   |                       |                         | <del>C</del> <u>P</u> | P                       | P                       | P            |    |                                                            |
| Multifamily dwellings, 5 or more units              |                   |                       |                         |                       | <u>P</u> <del>(x)</del> | P                       | P            |    | <del>(x)</del> <u>Max. 12 units</u>                        |
| <u>Multifamily dwellings, single room occupancy</u> |                   |                       |                         |                       |                         | <u>P</u> <del>(x)</del> |              |    | <del>(x)</del> <u>Max. 50 units</u>                        |

|                                     | Residential Zones |    |     |                         |                       |                       |                       |                       |                                                           |
|-------------------------------------|-------------------|----|-----|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------------------------------|
| Residential Uses                    | R1                | R2 | R2A | R3                      | R3A                   | R4                    | R4A                   | OT                    | Conditions/<br>Reference                                  |
| <b>Group living</b>                 |                   |    |     |                         |                       |                       |                       |                       |                                                           |
| Adult family home                   | P                 | P  | P   | P                       | P                     | P                     | P                     | P                     | See Group Living Strategy 2.1.4 for potential conditions. |
| Assisted living facility            |                   |    |     | <del>P</del> <u>P</u>   | <del>P</del> <u>P</u> | P                     | <del>P</del> <u>P</u> |                       |                                                           |
| Nursing homes                       |                   |    |     | <u>P</u>                | <u>P</u>              | <del>P</del> <u>P</u> |                       |                       |                                                           |
| Rooming houses                      |                   |    |     | <del>P</del> <u>P</u>   | <del>P</del> <u>P</u> | P                     | P                     | <del>P</del> <u>P</u> |                                                           |
| <b>Supportive living</b>            |                   |    |     |                         |                       |                       |                       |                       |                                                           |
| <u>Permanent supportive housing</u> |                   |    |     | <u>P</u> <del>(x)</del> | <u>P</u>              | <u>P</u>              | <u>P</u>              |                       | <u>(x) Max. 4 units</u>                                   |
| <u>Transitional housing</u>         |                   |    |     | <u>P</u> <del>(x)</del> | <u>P</u>              | <u>P</u>              | <u>P</u>              |                       | <u>(x) Max. 4 units</u>                                   |

Figure 5. Excerpt of Table 19.41.040

|                                                     | Commercial and Mixed-Use Zones |                         |                         |                         |     |                         |     |          |   |    |                                               |
|-----------------------------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|-----|-------------------------|-----|----------|---|----|-----------------------------------------------|
| Residential Uses                                    | CBD                            | C                       | MM U                    | CM                      | CM2 | LM                      | LM1 | MS       | I | HM | Conditions/<br>Reference                      |
| <b>Household living</b>                             |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Single-family                                       | C                              | C                       |                         |                         |     | C                       | P   |          |   |    |                                               |
| Single-family, small lot                            |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Cottage housing                                     |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Duplex                                              |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Triplex                                             |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Townhouse                                           | P                              | P                       | P                       |                         |     |                         |     |          |   |    |                                               |
| Multifamily dwellings, 4 or more units              | P                              | P                       | P                       | C                       |     | C                       |     | C        |   |    |                                               |
| <u>Multifamily dwellings, single room occupancy</u> | <u>P</u>                       | <u>P</u>                | <u>P</u>                |                         |     |                         |     |          |   |    |                                               |
| Live-work                                           | P                              | P                       | P                       |                         |     |                         |     | C        |   |    |                                               |
| <b>Group living</b>                                 |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| Adult family home                                   | P                              | P                       |                         |                         |     | P                       | P   |          |   |    |                                               |
| Assisted living facility                            | P                              | P                       | P                       |                         |     |                         |     |          |   |    |                                               |
| Nursing homes                                       | <del>P</del> <u>P</u>          | <del>P</del> <u>P</u>   | <del>P</del> <u>P</u>   |                         |     |                         |     |          |   |    |                                               |
| Rooming houses                                      |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| <b>Supportive living</b>                            |                                |                         |                         |                         |     |                         |     |          |   |    |                                               |
| <u>Permanent supportive housing</u>                 | <u>P</u>                       | <u>P</u> <del>(x)</del> | <u>P</u> <del>(x)</del> | <u>C</u> <del>(x)</del> |     | <u>C</u> <del>(x)</del> |     | <u>C</u> |   |    | <u>(x) Same conditions as for multifamily</u> |
| <u>Transitional housing</u>                         | <u>P</u>                       | <u>P</u> <del>(x)</del> | <u>P</u> <del>(x)</del> | <u>C</u> <del>(x)</del> |     | <u>C</u> <del>(x)</del> |     | <u>C</u> |   |    | <u>(x) Same conditions as for multifamily</u> |
| <u>Emergency housing</u>                            | <u>P</u>                       | <u>P</u>                | <u>P</u>                | <u>P</u>                |     | <u>C</u>                |     |          |   |    |                                               |
| <u>Emergency shelter</u>                            | <u>P</u>                       | <u>P</u>                | <u>P</u>                | <u>P</u>                |     | <u>C</u>                |     |          |   |    |                                               |
| <b>Overnight Lodging</b>                            | P                              | P                       | P                       | P                       |     | C                       |     |          |   |    |                                               |

Figure 6. Excerpt of Table 19.41.050

### 2.1.1 – Residential Low Density 1 (R1) Zone

Cottage housing is proposed to be a new permitted use in this zone. The Comprehensive Plan says single-family detached dwellings are the predominant type in this area and cottages satisfy that criteria; further, the plan explicitly says cottage housing may be allowed under certain circumstances. Those circumstances are not defined, but the new cottage housing design standards adopted in 2019 and the growing need for additional housing supply found by the HAP Existing Conditions and Housing Needs Analysis Report are notable changes to the situation since the Comprehensive Plan was adopted in 2016.

The Comprehensive Plan also says densities of up to four units per gross acre (above the base limit of two units per gross acre) may be permitted via a special review process. That special review process is undefined. Options and a recommendation should be considered as part of a subsequent code update. Longer term, consider allowing four units per gross acre by-right through a Comprehensive Plan amendment (see Strategy 4.3.2).

### 2.1.2 – Residential Low Density 2 (R2) Zone

Duplexes are proposed to be changed from conditional to outright permitted in the R2 zone. This streamlines the permitting process and reduces uncertainty. Conditional use permits are not necessary for duplexes due to the new 2019 design standards. Also see related Strategy 2.4.1 for the minimum lot size recommendation for duplexes.

### 2.1.3 – Residential Low Density 2A (R2A) Zone

Triplexes and townhouses are proposed to be new permitted uses in this zone, provided they meet proposed unit size limitations or additional lot size standards (see Strategy 2.4.1 for different options). The R2A zone represents a considerable amount of residential land with a connected street grid and is partially served by alleys, improving the feasibility of small-scale infill development. The lot dimension requirements and standards for open space, parking configuration, and architectural design help ensure that triplexes and townhouses will be compatible with the existing character of these zones.



Figure 7 - Examples of triplexes and townhouses

To retain neighborhood compatibility, it is proposed that:

- Triplexes and townhouses only be allowed on lots with alley access. This allows parking access and garages to be located in the rear of the lot and reduce visual impacts on the

streetscape. This condition would only allow triplexes and townhouses in approximately half the R2A zone, based on a review of street and block maps.

- Limit triplexes and townhouse units each to 1,000 to 1,200 square feet of floor area (and allow such small units to count as ½ a unit for density purposes)
- Limit townhouses to three or four units per structure (similar to the R3 and R3A zones under [AMC 19.43.010.G.3.a](#))

AMC 19.43.010(F) would be amended with a new subsection after the triplex definition:

*#. R2A zone standards:*

*a. Triplexes located on a lot with alley access are permitted by right. Triplexes not located on a lot with alley access are prohibited.*

*b. Triplex units must have no more than [1,000-1,200] square feet gross floor area. Units meeting this standard are considered ½ a dwelling unit for density purposes.*

AMC 19.43.010(G)(3)(a) would be amended to add the following townhouse standard:

*#. R2A zone standards:*

*a. Townhouse structures with up to four attached units and located on a lot with alley access are permitted by right. Townhouse structures with more than four attached units or not located on a lot with alley access are prohibited.*

*b. Triplex units must have no more than [1,000-1,200] square feet gross floor area. Units meeting this standard are considered ½ a dwelling unit for density purposes.*

## 2.1.4 – Residential Medium Density 3 (R3) Zone

### Triplexes and Townhouses

Triplexes, townhouses, and multifamily projects with up to four units are proposed to be changed from conditional to outright permitted in the R3 zone, provided they meet proposed unit size limitations or additional lot size standards (see Strategy 2.4.1 for different options). The zone-specific standard for townhomes under AMC 19.43.010(G)(3)(a) can be amended as follows.

*a. R3 and R3A zone standards: Townhouse structures with up to four attached units are permitted by right ~~in the R3A zone and conditionally permitted in the R3 zone~~. Townhouse structures with more than four attached units are prohibited in the R3 and R3A zones.*

The lot dimension requirements and standards for open space, parking configuration, and architectural design help ensure that duplexes, triplexes, townhomes, and small multifamily projects will be compatible with the existing character of these zones without the unnecessary cost and process of a conditional use permit.

Comprehensive Plan policy LU-6.1.D says, “Encourage [duplexes and triplexes] in the R3 and R4 zones provided design provisions that emphasize a pedestrian-oriented design and the inclusion of usable open space are included.” Such provisions are now in place for not only

triplexes but also duplexes, townhouses, and multifamily housing. Allowing uses by-right helps encourage them.

### **Multifamily**

The R3 multifamily (4-units) change is also supported by the Comprehensive Plan description of the Residential Medium Designation, which is implemented by the R3 and R3A zones. It says, “low density multifamily may be allowed under certain circumstances”. Those circumstances are not defined, but the new multifamily design standards adopted in 2019 and the growing need for additional housing supply found by the HAP Existing Conditions and Housing Needs Analysis Report are notable changes to the situation since the Comprehensive Plan was adopted in 2016. Fourplexes are also valuable because the accessibility requirements of the Fair Housing Act apply in buildings of four or more units.

### **Nursing Homes**

Nursing homes are the only prohibited group living use the R3 zone. They are proposed to be permitted outright. See the Group Living discussion (Strategy 2.1.4) for more information.

#### **2.1.5 – Group Living**

Barriers to the development of group living uses should be reduced to encourage their development. In particular, the HAP Existing Conditions and Housing Needs Analysis Report and the Public Engagement Report both found a strong need for assisted living facilities and nursing homes as more seniors move to the city and the population ages. A considerable portion of the population also has disabilities who would benefit from more housing options.

Therefore, consider changing some or all of the current conditional use allowances for assisted living and nursing homes to outright permitted. This would significantly streamline the permitting process and reduce uncertainty. The same might be considered for rooming houses.

Both assisted living and nursing home uses are subject to project design standards to help ensure these uses are well-integrated into the neighborhood (see, for example, [AMC 19.43.020.C.2.b](#)). Other standards might be considered, particularly in the R3 and R3A zones to ensure compatibility:

- Maximum occupancy for assisted living facilities and nursing homes, with stricter limits in lower density zones (e.g. 10 units or beds at the low end and unlimited in R3A and above)
- Minimum spacing (e.g. minimum 1,000 feet at the low end and no minimum in R3A and above)
- Maximum size of porte cochere features for passenger loading, such as accommodating vehicles no longer than 30 feet

#### **2.1.6 – Adult Family Homes**

New state legislation passed in 2020, [RCW 70.128.066](#), provides a way for adult family homes to have seven or eight beds. The standards and definitions under AMC 19.43.020(B) should be updated accordingly.

Consider amending the requirements for adult family homes to be located in single-family homes. The enabling legislation under RCW 70.128.140 only requires that adult family homes be treated as single-family homes for regulatory purposes, not that they be physically designed as a detached single-family home.

### **2.1.7 – Prohibit New Large-Lot Single-Family Uses in Medium and High Density Zones**

Combined, the R3 and R4 zones make up only 14% of the City's developable land but have some of the highest allowed densities. Given the limited land area of these zones, their intent to accommodate medium- to high-density development, and their walkable proximity to civic and commercial amenities, consider prohibiting development of new large-lot single-family uses in one or more of these zones. Clarify however, that this would not apply impact existing single family homes in these zones. Prohibiting new single family homes would ensure these lands are available for middle housing and multifamily development, with smaller units that are less costly and more land efficient.

Similar considerations need to be made for small-lot single-family. While more land-efficient, this use has the same issues as noted above. A starting point is to prohibit this use in the R3A, R4, and R4A zones, but still allow in the R3 zone. Small-lot single-family might also be considered to be expanded to the R2A zone, pending other changes in minimum lot size (see Strategy 2.4.1).

The 2022 land capacity analysis update for the Housing Action Plan found that the approximately 112-acre R4 zone has capacity for only 330 additional dwelling units. For reference, this is less than three years' worth of the housing production needed to meet the 2016-2036 growth targets. The R3 zone has capacity for only 299 additional dwelling units.

Existing single-family uses should be allowed to continue and be expanded or renovated, rather than be treated as a legal non-conforming use. Preferably, a note on the situation is added to AMC 19.43.010(B) to offer reassurance and clarity for code users. A more upfront alternative is inserting the use "existing single-family" into Table 19.41.040.

Any implementation of this action could be accommodated by removing and/or adjusting minimum single-family lot sizes in the same zones (see Strategy 2.4.1).

### **2.1.8 – Duplex Cottages**

[AMC 19.43.010\(D\)\(3\)\(c\)\(iii\)](#) allows attached duplex cottages in the R3, R3A, R4, and R4A zones. This provision has already been used in at least two projects since 2019 code update. Consider streamlining the code and allowing more efficient use of land and materials by allowing duplex cottages in all zones where cottage housing is allowed.

### **2.1.9 – Single Room Occupancy Housing**

Define, permit, and set standards for single-room occupancy (SRO) housing. This type of housing operates similarly to dorms or hostels and provides a dignified housing option for people with the lowest incomes. SRO's historically served as an invaluable affordable housing option, but these buildings were mostly zoned and demolished out of existence starting in the

1970's.<sup>6</sup> In Anacortes, the Wilson Hotel (operated by the Anacortes Housing Authority) still operates similar to an SRO. Conversions of existing buildings (such as aging hotels) may be more likely than new ground-up SRO developments, but in either case the zoning code must be supportive for it to occur.

Anacortes already defines and regulates [rooming houses](#), which is a similar concept to an SRO. Rooming houses are limited to nine sleeping rooms and are only allowed in a few residential zones. Comparably, SRO's are recommended to be allowed in some non-residential zones and to be larger.



Figure 8 - The historic Wilson Hotel building

A maximum size of 50 units (50 rooms) is suggested in the R4 zone and having no size limitations in the CBD, C, and MMU zones. Minimum parking should be 0.5 spaces per unit or less (see Strategy 2.6 for related actions).

Below is a proposed definition to be inserted in a new subsection under AMC 19.43.010:

*X. Multifamily dwelling, single room occupancy. A residential facility where individual secure rooms, of a smaller size than normally found in multifamily dwelling units, are rented on a weekly or monthly basis and which provides common facilities and services such as kitchens and meals, laundry, cleaning, bathrooms, and storage.*

<sup>6</sup> "The Hotel-Spirit." Slate. July 2022. <https://slate.com/business/2022/07/hotels-rental-market-housing-prices-shortage-solution.html>

### 2.1.10 – Supportive Housing

Under [RCW 35A.21.430](#) (2021), Washington cities may not prohibit permanent supportive housing or transitional housing in areas where multifamily housing or hotels are permitted (other parts of state law define “multifamily” as four or more units which is consistent with the definition in Anacortes). This supersedes a similar 2019 law, RCW 35A.21.305.

Similarly, emergency shelters and indoor emergency housing may not be prohibited in any zones in which hotels are allowed. Reasonable occupancy, spacing, and intensity of use requirements may be imposed on all of these supportive housing types as long they do not practically prevent their development. Some community education may be warranted to avoid fear of these housing types.<sup>7</sup>



Figure 9. Examples of permanent supportive housing buildings (right image courtesy of Jamboree)

Addressing these “supportive housing” uses directly in the code is recommended to avoid uncertainty and legal challenges. Explicitly list the four uses in the tables of allowed uses and provide the following definitions in a new section AMC 19.43.010 (following the same format as the rest of the chapter).

#### **19.43.010. Supportive housing.**

**A. Supportive Housing Use Category. Residential facilities intended to house individuals and families experiencing homelessness, or at imminent risk of homelessness, and paired with on-site or off-site supportive services designed to maintain long-term or permanent tenancy, or to eventually transition the residents to independent living arrangements.**

**Emergency housing. Defined by RCW 36.70A.030.**

**Emergency shelter. Defined by RCW 36.70A.030.**

**Permanent supportive housing. Defined by RCW 36.70A.030.**

**Transitional housing. Defined by RCW 84.36.043.**

<sup>7</sup> What is Permanent Supportive Housing?” Jamboree. <https://www.affordablehousingpipeline.com/blogs/california-affordable-housing/what-is-permanent-supportive-housing>

Design standards should apply to these uses as they do for Group Living. Repeat the following standard each supportive housing use:

*Design Standards. For the purpose of meeting the project design standards of Division 6 of this title, except for AMC Chapter 19.64, Parking and except for AMC 19.62.040, Internal open space, this use is considered a multifamily use when interpreting applicability provisions.*

See Strategy 2.1.4 for possible occupancy and spacing standards for Group Living that could potentially also apply to Supportive Housing in lower intensity zones. See Strategy 2.6.1 for recommended parking standards on affordable housing projects.

Some jurisdictions require operational plans and information-sharing on supportive housing uses. For example, the City of Bellevue requires registration information from applicants prior to certificate of occupancy with the following information (and it must be updated when it changes):<sup>8</sup>

- Name and contact information of property manager(s) and/or owner(s) who may be contacted in case of emergency or code violations
- Name and contact information for on-site facility staff (if applicable)
- Standard operating procedures plan for the facility, including:
  - The number of residents intended to be housed in the facility
  - A description of the supportive services provided to the residents of the facility, on site and off site, including names and contact information of service providers
- A safety and security plan describing measures that the operator will employ to promote the safety of Supportive Housing occupants and surrounding residents; and
- A code of conduct that applies to all individuals granted access to the proposed Supportive Housing use

Seattle has more limited requirements. The code offers a number of waivers and modifications for parking and design standards that are reviewed by the director. A community relations plan is required.<sup>9</sup>

<sup>8</sup> Bellevue Municipal Code LUC 20.20.845.E.2, <https://bellevue.municipal.codes/LUC/20.20.845.E.2>

<sup>9</sup> Seattle Municipal Code 23.42.057, [https://library.municode.com/wa/seattle/codes/municipal\\_code?nodeId=TIT23LAUSCO\\_SUBTITLE\\_IIILAUSRE\\_CH\\_23.42GEUSPR\\_23.42.057PESUHO](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT23LAUSCO_SUBTITLE_IIILAUSRE_CH_23.42GEUSPR_23.42.057PESUHO)

### 2.1.11 – Tiny Homes

Consider defining and permitting tiny homes in as another relatively affordable housing option. Because tiny homes are uncommon or unknown in Anacortes, the City could potentially create a pilot program that allows limited construction on one or two sites in partnerships with the property owners (such as at a religious facility). Regulation considerations and potential categories of tiny homes are shown in the following table.

| Tiny Home Type    | Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Photo Example                                                                                                                                                               |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permanent ADU     | When a permanent tiny home is placed on a lot with a principle structure, treat the tiny home as any other type of detached ADU. Such homes must be on permanent foundations with all required utility connections.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
| Permanent cluster | <p>When more than one permanent tiny home is placed on a lot, apply permanent tiny home cluster standards. Such homes must be on permanent foundations with all required utility connections. Consider density provisions, such as limiting tiny homes to 250 square feet of floor and counting each home as one-fifth of a dwelling unit for density purposes. Consider providing basic design standards, similar to cottage housing (AMC 19.43.010.D). Explore reasonable parking requirements that balance affordability with neighborhood integration; consider one space per two or three tiny homes as a starting point.. Do not allow tiny homes to be used for short-term rentals. Consider whether tiny homes should be able to use a unit lot subdivision to create homeownership opportunities. See some example standards from Langley.<sup>10</sup></p> <p>Consider limiting permanent clusters to low- and medium density residential zones such as R2, R2A, and R3. The limited land in higher zones should be preserved for their purpose of creating denser, multi-floor housing.</p> | <br> |
| Mobile            | When a tiny home is on wheels, apply the same standards for parking, sanitation, and other provisions that the City would apply to recreational vehicles. Allow mobile tiny homes to transition to permanent status.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                         |

<sup>10</sup> Langley Municipal Code 18.22.290.

<https://www.codepublishing.com/WA/Langley/#!/Langley18/Langley1822.html#18.22.290>

| Tiny Home Type                 | Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Photo Example                                                                      |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Temporary transitional housing | Under Chapter 19.48 AMC, create standards for temporary tiny homes intended as transitional housing for homeless residents. These would primarily be intended for location on vacant land and parking lots and focused on religiously-owned land and commercial areas with transit access. Consider standards such as the maximum number of tiny homes in one location, community structures allowed, and required sanitation services. Discussions with potential operators of tiny home villages are recommended, such as with Skagit Friendship House who is operating this model in Burlington. <sup>11</sup> Seattle’s standards for “transitional encampments” could also be consulted. <sup>12</sup> |  |

Figure 10. Tiny home options

<sup>11</sup> <https://www.skagitfriendshiphouse.org/skagit-first-step-center.html>

<sup>12</sup> Seattle Municipal Code 23.42.054 and 23.42.056.  
[https://library.municode.com/wa/seattle/codes/municipal\\_code?nodeId=TIT23LAUSCO\\_SUBTITLE\\_IIILAUSRE\\_CH\\_23.42GEUSPR](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT23LAUSCO_SUBTITLE_IIILAUSRE_CH_23.42GEUSPR)

## 2.2 – Implement the R3A Zone

**Action:** Map the R3A zone and update its development standards to create more opportunity for middle and multifamily housing.

The Residential Medium Density 3A (R3A) zone is unmapped but it is described as a medium density residential zone and it is consistently referenced throughout the development regulations. The R3A zone allows more intensive residential development. This HAP recommends mapping the R3A zone to increase land capacity for housing.

The Comprehensive Plan does not provide any guidance as to where the R3A should be created in comparison to the R3 zone. Possible alternatives include:

- Carve it out of the largest R3 zone by splitting the distance between R2A and R4
- Rezone the largest R3 zone to R3A within a couple blocks of Volunteer Park and the schools
- Create new R3A areas elsewhere, such as where the R2A zone has alleys
- Some combination of the above

Alternatively, do not map an R3A zone and instead apply all the HAP's recommend standards of R3A to the R3 zone.

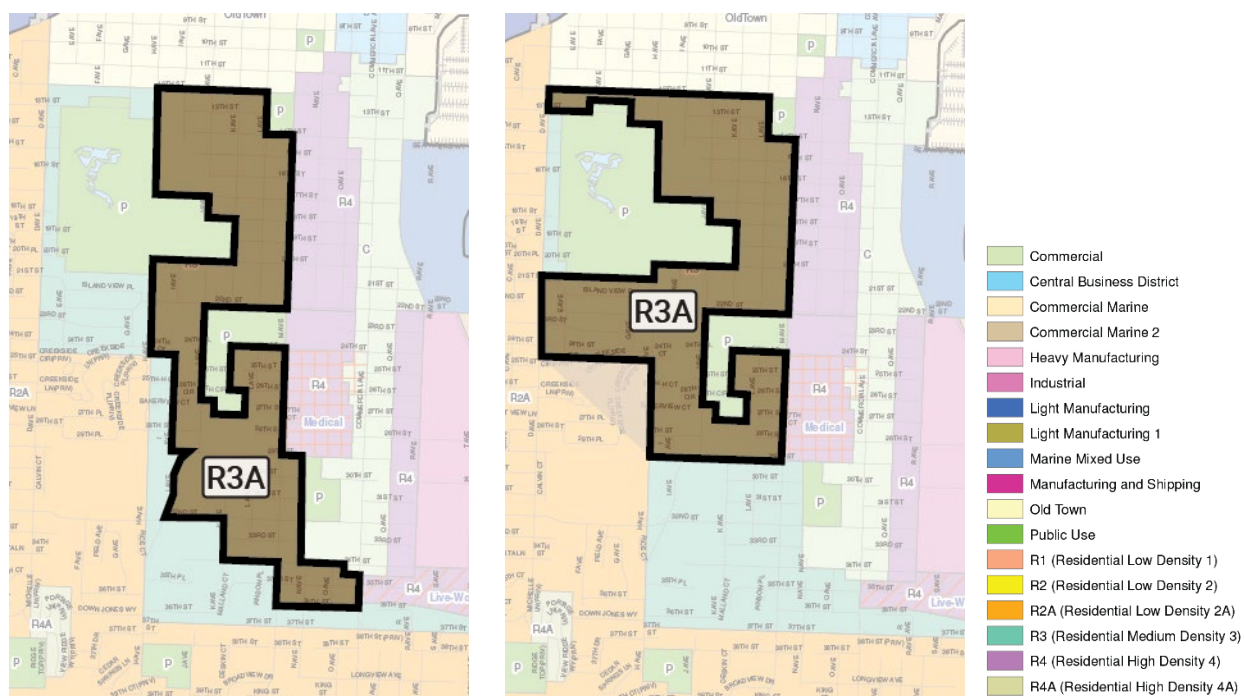


Figure 11 - Two conceptual options for the boundaries of the R3A zone

The Comprehensive Plan intent for this zone includes allowing multifamily uses under certain circumstances. Those circumstances are not defined, but the new multifamily standards adopted in 2019 and the growing need for additional housing supply found by the HAP Existing

Conditions and Housing Needs Analysis Report are notable changes to the situation since the Comprehensive Plan was adopted in 2016.

Multifamily up to four units per building is allowed in the R3 zone and there is no limit on units in the R4 zone, so a middle ground is recommended for the R3A zone to help serve as a transition. A maximum of 12 units per building is a starting point for discussion. Note the related discussion on changing or eliminating minimum lot size per unit in this zone in Strategy 2.4.1 of this HAP.

Table 19.41.040 would be amended to show a “P” for multifamily. Subsection 19.43.010(H) would be amended with a new subsection:

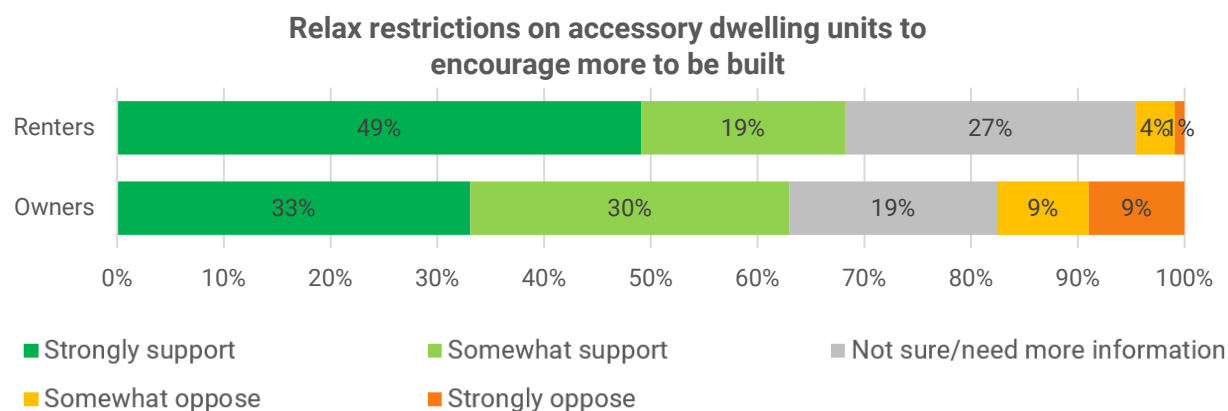
*#. R3A Zone Standards. Multifamily structures with up to 12 units are permitted by right. Multifamily structures with more than 12 units are prohibited.*

Nursing homes are the only prohibited group living use the R3A zone. They are proposed to be permitted outright. See the Group Living discussion (Strategy 2.1.4) for more information.

## 2.3 – ADU Regulations

**Action:** Streamline ADU regulations to make them easier to finance, permit, and build.

The HAP community survey found 63% of total respondents and 68% of renters are supportive of the concept to “Relax restrictions on accessory dwelling units to encourage more to be built.”



ADU's are regulated under AMC 19.47.030. Anacortes has already seen a surge in ADU production since the 2019 code update. It increased from 0-2 built per year prior to 2019 to 15 built in 2021. Given the thousands of single-family properties in Anacortes, ADU's remain a considerable opportunity. Anacortes still has barriers to ADU development that are recommended to be addressed.



Figure 12 - Examples of accessory dwelling units

First, under subsection C.10, remove the owner occupancy requirement, except for where the ADU is used as a short-term rental. This is a common requirement across Washington cities but it is discriminatory against renters and perpetuates economic exclusion. It also raises financial risk for homeowners by constraining their choice on where to live in the future (especially for seniors and military families) and reduces chances of receiving bank financing for some borrowers. It also unfairly targets ADU's with a restriction that is not in place for any other type of rental housing. The requirement is also difficult to enforce. Removing this restriction is

national best practice, recommended by organizations like the AARP and the Washington chapter of the American Planning Association.<sup>13, 14</sup>

Under C.1, consider allowing ADU's to be located on lots at least with duplexes and possibly also triplexes. These housing types are generally located on large lots or have detached alley-loaded garages, meaning there can be space for ADU's to be developed. Zones that allow duplexes and triplexes already allow moderately increased density and ADU's fit within that concept.

Under C.1.c, clarify that ADU's may be an attachment to the principal building (not located just within the existing building).

Under C.3, consider allowing detached, ground-based ADU's to be subdivided through the unit lot subdivision standards of [AMC 19.32.050\(D\)](#). This would increase the opportunities for affordable homeownership.

Revise C.8 to more clearly state that only one parking space is required per ADU and it may be located with available on-street parking. As written, the standard also references the parking requirements for the principal house which could be confusing.

Under C.6.a, consider raising the point where the 45-degree daylight plane is measured from. Raise it from 15 feet to 18 feet. This would easily more allow ADU's to be built over detached garages facing an alley. Figure 19.47.030(C)(6) would need to be updated accordingly.

Under C.6.b, clarify that the 10 feet alley setback does not apply to existing garage structures. This ensures that ADU's can be built on top of alley-facing garages without creating a non-conforming situation.

Remove "moderate-income" from the (B)(1) purpose statement since ADU's could be occupied by people with a variety of income levels.

Lastly, prohibit new private agreements, covenants, and restrictions that bar the construction of accessory dwelling units (i.e. homeowner association rules).

See related ADU funding strategies in Strategy 5.4.

---

<sup>13</sup> "All About Accessory Dwelling Units." AARP. <https://www.aarp.org/livable-communities/housing/info-2019/accessory-dwelling-units-adus.html>

<sup>14</sup> Letter from Washington Chapter of the American Planning Association to the Washington House Local Government Committee, January 2021. <https://apawa.memberclicks.net/assets/docs/legislative-cmtee-archives/2022/2022-01-20%20APA-WA%20Comments%20on%20HB%201660%20%28ADU%29.pdf>

## 2.4 – Adjust Form & Intensity Standards

**Action:** Adjust the residential zones' form and intensity (dimensional) standards to improve the physical and economic feasibility of building small homes, multifamily housing, and affordable housing.

Following public interest and an analysis of the situation by the consultant team, modest changes to dimensional standards are proposed. These are summarized in the table below which is an excerpt from the Anacortes Municipal Code (AMC) Table 19.42.020. Text with an underline indicates an addition and a text with a ~~strikeout~~ indicates a deletion. The tables are followed by a description of each change and a list of related actions.

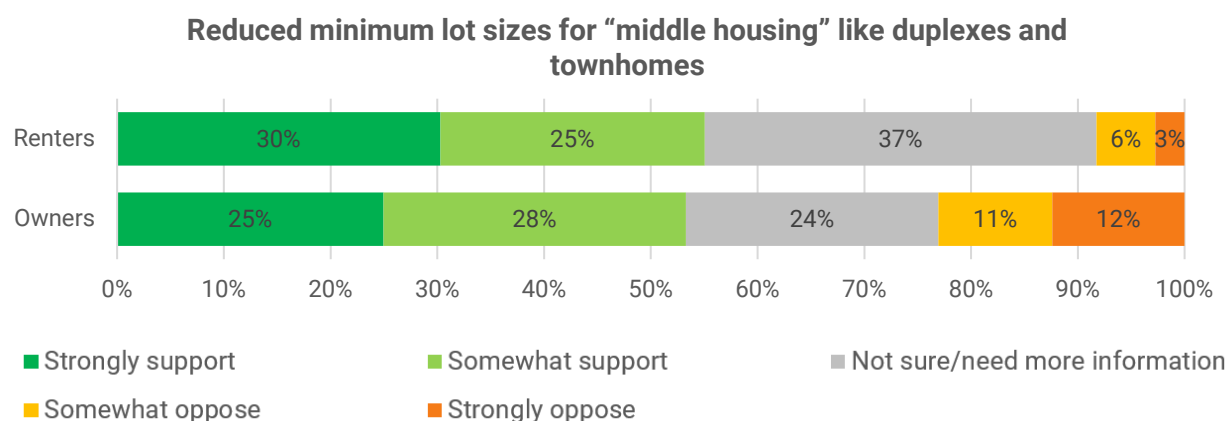
|                                                                                                                          | Residential Zones |       |                                  |                                  |                                  |                                  |                                  |       |                                  |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------|----------------------------------|
| Measure                                                                                                                  | R1                | R2    | R2A                              | R3                               | R3A                              | R4                               | R4A                              | OT    | Conditions/<br>Reference         |
| Lot Size & Development Intensity                                                                                         |                   |       |                                  |                                  |                                  |                                  |                                  |       |                                  |
| See Chapter 19.43 AMC for minimum lot size adjustments for small unit duplexes, triplexes, and townhouses in some zones. |                   |       |                                  |                                  |                                  |                                  |                                  |       |                                  |
| Lot size for single-family dwelling, minimum (square-feet)                                                               | 15,000            | 7,500 | 6,000                            | 4,500                            | 3,000                            | 3,000                            | 3,000                            | 6,000 |                                  |
| Lot size for duplex, minimum (square-feet)                                                                               |                   | 9,000 | <del>9,000</del><br><u>7,500</u> | <del>7,500</del><br><u>6,000</u> | <del>5,000</del><br><u>4,500</u> | <del>4,200</del><br><u>3,000</u> | <del>4,200</del><br><u>3,000</u> | 7,500 |                                  |
| Additional lot size needed for additional <u>attached</u> dwelling unit beyond duplex, minimum (square-feet)             |                   |       | <u>1,500</u>                     | <del>2,500</del><br><u>1,500</u> | <del>2,000</del><br><u>1,000</u> |                                  | <del>1,200</del>                 |       |                                  |
| <u>Density minimum (dwelling units/gross acre)</u>                                                                       |                   |       |                                  |                                  |                                  | <u>15</u> (x)                    |                                  |       | (x) <u>Multifamily uses only</u> |
| Density maximum (dwelling units/gross acre)                                                                              | 2                 | 4     | 6                                | See lot size min. above          |                                  | None                             | 18                               | 9     |                                  |
| Lot coverage, maximum percentage                                                                                         | 35%               | 35%   | 40%                              | 50%                              | 50%                              | 50%                              | 50%                              | 35%   |                                  |
| Landscaped area, minimum percentage                                                                                      | 20%               | 20%   | 20%                              | 20%                              | 20%                              | 20%                              | 20%                              | 20%   |                                  |
| Height – Principal Structures                                                                                            |                   |       |                                  |                                  |                                  |                                  |                                  |       |                                  |
| Height, maximum (feet)                                                                                                   | 35                | 35    | 35                               | 35                               | 35                               | 40                               | 35                               | 25    |                                  |
| Height, maximum with bonus                                                                                               |                   |       |                                  |                                  |                                  | 50                               |                                  |       |                                  |
| SETBACKS (Feet)                                                                                                          |                   |       |                                  |                                  |                                  |                                  |                                  |       |                                  |
| Street setback, minimum                                                                                                  | 20                | 20    | <del>20</del><br><u>15</u>       | <del>20</del><br><u>15</u>       | <del>20</del><br><u>15</u>       | 10                               | 10                               | 20    |                                  |
| Street setback - garage, minimum                                                                                         | 25                | 20    | 20                               | 20                               | 20                               | 20                               | 20                               | 25    |                                  |
| Side street setback, minimum                                                                                             | 20                | 10    | 10                               | 10                               | 10                               | 10                               | 10                               | 10    |                                  |
| Interior side setback, minimum                                                                                           | 10                | 5     | 5                                | 5                                | 5                                | 5                                | 5                                | 5     |                                  |

|                                               | Residential Zones |     |     |                     |                     |                     |                     |     |                          |
|-----------------------------------------------|-------------------|-----|-----|---------------------|---------------------|---------------------|---------------------|-----|--------------------------|
| Measure                                       | R1                | R2  | R2A | R3                  | R3A                 | R4                  | R4A                 | OT  | Conditions/<br>Reference |
| Interior side setback - upper floors, minimum | 10                | 7.5 | 7.5 | <del>7.5</del><br>5 | <del>7.5</del><br>5 | <del>7.5</del><br>5 | <del>7.5</del><br>5 | 7.5 |                          |
| Rear setback, minimum                         | 20                | 20  | 20  | 20                  | 20                  | 10                  | 10                  | 20  |                          |

Figure 13. Excerpt of Table 19.42.020

### 2.4.1 – Minimum Lot Sizes

The HAP community survey found 54% of total respondents are supportive of “Reduced minimum lot sizes for ‘middle housing’ like duplexes and townhomes.” This is a majority but not enthusiastic support, with some people wanting more information.



To moderate the impact of reduced lot sizes and to encourage affordable housing options, one possibility is to link reduced lot sizes to caps on the gross floor area (GFA) of the dwelling units. Providing a greater variety of smaller homes could help more moderate-income Anacortes households break into the homeownership market. Research by the *New York Times* and Freddie Mac finds that the production of entry/starter homes has never been lower than today (particularly homes smaller than 1,400 square feet).<sup>15</sup>

A range of recommendations and options were considered and are listed below. Where options are included, they are numbered in order of least to most change from current code. These options focus on duplexes and triplexes which tend to be the housing type most impacted by the current minimum lot sizes.

#### R2 Zone Lot Size Recommendation

Recognize small duplexes (<1,200-1,400 square feet) as a detached single-family unit, and allow by-right with the current 7,500 square feet minimum lot size. For larger duplexes, retain the current 9,000 square feet minimum lot size, and allow by-right rather than as a conditional use. The lot size provisions can be implemented by a new subsection under AMC 19.43.010(E).

*#. R2 Zone Standards. Duplex developments have the following form and intensity adjustments from Table 19.42.020.*

*a. Minimum lot size: 7,500 square feet when all units have [1,200-1,400] square feet gross floor area or less.*

*b. Density: Duplex units with [1,200-1,400] square feet gross floor area or less are ½ a dwelling unit for density purposes.*

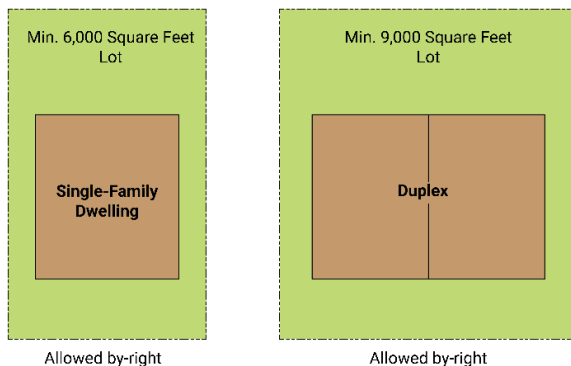
<sup>15</sup> “Whatever Happened to the Starter Home?” The New York Times. September 2022. <https://www.nytimes.com/2022/09/25/upshot/starter-home-prices.html>

## R2A Zone Lot Size Options

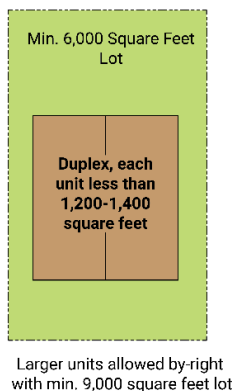
A density discount for small units is likely needed, unless the maximum density is removed for infill development (see Strategy 2.4.4). Lot size options include:

1. Consider small duplexes (<1,200-1,400 square feet) as a detached single-family unit and allow by-right on same 6,000 square feet min lot size as single-family. Make larger duplexes permitted by-right at same 9,000 square feet size (currently conditional).
2. Same as #1 except allow larger duplexes by-right at 7,500 square feet (the old R2 minimum lot size). This option is shown in the summary table above.
3. Allow all duplexes by-right at current the 6,000 square feet min. lot size for single-family
4. Coordinate with Strategy 2.1.3 to allow triplexes and townhomes on alley loaded lots: This option is the same as #3 and allows triplexes (or even fourplexes) with small triplex and townhouse units (<1,000-1,200 square feet). A smaller unit size than duplexes is suggested to provide moderation for more units, and another consideration would be requiring 1,500 square feet of additional lot per additional attached unit beyond a duplex.
5. Remove specific minimum lot size provisions for duplexes and other multi-unit structures in favor of form-based provisions such as a maximum floor-area ratio, maximum façade width, and/or other techniques to accommodate more units while managing the scale of developments in neighborhoods.

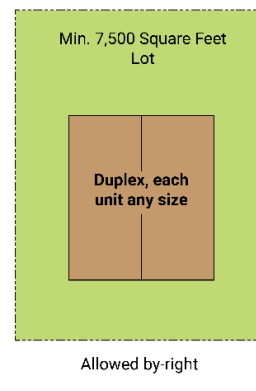
### R2A Zone Current Standards



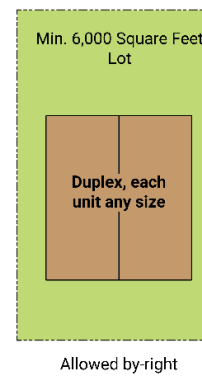
### Option 1



### Option 2



### Option 3



### Option 4

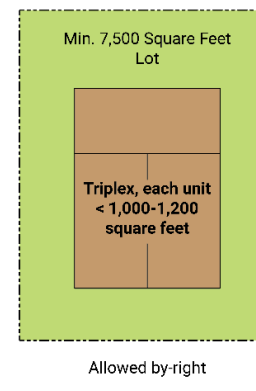


Figure 14 - Lot size options in the R2 zone

### R3 Zone Lot Size Options

1. Recognize small duplexes (<1,200-1,400 square feet) as a detached single-family unit and allow by-right on the current 4,500 square feet minimum lot size as single-family. Make larger duplexes permitted by right at same 7,500 square feet lot size (currently CUP).
2. Same as #1 except allow larger duplexes by right at 6,000 square feet (the old R3 min lot size) and allow additional units for every 1,500 square feet (rather than every 2,500 square feet)
3. Allow all duplexes by right at current 4,500 square feet minimum lot size for single-family.
4. Same as #3 and allow small triplex (or even fourplex?) units (<1,000-1,200 square feet). A smaller unit size than duplexes is suggested to provide moderation for more units.
5. Remove specific minimum lot size provisions for duplexes and other multi-unit structures in favor of form-based provisions such as a maximum floor-area ratio, maximum façade width, and/or other techniques to accommodate more units while managing the scale of developments in neighborhoods.

### R3 Zone Current Standards

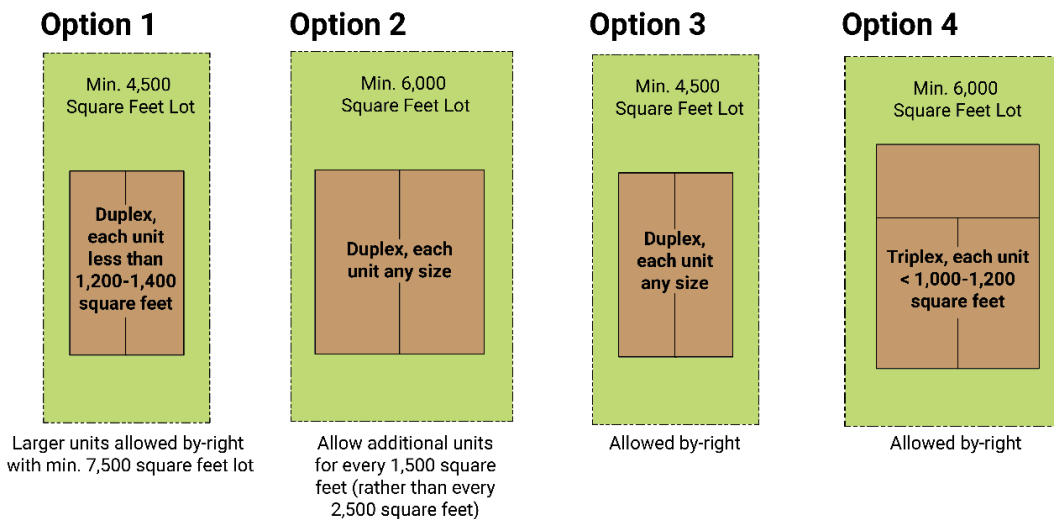
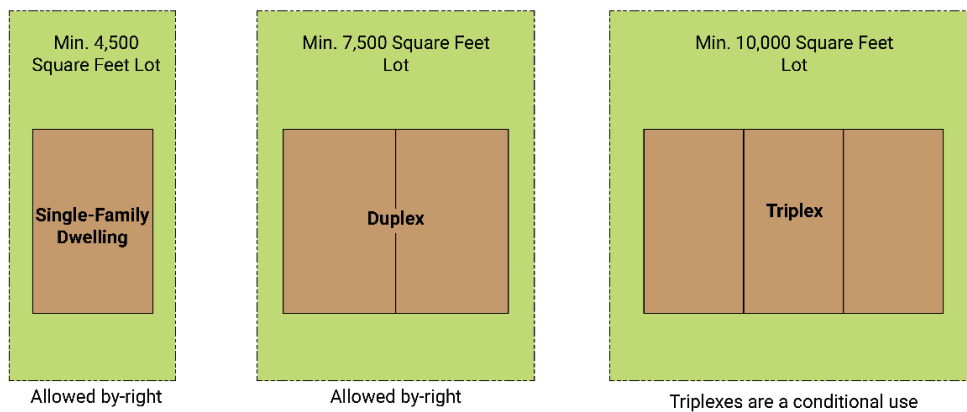


Figure 15 - Lot size options in the R3 zone

### R3A Zone Lot Size Recommendation

This zone is currently unmapped and is proposed to be mapped under Strategy 2.2. Explore options similar to those suggested for the R3 zone, but scaled to the smaller R3A lot sizes standards, for integrating middle housing types

### R4 and R4A Zones Lot Size Recommendation

Reduce the minimum lot size for duplexes from 4,200 to 3,000 square feet, and eliminate the reference to requiring additional lot area for additional dwelling unit beyond duplex. This simplifies the zone and code, and allows more flexibility for middle housing and multifamily development.

Consider consolidating the R4 and R4A zones if their standards become similar.

### 2.4.2 – Maximum Lot Coverage

The maximum lot coverage rates in Table 19.42.020 top out at 50%, which may be fairly limiting for the smallest lots. Upward adjustments of 10-25%, depending on the zone, may be considered depending on the minimum lot size options desired or chosen (see above). Adjustments could also be made for specific housing types, such as how the code does for townhouses under [AMC 19.43.010\(G\)\(3\)\(b\)](#).

Examples of maximum lot coverage or maximum impervious surface standards from other similarly sized Washington sites are shown below. Impervious surface includes paved areas like driveways and patios, which typically are 5-10% of lot area in addition to the building footprint regulated by Anacortes's lot coverage standard.

| Measure                                                 | City of Port Orchard Residential Zones |       |               |      |      |       |
|---------------------------------------------------------|----------------------------------------|-------|---------------|------|------|-------|
|                                                         | R1                                     | R2    | R3            | R4   | R5   | R6    |
| Minimum lot size (no alley access), square feet         | 6,000                                  | 5,000 | 2,800 – 5,000 | None | None | 4,000 |
| Minimum lot size (with alley access), square feet       | 5,000                                  | 3,000 | 2,400         | None | None | None  |
| Maximum hard surface coverage (i.e. impervious surface) | 50%                                    | 70%   | 80%           | 80%  | 80%  | 75%   |

| Measure                                           | City of Port Angeles Residential Zones |       |       |       |      |
|---------------------------------------------------|----------------------------------------|-------|-------|-------|------|
|                                                   | RS-7                                   | RS-9  | RS-11 | RMD   | RHD  |
| Minimum lot size (no alley access), square feet   | 5,000                                  | 7,000 | 9,000 | 3,500 | None |
| Minimum lot size (with alley access), square feet | 3,500                                  | 7,000 | 9,000 | 3,500 | None |
| Maximum site coverage (i.e. impervious surface)   | 65%                                    | 60%   | 50%   | 75%   | 75%  |

Figure 16. Maximum impervious surface standards in Port Orchard and Port Angeles

### 2.4.3 – Maximum Size of Single-Family Homes

Provided all of the recommendations of Strategy 2.1 are implemented, consider limiting the maximum floor area size of new single-family home construction in the R2A and R3 zones, especially if the size of duplex/triplex and other units are going to be managed in one of the options from Strategy 2.4.1 (also note the recommendation to consider prohibiting new single-family uses in the R3 zone per Strategy 2.1.7).

This standard could involve a flat or scaled limit, such as a maximum floor-area-ratio (FAR). Using 2012-2016 permit data, the average size of new single-family units in the R2/R2A zones increased from 2,080 square feet to 2,146 square feet and the FAR decreased from 0.24 to 0.22 (more recent zoned-based data is recommended to be collected). Consider reasonable limits that allow some flexibility while encouraging the integration of middle housing types.

The rationale is that single-family homes are being built at larger sizes while household size shrinks, which is not sustainable for housing prices nor the use of Anacortes's limited land area.<sup>16</sup> Anacortes has a high population of single-person households (29% compared to 25% in the county).

### 2.4.4 – Density

#### Minimum Density

Consider adding minimum densities for multifamily development (buildings with four or more units) to the R4 zone for larger lots (perhaps lots more than one or two acres). A minimum density of 15 units/gross acre should be considered for several reasons:

- To be consistent with the multifamily tax exemption eligibility provision of [RCW 84.14.020\(1\)\(C\)\(iii\)](#); see Strategy 5.1 for related considerations
- To be consistent with the minimum densities in place for Anacortes's CBD, C, and MMU zones
- This is the typical low range of density for contemporary multifamily development and the level of density that supports transit service

#### Maximum Density

Consider the applicability of the maximum densities in residential zones, as these can prevent middle housing development even with lot size adjustments. Maximum densities are most relevant to subdivisions where new lots are being created, but Anacortes has few if any large private land holdings left for major subdivisions.

Consider increasing or repealing applicable maximum density provisions based on lot size approaches chosen for middle housing types in Strategy 2.4.1 above.

---

<sup>16</sup> "Whatever Happened to the Starter Home?" The New York Times. September 2022.  
<https://www.nytimes.com/2022/09/25/upshot/starter-home-prices.html>

### 2.4.5 – Setbacks

#### Street Setback

In the R2A, R3, and R3A zones, reduce the street setback from 20 feet to 15 feet. This complements the recommended adjustments in lot sizes and permitted use changes in these zones, and provides more developable area for smaller infill development. 15 feet is still a significant setback to allow for useable yard space and landscaping. Garages would still be required to have 20 foot setbacks from the street to provide adequate space for parking cars in driveways and to de-emphasize garage doors.

#### Interior Side Setback

In the R3, R3A, R4, and R4A zones, consider removing the minimum interior side setback for upper floors (or setting it the same as the ground level, five feet). Historically, in these residential zones the code required a combined 15 feet of side setbacks with at least 10 feet on one side. In the 2019 code update, 7.5 feet for the upper floors was suggested as a static minimum to provide some protection in single-family neighborhoods where duplexes, cottages, and other smaller housing types could be built. Few if any developments will setback the upper floors further than the ground floor, so it functions as whole-building setback.

The recommend zones are where higher-density development is planned and the land area is limited in these zones, so providing opportunity to make efficient use of lots is needed.

### 2.4.6 – Height Bonus Program

Under the height bonus section [AMC 19.42.050\(C\)](#), consider increasing the size of “small units” to be 650 square feet which allows for slightly more storage space.

If a multifamily tax exemption (MFTE) program is re-adopted, add it as a third option for a height bonus (only the 12-year and 20-year programs should qualify). Retain the code’s current voluntary affordable housing option (subsection D) to provide flexibility.

Other options for height bonuses to consider based on Anacortes’s unmet needs and feedback from the HAP public engagement:

- Inclusion of day care space and service in a mixed-use development
- Development of senior housing
- Development of an assisted living facility or nursing home

### 2.4.7 – Elevator Penthouse

As more multifamily and mixed-use housing is built in Anacortes, details like elevator design are important factors for livability and functionality. 10-feet tall elevator cabs are desirable for residents to move the largest pieces of furniture which cannot fit through stairwells. Also popular are elevator-accessible roof decks that help meet developments meet residential open space requirements.

However, these two features are difficult to combine due to the limitations of AMC 19.42.120(B)(1)(b). This subsection limits structures screening elevators to 15 feet in height where the elevator is accessing a roof deck.

Elevator technology is evolving. Over the past decade the “Machine Room-Less” elevator has become a cost-effective option for buildings over four stories tall and it avoids the environmental impacts of hydraulic piston designs which penetrate deep into the ground below the building (a technology which was previously typical for buildings up to eight stories). The Machine Room-Less design uses a hoistway and mounts mechanical equipment on top of the cab, which increases the overrun above the roof level beyond that assumed by the code.

To achieve a 10-foot interior cab dimension and accounting for the assembly of the penthouse structure, it is recommended to increase the code allowance from 15 to 17 feet. The screening language from subsection (a) should also be copied.

*b. Up to ~~15~~ 17 feet on buildings over four stories in height where they allow access to shared roof decks that meet the requirements of AMC 19.62.040(B)(1)(e). provided the area with the added height is limited to what is necessary to screen or enclose the use.*

#### 2.4.8 – Religiously-Owned Land Density Bonus

Under state law [RCW 35A.63.300](#) (2019), upon request from a religious organization, cities planning under the GMA must allow an increased density bonus on consistent with local needs for affordable housing development. The density bonus must be contingent upon the religious organization’s land being used for housing occupied exclusively by low-income households for at least 50 years. The density bonus can be used for any type of housing, ranging from single-family to multifamily.

Anacortes has not received any such request but might consider the implications and begin proactively reaching out to religious organizations to see if they are interested in developing affordable housing on their properties.

Anacortes is home to a number of churches with some sitting on fairly large properties in the center of town. Most of Anacortes’s religious facilities are in the R3 and R4 zones on properties ranging from 1-4 acres. These zones are not limited by maximum density but do have constraints on minimum lot size area needed per unit. Minimum lot sizes could be significantly reduced or eliminated for eligible developments.

The HAP community survey found less than majority support for this concept, but a large share of respondents were not sure and likely would need more information about specific regulatory and development proposals.

## 2.5 – Adjust Definitions and Design Standards

**Action:** Adjust other development regulations to help reduce barriers to housing production.

A miscellaneous set of other standards can be updated to streamline the development regulations and potentially reduce construction costs.

### 2.5.1 – Family Definition

Amend the definition of “family” under [AMC 19.12.020\(F\)](#) to be consistent with state law [RCW 35A.21.314](#) (2021). Cities may not regulate or limit the number of unrelated persons that may occupy a household or dwelling unit. A simple approach is shown below.

“Family” means:

1. One person or two or more related persons living together.
2. ~~No more than five u~~ Unrelated persons living together as a single nonprofit housekeeping unit.
3. Unrelated persons living together in a state-licensed adult family home pursuant to RCW 70.127.010, with the provider’s family counting as up to six persons not related to the providers living with them as one housekeeping unit for profit.
4. ~~In a single family dwelling, one roomer or boarder is permitted in addition to the family.~~

### 2.5.2 – Design Standards Applicability

Update the applicability sections of Chapters 19.61, 19.62, and 19.63 to clarify how townhouses apply.

Block frontage standards:

#### **19.61.020 Applicability**

A. The provisions of this chapter apply to all nonresidential, ~~and~~ multifamily, and townhouse development. The following are exempt:

Site planning standards:

#### **19.62.020 Applicability**

A. The provisions of this chapter apply to all nonresidential and multifamily development. The following are exempt:

1. All development in the I, LM, AZ, CM2, and MS zones.
2. Developments in the HM and LM1 zones when not abutting State Route 20 right-of-way.
3. Townhouse development, except that for large developments with multiple buildings, internal drive aisles, and/or featuring common service elements, the provisions of AMC 19.62.070 may be applied.

Building design standards:

**19.63.020 Applicability**

A. The provisions of this chapter apply to all nonresidential and multifamily development. The following are exempt:

1. All development in the I, LM, AZ, CM2, and MS zones.
2. Developments in the HM and LM1 zone when not abutting State Route 20 right-of-way.
3. Townhouse buildings, except where otherwise noted in this title.

### 2.5.3 – Block Frontage Standards

For clarity to code users on Undesignated block frontages under [AMC 19.61.110\(B\)](#), consider repeating that Undesignated streets in residential zones are subject to Landscaped standards.

B. All Undesignated block frontages in non-residential zones that are not designated are subject to the standards of this section. Per AMC 19.61.030(A)(2), Landscaped block frontages apply to multifamily and non-residential development in residential zones. These Undesignated block frontages are provided greater flexibility ~~with regards to the design of multifamily and non-residential development frontages.~~

For clarity on townhouses and block frontages, [AMC 19.43.10\(G\)\(4\)](#) needs to refer to both the residential and commercial zone tables.

4. Setbacks.

a. For minimum street setbacks, the greater setback applies from either the Landscaped block frontage standards of AMC 19.61.070 or the residential zone setbacks in Table 19.42.020.

b. For side and rear setbacks, see Tables 19.42.020 (residential zones) or 19.42.030 (mixed-use and industrial zones). ~~The minimum setbacks set forth in Table 19.42.020 apply to development frontage and external side and rear setbacks of the entire townhouse development.~~

c. See AMC 19.42.130(C) for exemptions involving interior side setbacks for townhouses.

## 2.5.4 – Usable Residential Open Space

### Amount of Multifamily Open Space

Under [AMC 19.62.040](#), provide an open space credit for multifamily developments adjacent to a park, which provides some (but not all) of the benefits of building-specific open space and may help manage construction costs. This could be a new subsection (B)(3):

*3. Multifamily development and multifamily portions of mixed-use development may reduce the minimum amount of usable open space required per unit under subsection (B)(1) by 33 percent (one-third) when the primary entrance of the development is located within 250 feet walking distance of a park at least one-quarter acre in size. The park may be public or private, and it must be accessible to all residents and be suitable for a variety of leisure and recreational activities.*

### Design of Multifamily Open Space

Under AMC 19.62.040(B), consider several minor adjustments to improve the clarity of the open space standards for multifamily and mixed-use housing developments.

Integrate subsection B.2 into B.1.a since the topic of both regards shared open space.

For common indoor recreation areas under subsection B.1.d, add a minimum dimensional standard to ensure that recreational spaces are functional. For reference, 250 square feet is about the size of a medium conference room.

*iii. The minimum area is 250 square feet. The space must feature dimensions necessary to provide functional leisure or recreational activity (unless otherwise noted herein).*

For shared roof decks under subsection B.1.e, remove the difference in applicability for single-purpose multifamily buildings compared to mixed-use buildings, allow intermediate level roof decks, and ensure access is available to all residents.

*e. Shared roof decks. Such spaces are a type of private internal common area located on the top of buildings or intermediate levels (e.g., upper floor building facade step-back areas) and are available to all residents. Up to 50 percent of the required open space may be provided by shared roof decks. Examples of amenities include, but are not limited to, cooking and dining areas, seating areas, gardening areas, water features, children's play areas, and pet play areas. Shared rooftop decks must meet the following design standards: ~~For multifamily buildings, up to 50-percent of the required open space may be provided by shared roof decks located on the top of buildings which are available to all residents and meet the requirements below. For mixed-use buildings, 100-percent of the required open space may be provided by shared roof decks.~~*

- i. Space must feature hard-surfacing, provide amenities such as seating areas and other features that encourage use.*
- ii. Space must integrate landscaping elements that enhance the character of the space and encourage its use.*
- iii. Space must incorporate features that provide for the safety of residents, such as enclosures, railings, and appropriate lighting levels.*

### Other Residential Open Space

After subsection AMC 19.62.040(B), insert a new subsection to provide minimal open space requirements for some of the supportive housing uses.

*C. Useable residential open space for permanent supportive housing and transitional housing. When located in a new development, these uses must provide minimum usable open space equal to 100 square feet per dwelling unit. The allowed types and design standards of open space are the same as subsection (B) above.*

### 2.5.5 – Townhouse Open Space

Under the townhouse design standards of [AMC 19.43.010\(G\)\(9\)](#), provide more consistency between open space standards and setback standards. Minimum 10 feet street setbacks are required in the R4 and R4A zones and 10 feet side street setbacks are required in most residential zones. The recommended approach is to require a minimum 10 feet dimension in just one direction to allow more site design flexibility.

*a. Private ground level open space that is directly adjacent and accessible to dwelling units. Such space must have minimum dimensions of at least 12-feet in one direction and 10-feet in other directions ~~on all sides~~ and be configured to accommodate human activity such as outdoor eating, gardening, toddler play, etc. Street setbacks may be used to meet this standard, provided they are defined with a fence (meeting standards of AMC Chapter 19.66 Fences, Walls & Hedges).*

### 2.5.6 – Parking Lot Landscaping

Under [AMC 19.65.070\(D\)](#), reduce and simplify minimum planting area widths (or average widths) to allow more efficient use of land. This is critical for smaller lots where infill multifamily and townhouse development may occur, but still meet the purpose of parking lot landscaping.

*3. Minimum Width and Length. Planting areas must have a minimum average width of ~~10~~ 7.5 feet (measured inside the curb) and must be the same length as the parking stall or column.*

...

*6.*

*a. For parking lots adjacent to public streets, use Type C landscaping at least 7.5 feet deep. ~~at a width equal to or greater than the minimum building setback specified for the applicable block frontage type specified in AMC Chapter 19.61, Block Frontage Standards.~~*

*b. For parking lots along internal lot lines, use Type A, B, or C landscaping at least ~~10~~ five feet deep, except where a greater buffer width is required per the standards in subsections A and B of this section.*

Also, consider making parking lot landscaping its own code section so it is easier to find in tables of contents and because it is frequently used. For example, convert subsection (D) to new 19.65.075.

### 2.5.7 – Service Areas and Mechanical Equipment

Under AMC 19.62.070, some minor clarifications can be made about applicability to offer some more flexibility. Subsection (B) currently acts as a title but could be expanded with examples:

*B. Location of ground related service areas and mechanical equipment. Ground-level building service areas and mechanical equipment includes loading docks, trash collection and compactors, dumpster areas, storage tanks, electrical panels, HVAC equipment, and other utility equipment. If any such elements are outside the building envelope at ground level, the following location standards apply:*

*1. Service areas ~~(loading docks, trash dumpsters, compactors, recycling areas, electrical panels, and mechanical equipment areas)~~ must be located for convenient service access while avoiding negative visual, auditory, olfactory, or physical impacts on the streetscape environment and adjacent residentially zoned properties. Service areas must be sited for alley access if available.*

Under subsection B.6, consider adding to the list of dumpster storage requirements:

*Trash collection areas must include roofs or overhead weather protection and must meet required stormwater standards. Drainage must be designed to meet applicable NPDES standards.*

Under subsection C.1.d, add the following moderation to help control construction costs:

*Collection points must be located and configured to the extent practical so that the enclosure gate swing does not obstruct pedestrian or vehicle vehicular traffic, or does not require that a hauling truck project into any public right-of-way. Ensure that screening elements allow for efficient service delivery and removal operations.*

Under subsection E.2, consider removing the prohibition on perforated metal as a rooftop equipment screening material since it is cost effective and has a variety of design options.

*For rooftop equipment, all screening devices must be well integrated into the architectural design through such elements as parapet walls, false roofs, roof wells, clerestories, or equipment rooms. Screening walls or unit-mounted screening is allowed but less desirable. Wood must not be used for screens or enclosures. Louvered designs are acceptable if consistent with building design style. ~~Perforated metal is not permitted.~~*

### 2.5.8 – Building Design

Under AMC 19.63.040(C)(2), consider minor revisions to the list of articulation standards:

- a. Use of windows and/or entries that reinforce an articulation pattern.*
- b. Use of awnings or similar weather protection features (not applicable to residential buildings).*
- c. Use of vertical piers/columns (applies to all floors of the façade, excluding upper level stepbacks).*
- d. Change in roofline per subsection (F) below.*
- e. Change in building material or siding style, ~~and/or window pattern~~ (applies to all floors of the façade, excluding upper level stepbacks).*

Under AMC 19.63.050(E), consider revising the entry articulation standard for consistency:

*The primary building entrance (when provided) for an office building, hotel, ~~apartment-multifamily~~ building, public or community-based facility or other multi-story commercial building must be designed as a clearly defined and demarcated standout architectural feature of the building.*

### 2.5.9 – Building Materials

Section 19.63.060(B) can be updated to clarify the applicability of durable materials on the ground floor.

*B. Quality building materials. ~~Applicants must use high quality durable materials. This is most important for the base of buildings, particularly for commercial and mixed-use buildings where the façade is sited close to sidewalks.~~ Stone, brick or tile masonry, architectural concrete or other similar highly durable materials must be used for at least the bottom two-feet of the first floor façade on non-residential and mixed-use buildings (excluding window and door areas).*

### 2.5.10 – Blank Walls

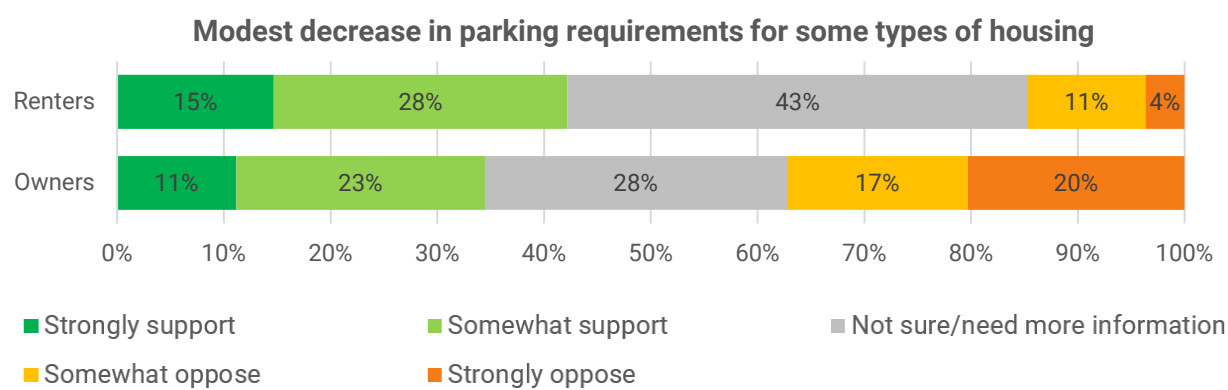
Under 19.63.070(C), consider updating the applicability for blank wall treatment standards to reduce construction cost impacts.

*Blank wall treatment standards. Untreated blank walls located within 100 feet of, and visible from a street, public space, ground-level individual outdoor space, or internal walkway, are prohibited. Methods to treat blank walls include the following (a variety of treatments may be required to meet the purpose of the standards): ~~adjacent to a public street, pedestrian-oriented space, common usable open space, or pedestrian pathway are prohibited. Methods to treat blank walls can include:~~*

## 2.6 – Adjust Parking Standards

**Action:** Adjust parking standards for middle housing, affordable housing, senior housing, and consider additional parking strategies to promote mixed-use development. Allow on-street parking to meet parking needs and adjust guest parking standards.

The HAP community survey found little favor for the concept of a “Modest decrease in parking requirements for some types of housing”, with 34% of total respondents in support and a large share of “not sure” responses. There is also the practical limitation has Anacortes is a relatively isolated community with limited transit service (with opportunities to change that noted in Strategy 5.6). Therefore, the recommended adjustments to parking standards are focused on providing more certainty and clarity. Several changes are proposed for [Table 19.64.040](#).



### 2.6.1 – Minimum Parking Standards

#### Middle Housing

For duplexes, triplexes, and townhouses, provide clear quantitative standards instead of referring to multifamily bedroom counts. The market for these types of housing is similar for small lot single-family, which currently requires 1.0 parking space per unit. In residential areas where these housing types are common on-street parking tends to be available.

#### Affordable Housing

Following the recommendation of the 2017 Affordable Housing Strategic Plan, develop parking regulations specific to affordable housing. Define and list “multifamily dwelling, affordable.” A minimum parking ratio of 0.5 to 0.75 spaces per unit, regardless of bedroom count, is appropriate. Census data demonstrates that lower income residents own fewer vehicles. Affordable housing stakeholders also report this is the maximum range needed for lower income residents and that on-street parking is almost always sufficient to accompany any additional needs.

The definition of “multifamily dwelling, affordable” for parking purposes should include permanent supportive housing and transitional housing. Parking for emergency housing and emergency shelters should be Director decisions under AMC 19.64.040(B).

## Senior Housing

Rename the term “multifamily dwelling, restricted” to “senior housing” or similar phrasing to clarify its purpose for parking calculations. One developer stakeholder was not aware of this option for senior housing. Consider setting the parking standard at 1.0 space per unit regardless of bedroom count to provide more certainty.

## Other Parking Considerations

Additionally, consider allowing fee-in-lieu payments for retail uses in a mixed-use building in any location citywide. This would require adoption of a parking fee-in-lieu plan and amendments to [AMC 19.64.070](#).

Long-term, consider revisiting parking policies in the Comprehensive Plan (see Strategy 4.3.5).

### 2.6.2 – On-Street Parking

Similar to guest parking under [AMC 19.64.030\(B\)\(2\)\(a\)](#), allow the minimum parking under Table 19.64.040 to be met by on-street parking where it is available within 250 feet of the subject property. This option could be limited to just residential uses or certain housing types. On-street parking should not be used to meet the requirements for accessible parking.

### 2.6.3 – Guest Parking

The guest parking ratios under [AMC 19.64.030\(B\)](#) were created in the 2019 code update to offset reductions in the minimum residential parking standards and provide a measure of protection for existing neighborhoods. The appropriateness of guest parking standards in some zones could be evaluated.

Currently only the CBD zone waives guest parking requirements under [AMC 19.64.030\(B\)\(4\)](#); this could potentially be expanded to other near-downtown zones intended for higher-density development and areas with walk/bike/transit access like the R4, C, and MMU zones.

Alternatively or in addition, an option is to remove guest parking requirements citywide for multifamily uses. This would remove the “multifamily” row in Table 19.64.030(B). Public on-street parking can usually function as guest parking in most cases.

### 2.6.4 – Unbundling Parking from Lease Agreements

Explore requiring the unbundling parking from housing prices. Unbundling means the cost of parking for residential tenants and condo owners (and possibly commercial tenants) cannot be included in base lease agreements and prices.<sup>17</sup> Parking is made available in an addendum or separate agreement. The rationale is that some residents, especially low-income renters, do not own vehicles or need extra parking spaces. Unbundling parking has the potential to lower housing costs and influence the parking supply of new development. Seattle is one of the first cities in Washington to use this strategy.<sup>18</sup> Education and outreach to landlords and property owners would be necessary for implementation, similar to renter protections (Strategy 3.2.1).

<sup>17</sup> “Unbundled residential parking.” Washington State Department of Transportation.

<https://tsmowa.org/category/transportation-demand-management/unbundled-residential-parking>

<sup>18</sup> Seattle Municipal Code 23.42.070,

[https://library.municode.com/wa/seattle/codes/municipal\\_code?nodeId=TIT23LAUSCO\\_SUBTITLE\\_IIILAUSRE\\_CH\\_23.42GEUSPR\\_23.42.070PARELEMUDWUNCOUS](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT23LAUSCO_SUBTITLE_IIILAUSRE_CH_23.42GEUSPR_23.42.070PARELEMUDWUNCOUS)

## 2.7 – Building Code Amendments

**Action:** Evaluate potential building code amendments to facilitate more economical middle housing and small apartment buildings.

### 2.7.1 – Middle Housing Fire Sprinklers

Under Chapter 19.14 AMC, consider updating the locally-adopted version of international codes to allow small residential structures with less than 5,000 square feet of floor area (e.g. triplexes, townhouses, and small multifamily buildings) to be designed and built under the less-strict provisions of the International Residential Code (IRC). Normally, structures with three or more units are considered commercial and fall under the International Building Code (IBC) which requires fire sprinklers. In exchange, applicable structures would be required to have a higher 2-hour fire rating for wall and floor/ceiling assemblies.

Since sprinklers can cost up to \$15,000 per unit to install, this can help reduce the costs of attached middle housing while still ensuring fire safety. Other opportunities for streamlining include revisions to egress requirements in common spaces and allowing combined mechanical, electrical, and plumbing drawings.<sup>19</sup>

Initial feedback on this action is that six-unit buildings would not be supported by City staff due to liability and insurance ratings concerns, but demonstrated success in at least one community (Memphis, TN) suggests the topic may be worth further discussion. Making a change for only three- or four-unit buildings may still provide cost benefits. Coordinate with the design and development community, the fire department, building officials, and other stakeholders as appropriate to consider a possible amendment.

### 2.7.1 – Single-Stairwell Buildings

Examine updating the locally-adopted version of the International Building Code to allow single-stair multifamily buildings up to six stories where there are four or less units per floor. By default, the International Building Code limits this condition to four floors. Seattle has allowed it since 1977.<sup>20</sup> This could be an opportunity to reduce costs while still ensuring fire safety for small apartment buildings on infill lots in and around the downtown area.

Similarly as above, this would require coordination with the design and development community, the fire department, building officials, and other stakeholders as appropriate.

---

<sup>19</sup> “A Trailblazing Reform Supports Small-Scale Development in Memphis.” Strong Towns. January 2022. <https://www.strongtowns.org/journal/2022/1/26/a-trailblazing-reform-supports-small-scale-development-in-memphis>

<sup>20</sup> “Second Egress: Building a Code Change”. <https://secondeggress.ca/Seattle>

## 3 – Programmatic Strategies

These actions relate to ongoing staff support and enforcement needs.

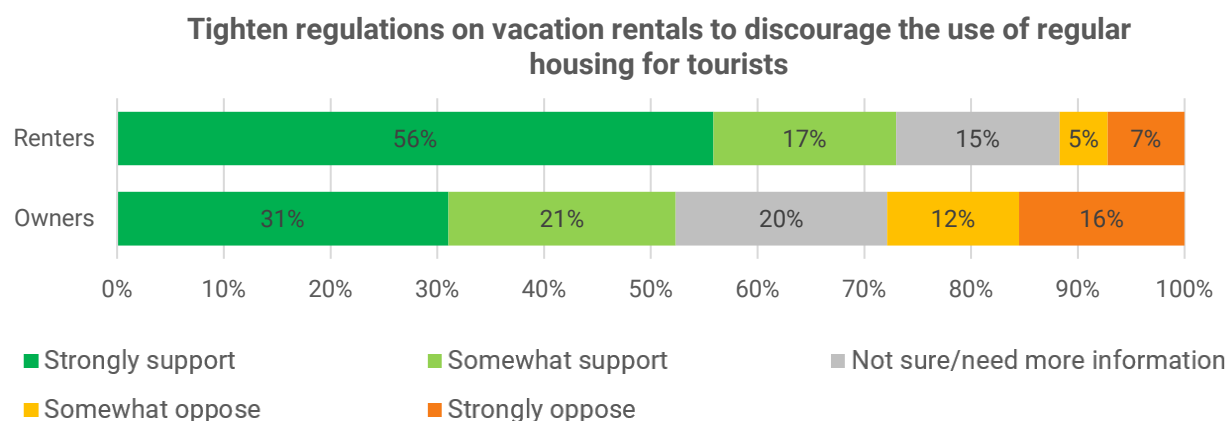
### 3.1 – Short-Term Rental Regulations

**Action:** Balance the positive and negative impacts of short-term rentals by implementing basic standards and additional regulations as needed.

Short-term rentals, also known as vacation rentals, are considered stays of 30 days or less in a residential dwelling. In 2021 City staff research found about 76 short-term rentals operating in Anacortes through the most popular commercial services such as AirBNB and VRBO. This is likely an undercount since not all short-term rentals are listed throughout the year and some may be advertised through other methods, but it still represents only a small percentage of Anacortes's housing units.

The City code does not specifically define short-term rentals. The code prohibits overnight lodging uses other than bed-and-breakfasts in residential zones, but this is not strictly enforced outside of development permits. Overnight lodging businesses are required to maintain a business license and only 12% of the identified short-term rentals have done so. It seems likely that many short-term rentals operating illegally in residential zones and not paying the lodging tax.

Housing stories collected during public engagement suggests short-term rentals are both a problem for long-term rentals and an opportunity for supplemental income by low- and moderate-income property owners. In the HAP community survey, 56% of total respondents are supportive of the concept to "Tighten regulations on vacation rentals to discourage the use of regular housing for tourists."



There are many options to regulate short-term rentals, with some strategies provided by the American Planning Association and lessons learned from other Washington communities.<sup>21</sup>

<sup>21</sup> "Short-Term Rentals: Regulation and Enforcement Strategies." 2019. American Planning Association. <https://www.planning.org/publications/document/9164214/>

Below is a non-exhaustive menu of regulatory options. Relatively light measures are recommended given the current number of short-term rentals in Anacortes, with stricter measures possible to enact if problems with short-rentals continue.

- Define short-term rentals, possibly with differences between accessory, temporary, and commercial types
- Prohibit short term rentals in residential zones, or only allow in residential zones where the owner/operator lives on the property
- Prohibit short term rentals in multifamily buildings
- Cap the number of short-term rental business licenses that may be issued, such as 1-3% of total housing units per neighborhood or citywide.
- Provide performance standards such as a cap on the number of guests and/or requiring availability of the owner/operator to respond to complaints and nuisances like noise, odors, and vibrations
- Require short-term rentals to be registered and have placards prominently displayed and visible from the right-of-way
- Provide resources for enforcing business license and registration requirements and enforcing the penalties for failure to comply

With any proposed action, communication and partnerships with the top listing platforms and affected neighborhoods should be conducted as early and continuously as possible.

### 3.2 – Anti-Displacement Strategies

**Action:** Adopt local tenant protections and consider other regulatory and programmatic anti-displacement actions to improve the stability of renter households.

As discussed above in Strategy 1.3, exclusionary zoning practices have led to numerous facets of housing inequity across the U.S. Additionally, redevelopment programs implemented in earlier decades resulted in both intentional and unintentional displacement of lower-income and people of color in many communities. Therefore, strategies to mitigate or prevent displacement have gained much attention in recent years, and a variety of approaches have emerged. Overall, the effectiveness of anti-displacement strategies is highly neighborhood- and community-specific, and recent academic research has found decidedly mixed results of many approaches.<sup>22</sup>

While most strategies have been focused on minimizing displacement pressures, it should be noted that not all displacement is involuntary (there is always some movement in the housing market), and displacement can sometimes mean moving “up” to a higher opportunity neighborhood.

Increasing housing production overall, including market-rate housing production, is an important tool to moderate price increases and therefore make housing more affordable to low and moderate income families and prevent displacement.<sup>23</sup> This is particularly true in hot housing markets, such as the current market in Anacortes. A study in California found that market-rate and subsidized housing production both reduced displacement rates in San Francisco, but subsidized housing production decreased displacement risk more significantly.<sup>24</sup> The same study also found that the positive effects of production on displacement at a hyperlocal neighborhood scale may differ, depending on the complex neighborhood context.

One downside of increased production is the time it takes to build new housing, which can be lengthy not only for construction, but also design and permitting. Production can also be hampered by lack of land supply, an issue currently facing Anacortes as discussed in Strategy 1.2. The most comprehensive academic survey of anti-displacement strategies to date suggests that in addition to production, neighborhood stabilization and tenant protection policies have the most immediate impact on mitigating displacement.<sup>25</sup> The following are suggestions for proactive policies that Anacortes can adopt to further prevent displacement.

A study from Common Good Labs analyzed data on thousands of U.S. neighborhoods over 15 years (2000 to 2015) to understand how poverty is reduced without community displacement.<sup>26</sup> It found eight indicators that are associated with inclusion, increased prosperity, and decrease

<sup>22</sup> Chapple, Karen and Anastasia Loukaitou-Sideris. “White Paper on Anti-Displacement Strategy Effectiveness.” Prepared for the California Air Resources Board, February 2021.

<sup>23</sup> Been, Vicki, Ingrid Gould and Katherine O’Regan. “Supply Skepticism: Housing Supply and Affordability.” New York University Furman Center, August 2018.

<sup>24</sup> Zuk, Miriam and Karen Chapple. “Research Brief. Housing Production, Filtering, and Displacement: Untangling the Relationships.” UC Berkeley Institute of Governmental Studies. May 2016.

<sup>25</sup> Chapple and Loukaitou-Sideris.

<sup>26</sup> “Reducing poverty without community displacement: Indicators of inclusive prosperity in U.S. neighborhoods.” Brookings. September 2022. <https://www.brookings.edu/research/reducing-poverty-without-community-displacement-indicators-of-inclusive-prosperity-in-u-s-neighborhoods/>

in poverty. Three of the indicators can be most directly affected by municipal policies, noted in the table below.

| Inclusion Indicator                 | How Anacortes Can Affect This Indicator                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increased housing density           | Zoning standards that directly regulate the density of residential development.                                                                                                                                                                                                                                                                             |
| Higher rates of homeownership       | Zoning and subdivision standards that allow and encourage a greater variety of small and attached housing types (e.g. small single-family, cottages, townhomes, flats, condos). A New York Times report finds that the production of entry/starter homes has never been lower than today (particularly homes smaller than 1,400 square feet). <sup>27</sup> |
| Presence of community organizations | Financial and/or staffing support for community organizations.<br><br>Zoning standards that provide low-cost commercial space and/or municipal facilities with space for community organizations to have offices, host events, run recreation and cultural programs, etc.                                                                                   |

Figure 17. Inclusion indicators

### 3.2.1 - Local Tenant Protections

Washington State sets the baseline for the landlord-tenant relationship through the State Residential Landlord-Tenant Act, [RCW 59.18](#). Washington State regularly amends the Act as summarized in the HAP Existing Conditions and Housing Needs Analysis Report. According to the Attorney General's Office, there is no centralized enforcement mechanism for the RCW, and so it is incumbent upon landlords and tenants to either self-remedy violations, seek counseling or low-cost legal help from non-profit organizations, and/or resolve disputes through the courts.

Local ordinances are enforced by the local jurisdiction. Cities are free to adopt additional or more stringent regulations than those provided by the state (with the exception of market-rate rent control), and numerous Washington communities have done so. Anacortes has not.

The King County Bar Association (KCBA) provides a model tenant protection ordinance within the framework of Washington State law. This is summarized in the table below.

No particular set of tenant protections is recommended as part of this HAP. The Anacortes community and decision-makers are encouraged to use this "menu" of options as a basis for continued discussion. Anacortes can look to other communities, Burien, Kenmore, and other communities that have adopted some of these protections.<sup>28, 29, 30</sup>

Given the information provided during the HAP public engagement process, many renters feel their housing situation is unstable and at the mercy of large rent increases or evictions. When asked in the HAP community survey, over 58% of total respondents and 82% of renters are

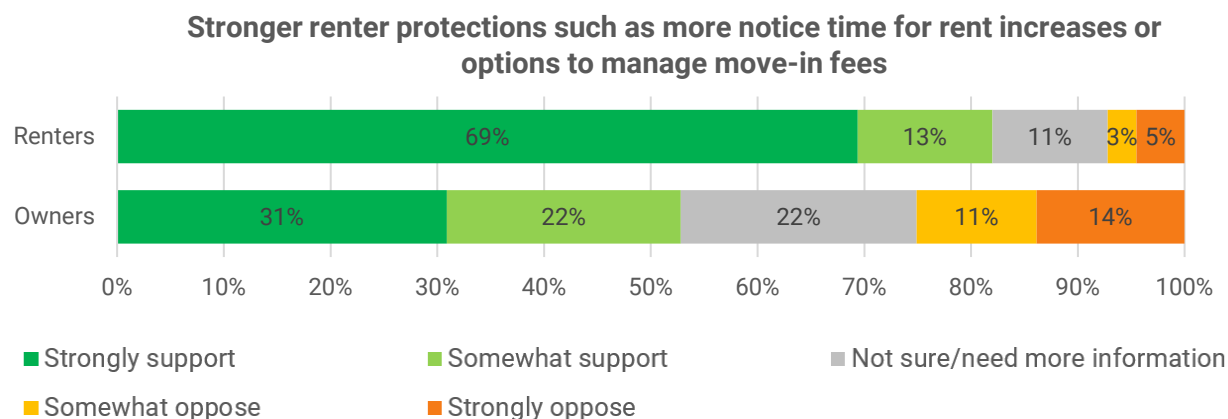
<sup>27</sup> "Whatever Happened to the Starter Home?" The New York Times. September 2022. <https://www.nytimes.com/2022/09/25/upshot/starter-home-prices.html>

<sup>28</sup> "City of Burien, Washington, Ordinance No. 804." October 2022. <https://burienwa.civicweb.net/filepro/documents/33975/?preview=76250>

<sup>29</sup> City of Kenmore, Washington, Ordinance No. 22-0545." March 2022. <https://kenmore.civicweb.net/filepro/documents/118191/?preview=119244>

<sup>30</sup> "Five Seattle suburbs added new landlord-renter laws this year. Here's what they do." *The Seattle Times*. December 15, 2022. <https://www.seattletimes.com/seattle-news/politics/five-seattle-suburbs-added-new-landlord-renter-laws-this-year-heres-what-they-do/>

supportive of “Stronger renter protections such as more notice time for rent increases or options to manage move-in fees”.



| Local Tenant Protection Option                                                                                                               | Other Considerations and Notes                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rents and Payments</b>                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| Notice of monthly rent increases 90-180 days before the effective date, with more notice required for larger increases                       | The state law default is 60 days notice per RCW 59.18.140. Upon receipt of notice, allow tenants to terminate tenancy early without further payment except pro rata rent.                                                                                                                                                                                                  |
| No increase in rent allowed if the property is in poor condition                                                                             | Poor conditions means the dwelling unit has defective conditions making it unlivable, a request for repairs has not been completed, or the property is otherwise in violation of RCW 59.18.060.                                                                                                                                                                            |
| Increases over 10% of monthly rent over a 12-month period requires landlord to pay relocation assistance for economically-displaced tenants. | The tenant must be notified this is an option in every rent increase notice regardless of the increase amount. The assistance can be valued in a number of ways – the KCBA model bases it on three times the monthly rent amount. Optionally, this tool could require relocation assistance for physical displacement as well (due to property renovations or demolition). |
| Move-in fees capped at one month's rent and require offer of installment plans                                                               | Allow up to a six month installment plan which commences upon move-in. This helps lower income tenants manage move-in fees that can be many thousands of dollars.                                                                                                                                                                                                          |
| Caps on rent payment late fees                                                                                                               | The KCBA approach is a cap of \$10 per month and the tenant is not responsible for any legal fees or other services.                                                                                                                                                                                                                                                       |
| Leases must allow rent to be paid on different days of the month                                                                             | This allows tenants to adjust the due date of rent payments if the tenant has a fixed income source (e.g. a paycheck lag after the first of the month or a social security payment). A landlord shall not refuse to lease to tenants who request this.                                                                                                                     |
| <b>Evictions and Discrimination</b>                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                            |
| Require cause to evict as specified in the lease agreement                                                                                   | Only allow for evictions for: 1) failure to pay rent after receiving all notices required; 2) substantial breach of a non-monetary term of the lease and all steps to resolve it have failed within the time required; or 3) the landlord seeks to remove the unit from the market with honest intent (with 120 days notice).                                              |
| Banning discriminatory, deceptive, and unfair practices in the rental market                                                                 | Prohibits inquiries or verification requirements based on immigration or citizenship status, using social security numbers as a method of proving financial eligibility, and representing that a unit is not available when it is in fact available. Also prohibits requiring that a                                                                                       |

| Local Tenant Protection Option                   | Other Considerations and Notes                                                                                                                                                                                                                                                            |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | lease be signed by children and deceptive omissions and practices like confusing lease terms or taking advantage of a lack of understanding by tenants.                                                                                                                                   |
| <b>Administration</b>                            |                                                                                                                                                                                                                                                                                           |
| Rental unit registration and inspection programs | The purpose of such programs is to ensure rental housing meets standard living conditions. Registration includes property address, contact information, list of rental units, and condition of the housing units. Fees may be imposed and re-registration is required with new ownership. |

Figure 18. Tenant protection options

Longer rent increase notice time, move-in fee caps, and economic/physical relocation assistance are some of the strongest anti-displacement strategies available for low-income residents forced to move, giving them an opportunity to find new housing in the same community within a reasonable amount of time.

Any new regulatory action would require some degree of effort, ranging from education and outreach to increased staffing and resources for monitoring and enforcement (including but not limited to the recommended hiring of a housing coordinator, see Strategy 4.1). Regulatory action could also be considered at the regional level to provide consistency for landlords and property management companies working across multiple Skagit County jurisdictions.

### 3.2.2 - Other Anti-Displacement Strategies

#### Strategic Acquisition of Existing Multifamily Housing

To better retain affordable housing, the City of Anacortes should continuously work with the Anacortes Housing Authority, land trusts, and other non-profit providers to identify naturally occurring affordable housing and multifamily housing with income restrictions or covenants that are close to expiration. Funds should be identified to acquire as many such properties as possible to avoid displacement of low- or moderate-income residents. This practice preserves existing communities and retains long-term affordable housing stock at a lower cost than development of new affordable housing.

#### Tenant Legal Services

Eviction rates have been shown to drop when tenants facing eviction have access to legal representation. The Washington State Office of the Attorney General has a comprehensive list of resources for tenants facing legal issues, including free phone assistance from the Northwest Justice Project for low-income tenants statewide.<sup>31</sup> Contacts and guidance could be provided alongside or in addition to the homeless services directory (see Strategy 3.3.3).

#### Tenant Opportunity to Purchase

A tenant opportunity to purchase program, such as the one instituted in Washington, D.C. in 1980, gives tenants the first right to purchase their unit if it is being converted into a

31 "Residential Landlord-Tenant Resources." Washington State Office of the Attorney General.  
<https://www.atg.wa.gov/residential-landlord-tenant-resources>

condominium. In D.C., a study of the program showed this helped 58% of eligible tenants purchase their unit.<sup>32</sup>

### **Rental Assistance Programs**

Rental assistance programs help low-income tenants pay rent in moments of hardship. Such a program can be very helpful in preventing families and individuals from becoming homeless and help stave off eviction and displacement. However, rental assistance programs are also relatively expensive and may have limited reach in a city of Anacortes's size. One option would be to investigate a temporary rental assistance fund for eligible low-income renters which can provide assistance for 1-3 months when a tenant is experiencing a financial crisis.

### **Housing Rehabilitation**

Some low-income households are unable to afford ongoing maintenance on their homes, particularly older housing units. This can lead to displacement if the homes become uninhabitable or the home is sold at a low price. Many cities and counties in Washington, including Vancouver, Spokane, and Pierce County for example, provide no- or low-interest loans to qualifying low-income homeowners to help repair and rehabilitate their homes.<sup>33, 34, 35</sup>

Some programs do not require repayment of the loan until after the house is sold, and others defer payments if residents cannot afford them, or waive interest for disability modifications. These programs are funded by a variety of sources, including city or county affordable housing funds, CDBG block grants from HUD, or HOME Investment Partnership programs.

### **Community Control of Land**

There are several models of cooperative or shared land ownership which have been used to remove land speculation and market pressures from ownership housing and provide affordable and stable ownership opportunities for lower- and moderate-income households. Such organizations have mostly taken the form of cooperatives and community land trusts (CLT), or a combination of both approaches.

In a community land trust, the land is held in trust by a nonprofit or city and only the housing unit is bought and sold, usually with permanent affordability restrictions in the covenant. Although this can reduce the amount of equity which can be built by buying and selling a home in a CLT, it does create opportunity for households whose incomes would typically exclude them from homeownership.

In a co-op model, residents own shares in the land or buildings (depending on the model) and pay affordable monthly payments with limited equity to residents. There is at least example of this in Anacortes, the Skagit Cohousing project which is currently in construction (read more details in the HAP Existing Conditions and Housing Needs Analysis Report). One Oregon model

---

<sup>32</sup> Chapple, Karen and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." Prepared for the California Air Resources Board, February 2021.

<sup>33</sup> "Housing Rehabilitation Loan Program." City of Vancouver. <https://www.cityofvancouver.us/eph/page/housing-rehabilitation-loan-program>

<sup>34</sup> "Home Rehabilitation." City of Spokane. <https://my.spokanecity.org/housing/affordable/>

<sup>35</sup> "Home Rehabilitation Loan Program." Pierce County. <https://www.piercecountywa.gov/3093/Home-Rehabilitation-Loan-Program>

showed that combining a CLT and co-op yielded opportunities for homeownership for households earning 30-60% of the AMI.<sup>36</sup>

Overall, the largest barrier to community land control models is lack of funding for ownership affordable housing to jumpstart these types of organizations.<sup>37</sup>

### **Foreclosure Assistance**

Foreclosure assistance can take the form of financial support to homeowners facing foreclosure, similar to the rental assistance programs described above. Additionally, foreclosure assistance can take the form of technical assistance and counseling to households at risk. A study conducted by the Urban Institute during the Great Recession found that households that received counseling were more likely to avoid default and modify their loans to be able to keep making payments.<sup>38</sup> Such a program could be provided by the city or in partnership with another organization.

### **Living Wage Ordinance**

In the Mount Vernon-Anacortes Metropolitan Statistical Area, the hourly wage needed to afford the average two-bedroom apartment is \$25.13/hour.<sup>39</sup> The minimum wage in Anacortes is the default state law rate, \$14.49/hour.

A living wage ordinance requires a higher minimum wage than that required by state law, which can help reduce housing cost burden. Local ordinances are not widespread in Washington; only the cities of Seattle, SeaTac, and Tukwila currently have minimum wages higher than the statewide minimum.<sup>40</sup>

### **Childcare and Early Education Subsidies**

Subsidizing early education is another way to help lower-income households from being unable to afford housing, as well as improving lifelong outcomes for children. Washington State provides financial assistance for child care for low-income families through the [Working Connections Child Care subsidy](#). Other municipalities in Washington also provide childcare subsidy, such as Seattle's [Child Care Assistance Program](#) and the [King/Pierce County Child Care Resources subsidy](#) program for families experiencing homelessness.

### **Land Value Capture**

See Strategy 5.3.

### **Inclusionary Zoning**

See Strategy 5.5.

<sup>36</sup> "A Case for Public Investment in Shared-Equity Homeownership." SquareOne Villages. September 2020.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/20717>

<sup>37</sup> Gabobe, Nisma. "How Can Cities Move The Needle on Community Land Trusts?" Sightline Institute. August 2021.

<https://www.sightline.org/2021/08/23/how-can-cities-move-the-needle-on-community-land-trusts/>

<sup>38</sup> Chapple, Karen and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." Prepared for the California Air Resources Board, February 2021.

<sup>39</sup> National Low Income Housing Coalition, "Out of Reach: The High Cost of Housing." 2022.

[https://nlihc.org/sites/default/files/2022\\_OOR.pdf](https://nlihc.org/sites/default/files/2022_OOR.pdf)

<sup>40</sup> "Minimum Wage", Washington State Department of Labor & Industries. <https://www.lni.wa.gov/workers-rights/wages/minimum-wage/>

### 3.3 – Homelessness Strategies

**Action:** Strengthen coordination between the City and local homelessness support services and adopt a Housing First approach.

Homelessness is a government concern because it relates to the health, safety, and welfare of individuals and the community at-large.<sup>41</sup> This housing action plan is addressing homelessness because the production and price of housing, which is affected by City policy, is directly correlated to the rate of homelessness.<sup>42</sup> At the national level, every \$100 increase in median rent is associated with a nine percent increase in the estimated homelessness population, even after accounting for demographic and economic characteristics.<sup>43</sup>

#### 3.3.1 – Data Collection

The scale of the homeless population in Anacortes is not well understood, which is one of the first barriers to overcome in addressing the issue. The most recent and granular data available from the Washington Department of Commerce is there were approximately 314 people (made up of 234 household or family groups) experiencing homelessness in Skagit County in 2022.<sup>44</sup> Perhaps a third or less of that number includes homeless people in Anacortes, based on stakeholder feedback.

More local and updated data is critical to understanding the problem and seeing how it is changing over time or in response to interventions. Many communities conduct an annual or semi-annual “point in time” count to conduct either a basic population estimate or a census of the visibly local homeless population, often led by social service providers and volunteer community members. This is a nighttime event counting people living on the street, in vehicles, and in shelters. Sometimes it is paired with a daytime survey of homeless individuals to understand their specific health challenges and needs and to identify family groups. Point in time counts may not capture other people who are on the edge of homelessness, such as people who are couch surfing or living in hotels, but it is a start.

#### 3.3.2 – Coordination

Stakeholder interviews and the 2021 “unmet needs” report of the HACS committee suggest there is not a well-coordinated response to homelessness between the City and service providers. The City also does not directly offer any homeless shelters or transitional housing. A constellation of Anacortes organizations such as food banks, non-profit housing providers, and the hospital meets regularly to share information and resources and keep track of trends on homeless people’s needs.

Communication and coordination is hampered by the lack of a central communication hub for service providers. The City has taken the steps of establishing weekly meetings to facilitate

<sup>41</sup> “Homelessness – Common Questions & Answers.” Washington State Department of Commerce. January 2019. <https://www.skagitcounty.net/HumanServices/Documents/Housing/Homelessness%20FAQs%2001-2019.pdf>

<sup>42</sup> “Homelessness is a Housing Problem.” Greg Colburn and Clayton Page Aldern. <https://homelessnesshousingproblem.com/>

<sup>43</sup> “How COVID-19 Could Aggravate the Homelessness Crisis?” August 2020. United States Government Accountability Office. <https://www.gao.gov/blog/how-covid-19-could-aggravate-homelessness-crisis>

<sup>44</sup> “2022 Point in Time Count, County Totals.” Washington State Department of Commerce. <https://deptofcommerce.app.box.com/s/ek9pu2w07oz8d77gq6c1rlpxuwcw0515/file/991370028199>

interagency discussions and contracting with Anacortes Family Center to provide support for the police department. Other frontline City staff, such as those working in parks and the library, are also encountering people in need.

As another step, it is recommended that Anacortes create a “housing coordinator” staff position to act as the point of contact with service providers, in addition to other housing-related duties (see Strategy 4.1).

### 3.3.3 – Intermediate Actions

Create a directory of homeless support services with available times and contact information, and distribute it on the City website and with local service providers. Assign a City staff person (such as the new housing coordinator, see Strategy 4.1) to contact each service at least monthly to maintain and update the directory.

Identify at least one underutilized or abandoned parking lot to create a legal and organized area for people living in vehicles. The site should be reasonably located near existing services. Provide basic on-site functions such as trash collection and showers. Work with service providers for site management and outreach. The capacity of the site should be capped at a reasonable amount based on the staffing capacity of service providers and the number of people living in vehicles.

Similarly or in combination with a vehicle lot, identify at least one underutilized or abandoned site near services to create a legal “tiny home village” to help shelter homeless individuals and consolidate them for case management and health treatment. Sanitation and site management should be provided. Public parking lots may be opportune sites on a temporary basis (see Strategy 4.4.5).

Several housing communities or service providers are potential partners and can offer lessons for sanctioned temporary homeless housing sites: The First Step Shelter operated by [Skagit Friendship House](#), housing and services by [Community Action](#), transitional housing support from the [Northwest Regional Council](#), the medical clinic operated by [Swinomish Indian Tribal Community](#), portable showers by [Skagit Connections](#), and food banks operated by [Salvation Army](#) and [Helping Hands](#).

### 3.3.4 – Adopt a “Housing First” Approach

Decades of research have found that helping homeless people move off the street and into a home of their own is the most effective way to reduce long-term (chronic) homelessness for the most vulnerable people.<sup>45</sup> This is because it is extremely difficult or impossible to address the personal, financial, mental, or physical problems that underlie homelessness while simply trying to stay alive.

The “housing first” approach eliminates bureaucratic steps and places no criteria on sobriety, employment, criminal history, or completing a religious program before individuals are moved into a home. When someone is drowning, it doesn’t help if a rescuer insists the victim learn to swim before bringing them to shore. They can address their issues once they are on solid

---

<sup>45</sup> “Homelessness research: A guide for economists (and friends).” 2019.  
<https://www.sciencedirect.com/science/article/abs/pii/S1051137718302109>

ground with private space, a stable address, and the dignity of meeting basic needs like food, warmth, and bathing.

This approach is less costly to taxpayers than the combined costs of roving service contacts, emergency room visits, jail and shelter stays, towed vehicles, and maintenance of public spaces. Success stories and lessons abound from places as varied as Houston, TX, Columbus, OH and Salt Lake City, UT.

The provision of homes can be done indirectly through vouchers, in which public funding directly subsidizes the cost of a market-rate rental unit, or directly through publicly-owned housing. The type of housing is oftentimes and preferably in the form of apartments which are the cheapest type of housing to build and operate per unit. Sometimes existing apartment or hotel buildings are purchased, or a warehouse can be renovated for residential use. “Tiny home villages”, which are rapidly constructed on vacant sites or parking lots, may be appropriate but only on a temporary basis since they are not as durable, weather-proof, or livable as permanent structures.

“Housing first” includes intensive wraparound social services and case management for the residents, either on-site or off-site. These services usually include support for people living with complex and disabling behavioral health or physical health conditions, addiction treatment, and employment assistance. Research has found that an overwhelming majority of permanent supportive housing residents eventually stabilize their lives and health enough to move to market-rate housing.

The “housing first” policy has its limitations. It can only work if housing and service providers agree on the approach, if there is enough supply of housing available to work with at different income levels, and there is adequate long-term funding. All three requirements will require strategic planning and time to develop. To that end, this HAP recommends the following:

- Convene a meeting of all relevant homelessness stakeholders to discuss the “housing first” approach
- Adopt a “housing first” policy in the Comprehensive Plan
- Create a “housing coordinator” staff position (Strategy 4.1)
- Regularly survey and monitor the scale of the homeless population
- Provide or seek new funding for supportive housing such as rent vouchers or a City-owned supportive housing development
- Study alternatives for providing supportive housing with City funding or grant funding
- Inventory hotels/motels which could be candidates for purchase and conversion to permanent supportive housing
- Explore programs and partnerships that could enable more social, health, and human care services to establish branch locations in Anacortes.

## 4 – Citywide Planning Strategies

These actions relate to the City’s budget and updating the Comprehensive Plan.

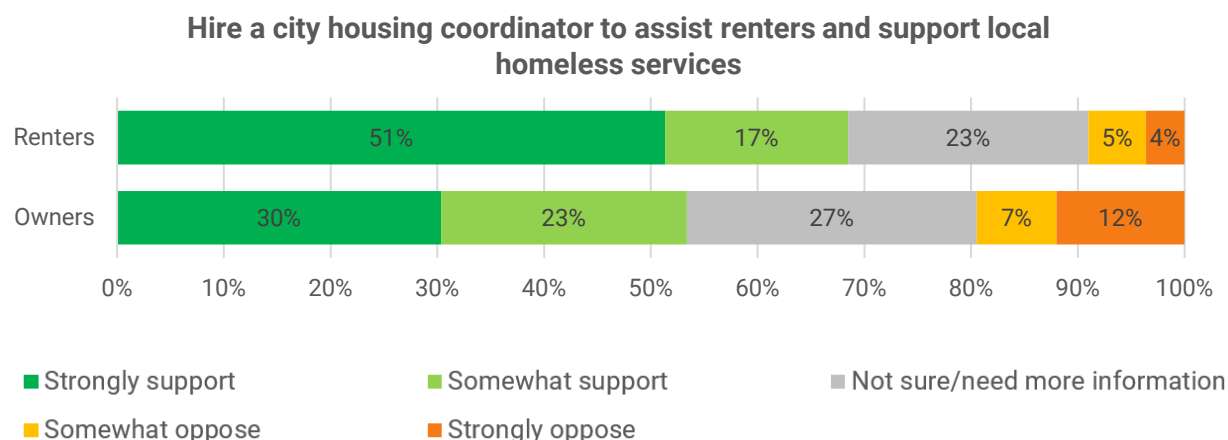
### 4.1 – Hire a Housing Coordinator

**Action:** Fund, recruit, and hire a housing coordinator to help implement this Housing Action Plan, connect and collaborate with housing stakeholders, and promote more market-rate and affordable housing development in Anacortes.

A housing coordinator would be a specialized position in the Planning, Community & Economic Development Department that promotes implementation of the Housing Action Plan and provides long-term policy support and relationship-building among Anacortes’s residents, landlords, developers, human service providers, and City staff.

This could be a permanent position or, at a minimum, a two year position focused on implementing the Housing Action Plan.

When asked in the HAP community survey, 56% respondents were strongly or somewhat supportive of hiring a city housing coordinator to assist renters and support local homeless service.



Key responsibilities for the position should include:

- Implement the actions and strategies of the Housing Action Plan
- Plan, organize, coordinate, and implement the work plan and policies related to the City’s housing policies, projects, and programs. Study, evaluate, and recommend housing policies and procedures.
- Serve as the City liaison to other departments and advisory boards on housing issues related to housing policy and provide citywide leadership and coordination on housing policy issues.
- Oversee and manage the City’s housing funds including the housing sales tax and Community Development Block Grant funds. Monitor other state funding and grant

opportunities and write applications for funding, including joint applications with partner agencies.

- (If implemented) Administer and monitor the MFTE program and provide guidance for property owners
- Monitor housing production, the number and location of affordable housing units, and the number of unhoused people in Anacortes and support PCED department reports on housing and demographic trends
- Build relationships with community partners in the non-profit, public, and private sectors, including acting as liaison to the Anacortes Housing Authority, Anacortes Family Center, and the Anacortes Community Health Council
- Market Anacortes to the residential real estate industry and manage inquiries, with a focus on promoting the qualities of the town, economic development opportunities, the friendly regulatory environment, and any financial incentives available
- Recruit human service providers and senior housing developers to locate and build facilities in Anacortes
- Connect businesses and prospective residents to housing listings and providers
- Connect tenants and landlords to resources help resolve disputes
- Educate property owners and developers on development regulations and site-specific opportunities and share resources such as case studies, best practices, property maintenance standards, and property tax resources
- Monitor changes to the Growth Management Act and related state laws on housing

Qualifications for the position should include:

- Bachelor's degree in planning, real estate, public administration, finance, economics, business, or other fields where the knowledge and skills can translate to the responsibilities of the position.
- Considerable (3-5 years) experience in program management, affordable housing policy, community planning, public policy, real estate finance or development, business administration, or economic development.
- Proficiency with Microsoft Office and other software related to planning operations.

The ideal candidate will:

- Have a creative, open-minded, and pragmatic attitude.
- Thrive in a fast-paced, team-based environment while also being able to work independently.
- Clearly communicate ideas and concepts.
- Have strong organizational and data analysis skills.

## 4.2 – Housing Element Updates

**Action:** In the next Comprehensive Plan update, update the Housing Element to support the actions of this Housing Action Plan and integrate new provisions required by state law.

Recent updates to the Growth Management Act require some updates on data and goals/policies for the Comprehensive Plan’s Housing element. Many of these required updates overlap with the data and objectives provided in this Housing Action Plan, though some additional work may be needed.

In addition to statements of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, updated [RCW 36.70A.070\(2\)](#) (2021) now requires:

- An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth including:
  - Units for moderate, low, very low, and extremely low-income households
  - Emergency housing, emergency shelters, and permanent supportive housing
- Goals and policies for moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes
- Identify sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and consideration of duplexes, triplexes, and townhomes
- Makes adequate provisions for all economic segments of the community, including:
  - Low, very low, extremely low, and moderate-income households
  - Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations
  - Consideration of housing locations in relation to employment location
  - Consideration of the role of accessory dwelling units in meeting housing needs
- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
  - Zoning that may have a discriminatory effect
  - Disinvestment
  - Infrastructure availability
- Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions
- Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary

zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In the annual amendment cycle or the next major update (due in 2025), the Housing Element could be updated with specific policies relating to the many strategies and actions of this Housing Action Plan. Relevant HAP actions to acknowledge at the comprehensive planning level may include, but are not limited to, the following:

- Development regulation streamlining that provides more housing options
- Guidance on homelessness reduction and prevention
- Support for a multifamily tax exemption program, tax increment financing for infrastructure and affordable housing, and transit funding to support housing and economic development
- Policies for the acquisition and disposition of surplus public land for affordable housing (see Strategy 4.4), especially City-owned land in downtown and at Sharpe's Corner
- Support for new anti-displacement policies

### 4.3 – Land Use Element Updates

The Comprehensive Plan Land Use element should be reviewed for potential updates on these issues.

#### 4.3.1 – Old Town Zone

**Action:** In the next major Comprehensive Plan Update, reexamine the boundaries of the Old Town zone and its allowed housing types, and potential new design guidelines.

Given Old Town’s size and walkable proximity to downtown Anacortes, reconsider allowed housing types and form/intensity standards here in the next Comprehensive Plan update. This is proposed to be pushed to the Comprehensive Plan process because Old Town is a historically significant area with special land use characteristics and design qualities, and so merits a dedicated policy discussion with the community and decision-makers. It’s possible an additional but limited set of historic design guidelines would be appropriate for new housing types such as cottages, duplexes, triplexes, and townhomes.

Also in the Comprehensive Plan, consider redesignating the eastern area of Old Town to facilitate high-density residential and/or mixed-use development. This area is the closest part of Old Town to downtown, contains the library, and has excellent access to public parks and an elementary school. The area is mostly built out and redevelopment would be slow in coming, but in a 20-year planning horizon creating more housing capacity here could equitably provide affordable housing and access to commercial and public services.

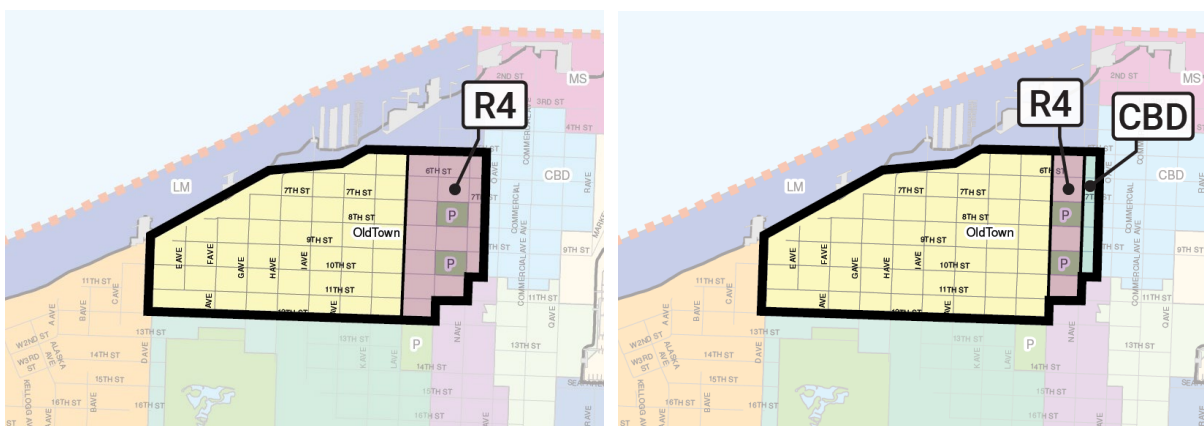


Figure 19. Two options for future consideration of zoning changes in the Old Town zone adjacent to downtown



Figure 20. Existing middle housing in Old Town (sources for left image: Sightline; right image: Google Maps)

### 4.3.2 – R1 Zone

**Action:** In the next major Comprehensive Plan Update, reexamine the purpose, priorities, and development regulations for the R1 zone.

With a 15,000 square foot minimum lot size and only allowing single-family development, the R1 zone is highly exclusionary. The zone is also home to an elementary school and ample park space that would benefit from improved access for more people.

Given growth management goals and the findings of the HAP Existing Conditions and Housing Needs Analysis Report, it is recommended that the next Comprehensive Plan examine the purpose and priorities for this zone more closely. The review will need to also account for the benefits of open space and wildlife corridors since the R1 zone acts as a moderate “buffer” between the city and the unincorporated Skagit County. The review will also need to examine the infrastructure implications of any zoning change, particularly the lack of pedestrian and bike routes and transit service (see the discussion of tax increment financing in Strategy 5.3).

The current limitation requiring a special review process to increase the density limit should also be re-evaluated (see Strategy 2.1.1).



Figure 21. Excerpt of the zoning map showing the R1 zone.

### 4.3.3 – Multifamily and Mixed-Use Zone Height Limits

**Action:** In the next major Comprehensive Plan Update, reexamine the height limits in the CBD and C zones.

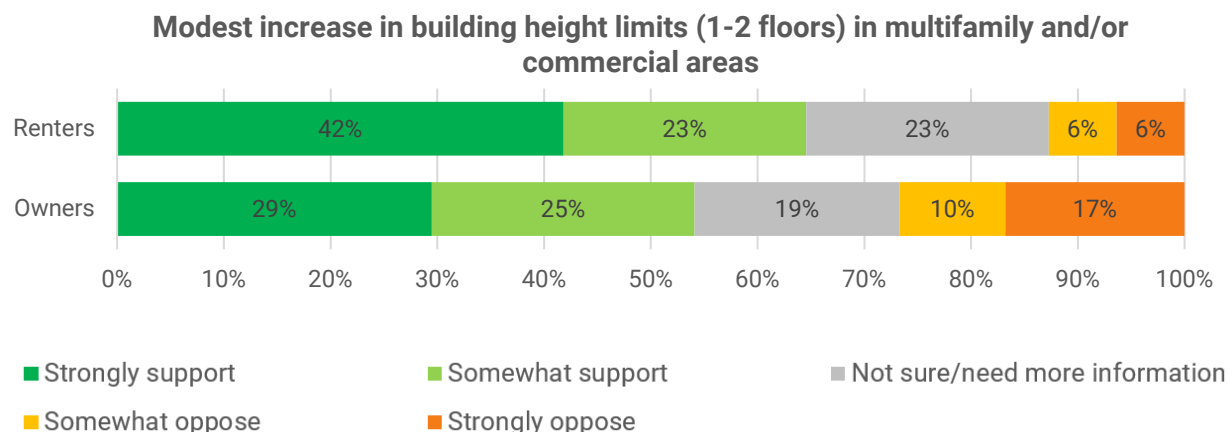
The areas zoned Central Business District (CBD) and Commercial (C) are desirable areas for new development because they offer the best access to the jobs, services, and transit. More housing options and diversity are needed in this area, but it has seen limited residential development activity in recent years.

| Height Limits (feet)       | CBD | C  |
|----------------------------|-----|----|
| Height, maximum            | 50  | 40 |
| Height, maximum with bonus | 65  | 55 |

Figure 22. CBD and C zone height limits

The next Comprehensive Plan update should consider if building height increases in the CBD and C zones are needed to enable feasible multifamily and mixed-use development. This is proposed to be pushed to the Comprehensive Plan process because there are still several years left until the next Plan update to see if the current height limits are enough to attract investment that produces substantial housing.

The HAP community survey found 55% of total respondents strongly or somewhat support a “Modest increase in building height limits (1-2 floors) in multifamily and/or commercial areas”.



Particularly in the C zone (along the Commercial Avenue corridor), 40 feet is a relatively low base height limit. This zone consists of a strong set of streets and alleys with relatively large lots and many opportunities to reinvest in aging single-story commercial properties and parking lots. However, relatively low land values and increasing construction costs likely make mixed-use development here infeasible without a greater chance of return on investment with a larger number of dwelling units. One alternative is to increase the height limits only in certain areas, such as north of 22nd Street.

#### 4.3.4 – Industrial Zones

**Action:** In the next major Comprehensive Plan Update, review the long-term demand and supply of land needed for industrial purposes and workforce housing.

Anacortes takes pride in its culture and history as a working class maritime community. However, over time, some maritime uses and other industrial businesses have reduced or ceased their operations. With limited uses allowed by zoning, some industrially-zoned lands have been sitting vacant for many years. This most notably includes the Industrial (I) zone, and to a lesser extent the Light Manufacturing 1 (LM1) zone.

The next Comprehensive Plan update should include a review on the specific demand and supply of industrial lands needed, and if and how any long-term rezoning should be implemented. This land remains valuable to support employment and commerce. Consider the integration of workforce housing in these areas as part of mixed-use industrial or commercial developments.

### 4.3.5 – Parking

**Action:** In the next major Comprehensive Plan Update, review the need for minimum parking requirements citywide and review national case studies for best practices.

Parking is an issue that should be revisited in the next Comprehensive Plan update. Consider policy support for removing minimum requirements entirely, as is increasingly being done in cities and states across the country and called for by professional planning and engineering organizations.<sup>46, 47</sup>

Removing parking requirements does not have any immediate effect on housing supply or prices or neighborhood design. Over time, it gives the power of parking design back to property owners and businesses to decide how much parking they need to attract tenants and customers.<sup>48</sup> New development will still include parking spaces, but the number of spaces will be decided based on what owners need based on their experience and budget rather than government rules.<sup>49</sup>

Removing the minimum requirement can also ease the renovation of older vacant buildings and allow new small businesses to open in commercial spaces where they couldn't before. Removing parking requirements significantly reduces the red tape and studies that are required to justify modifications, reductions, or cooperative parking agreements, the costs of which may exceed the budgets of local property owners or small investors. Starter homes like townhomes and condos may become easier to build and improve homeownership opportunities.

Removing parking standards would complement increased transit service, as discussed in Strategy 5.6.

The costs of building and maintaining parking are a major factor in housing costs. Parking costs are passed on to renters, homeowners, and business tenants. A recent Anacortes multifamily development paid \$30,000 per surface parking stall. A structured parking stall can cost \$50,000 or more. Studies have shown this can add \$200-500 per month to new apartment rents.

<sup>46</sup> "Parking Reform Network." <https://parkingreform.org/resources/mandates-map/>

<sup>47</sup> "Rethinking Parking Minimums." Institute of Transportation Engineers. February 2019. <https://www.dropbox.com/s/1becvgm8ebznwj2/ITE%20journal.pdf?dl=0>

<sup>48</sup> "End Parking Mandates & Subsidies." Strong Towns. <https://www.strongtowns.org/parking>

<sup>49</sup> "Save Anchorage from Parking Mandates." Sightline. September 2022. <https://www.sightline.org/2022/09/30/save-anchorage-from-parking-mandates/>

## 4.4 – Public Land for Affordable Housing

**Actions:** Consider rezonings, environmental assessments, pre-development activities, and partnerships to promote use of surplus public land for affordable housing.

The City and other public agencies have some surplus publicly-owned land. Some of it is well-located or positioned to merit consideration for housing development.

### 4.4.1 – Disposition Policy

Formally adopt a surplus land disposition policy that gives the right-of-first-refusal to affordable housing developers or other community-determined uses, consistent with the allowances of [RCW 39.33.015](#) (2018). This could be adopted by City Council resolution or embedded within the Comprehensive Plan’s Housing Element (also see Strategy 4.2).

### 4.4.2 – Sharpe’s Corner (City)

The City’s Sharpe’s Corner property is a large 42-acre site zoned both LM1 and R4. It is partially encumbered by wetlands and streams. The LM1 zone conditionally allows multifamily and could be considered for a rezone given the vicinity’s lack of existing industrial development; for instance, a rezone to R4 would offer considerable housing capacity and flexibility.

A development proposal and rezoning could also involve private land in the area. Market the property and identify a private or non-profit developer that is interested in a partnership. Consider rezones, environmental assessments, and other pre-development activities to position this site for sale or for lease.

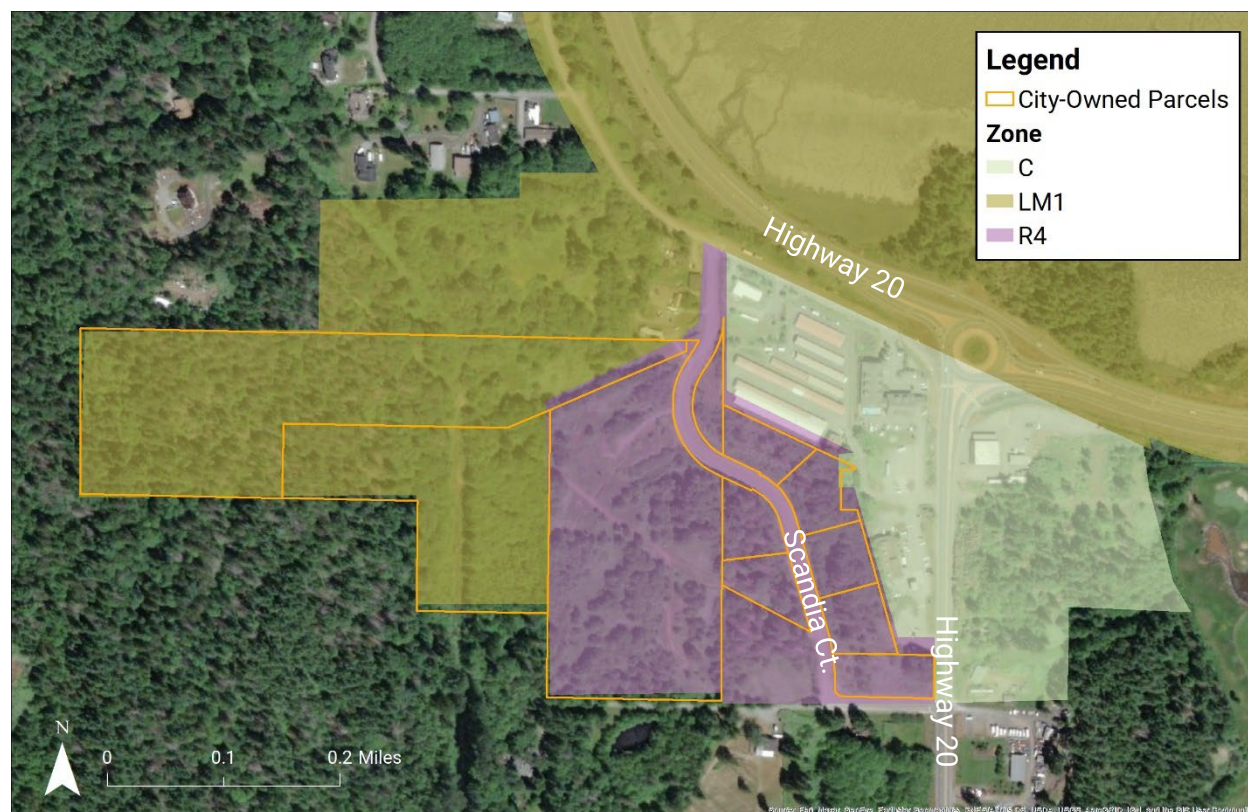


Figure 23. Aerial map and zoning of the City-owned Sharpe’s Corner property

#### 4.4.3 – Parcel P116633 and P58211 (City)

These two sites are similar infill housing opportunities in the R2A zone. Confirm the land is surplus, and then find a housing partner (such as Habitat for Humanity or Anacortes Housing Authority) to develop the land for affordable housing. Both sites are alley-loaded and preliminarily appear viable for compatible infill development like cottage housing and townhouses (dependent on implementation of recommendations in Strategy 2.1.3).

#### 4.4.4 – Parcel P31678 (Port of Anacortes)

This is an infill housing opportunity. Determine the Port's use and plans for the land. If it is indeed surplus, encourage the Port to lease or sell the property for affordable housing development. Any development will most likely require a rezone to allow residential uses. The site appears large enough for a variety of greenfield development types, ranging from duplexes to multifamily, and may need to contend with a slope.

#### 4.4.5 – Public Parking Lots

The City owns a number of parking lots in and around the downtown and central waterfront areas. These include the parking lots at the Municipal Building, parking lots on Q Avenue, and the parking lot north of Anacortes Cinemas.

The Port of Anacortes also owns a significant amount of parking around its marina facilities which could potentially be consolidated. Skagit County also owns parking lots at the Guemes Ferry terminal which could potentially be redeveloped.

Consider long-term opportunities to create partnerships with private or non-profit developers to redevelop these public parking lots with affordable multifamily housing and perhaps other civic and commercial uses. Parking would ideally be structured and some could still be shared for public use. As noted elsewhere in this HAP, real estate economics and land value in Anacortes are such that structured parking may be difficult to achieve without subsidies and public funding.

In the short-term, an interim use of public parking lots could be “tiny home villages” to help shelter homeless individuals (see Strategy 3.3.3).

#### 4.4.6 – Co-Location

Co-location is a tactic to maximize the use of limited public land holdings, especially when a capital facility is being redeveloped or newly built in central locations near urban services. It involves building housing above or adjacent to ground-level community facilities such as administrative offices, daycares, libraries, recreation or community centers on the same property. There are many examples of co-location across the Pacific Northwest.<sup>50, 51</sup>

This strategy takes advantage of land and infrastructure already planned for the main public use. It requires that the zoning allow for mixed-use development and have adequate building height limits.

<sup>50</sup> “A New Chapter: Cities Are Tackling the Housing Crunch—by Building Above the Library.” September 2019. Lincoln Institute of Land Policy. <https://www.lincolnst.edu/publications/articles/new-chapter>

<sup>51</sup> Domingo Vernes Apartments. SCIDpda. <https://dva.rentcafewebsite.com/>

#### 4.4.7 – Land Acquisition

The cost of land can be a major cost for any housing development, and providing a discounted land lease or sale can help some projects become economically viable. Since the City does not have much surplus land, the City can identify and purchase underutilized or vacant properties that can be developed as affordable housing. Land assembly can be a powerful tool for putting together larger sites that can be redeveloped at a more economically feasible scale.

This strategy could be focused on close-in locations (e.g. the Commercial Avenue corridor) where land ownership is fragmented. Anacortes may also focus on vacant, abandoned, or tax-delinquent properties. These sites usually have negative impacts on surrounding properties and the City's role would include resolving ownership issues and/or addressing tax liens or land encumbrances that otherwise deter developers from pursuing these properties.<sup>52</sup>

Once acquired and assembled, Anacortes would lease or sell the land for affordable housing. [RCW 39.33.015](#) allows local governments to transfer, lease, or dispose of surplus property at low or no cost to developers for affordable housing projects. See the related need for a land disposition policy in Strategy 4.4.1

---

<sup>52</sup> "Support the Reuse of Abandoned, Vacant, & Delinquent Properties." Family Housing Fund. <https://www.fhfund.org/report/reuse-of-abandoned-properties/>

## 5 – Funding Strategies

These actions relate to the financing and funding of affordable housing and related issues like taxes, fees, and state law.

### 5.1 – Multifamily Tax Exemption Program

**Action:** Re-adopt an MFTE program with more flexibility than the previous version to promote market-rate and affordable housing development in central locations.

A multifamily tax exemption (MFTE) program is authorized by a 1995 state law, [RCW 84.14](#). Cities can grant an 8-year property tax exemption for any multifamily development, or a 12-year exemption for multifamily developments that reserve at least 20 percent of units for low- and moderate-income households. A MFTE program can be used for new buildings or existing buildings that require major rehabilitation. Affordability covenants expire after 12 years and cannot be renewed.

Starting in 2021, cities may also offer a 20-year tax exemption if at least 25 percent of condominium units are sold as permanently affordable ownership housing.<sup>53</sup> For cities under 20,000 residents, the 20-year program requires the development to be in a zone that allows at least 15 dwelling units per acre.

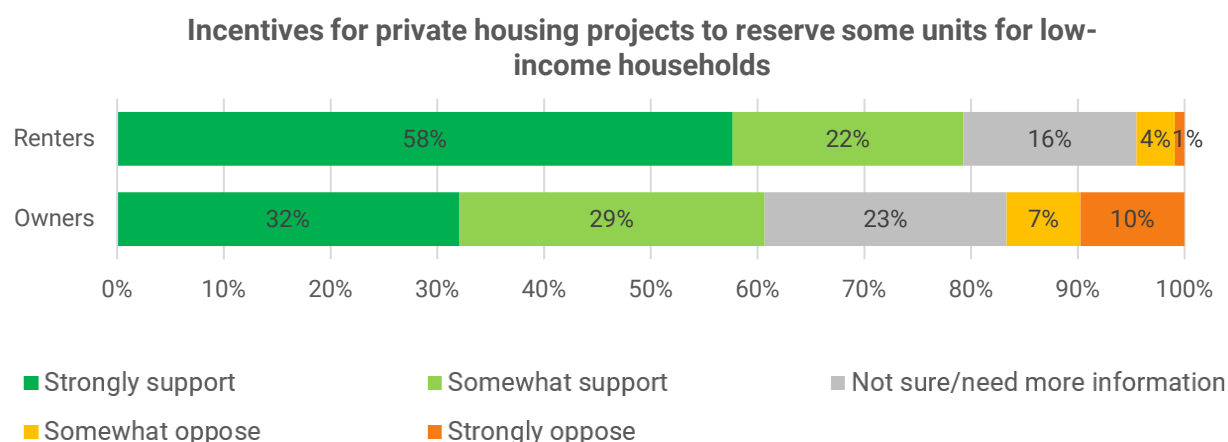
The 2017 Affordable Housing Strategic Plan suggested offering only the 12-year option, but it is recommended to offer multiple programs to provide flexibility and to recognize that the production of housing at all affordability levels helps ease pricing pressures across the entire market.

Land, existing site improvements, and non-residential improvements are not exempt and are subject to normal property taxes. At the local government's discretion, the exemption's basis may be limited to the value of affordable units or other criteria. The local government has latitude in many aspects. It can require certain public benefits, change what types of development apply, and can map specific areas where the exemption is available. Cities can also set lower maximum rent prices than the statute allows and other lease stipulations, like requiring the participating units to be pet-friendly.

In the HAP community survey, incentives like MFTE were the most popular policy and program concept polled. 64% of total respondents and 80% of renters are supportive of "incentives for private housing projects to reserve some units for low-income households". On the other hand, *mandatory requirements* for low-income housing were the least favorable but still received majority support.

---

<sup>53</sup> "Overview of 2021 Changes to the Multifamily Housing Tax Exemption Program." Washington State Department of Commerce. <https://deptofcommerce.box.com/shared/static/7k5p88yv41m8ot882gbtzafwzlofkf05.pdf>



MFTE programs require ongoing monitoring, especially for any buildings with affordable units, to ensure that rental rates and resident incomes are meeting the criteria. The Anacortes Housing Authority has indicated openness to assisting with screening and monitoring, as they already have systems in place to administer income-based housing.

Anacortes had an MFTE program previously. It started in the late 2000's at the time of the housing recession and was only available for the CBD zone (downtown). Eligible projects were required to be mixed-use developments with structured parking and a green building certification. No projects applied and the City withdrew the program in 2015.

The past few years have seen unprecedented increases in construction costs which have a major impact on development feasibility. Today there is renewed interest in the program among City officials and stakeholders. If tailored well to match the real estate economics in Anacortes, it would likely be attractive since no other cities in Skagit County have adopted an MFTE program.<sup>54</sup>

City staff have preliminarily drafted an ordinance to restart the MFTE program. The following table contains recommendations on program characteristics.

| Program Characteristic     | Recommendation                                                                                                                                                                                                                                                                                                                                    |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exemption duration offered | Offer the 8-, 12-, and 20-year exemptions to provide flexibility and meet a range of housing needs.                                                                                                                                                                                                                                               |
| Residential target area    | <ul style="list-style-type: none"> <li>8-year program: CBD, C, R4, and R3A zones</li> <li>12-year program: CBD, C, R4, and R3A zones</li> <li>20-year program: CBD, C, and R4 zones</li> </ul>                                                                                                                                                    |
| Qualifying improvements    | The exemption applies to the share of the property value derived from housing-related improvements. The exemption does not apply to the value of non-residential floor area, land, and other non-qualifying improvements. In the case of rehabilitation of existing buildings, the exemption does not include the value of existing improvements. |

<sup>54</sup> "19-08 Final Report: 2019 Tax Preference Performance Reviews." Washington Joint Legislative Audit and Review Committee, December 2019. [https://leg.wa.gov/jlarc/taxReports/2019/MFTE/f\\_ii/default.html](https://leg.wa.gov/jlarc/taxReports/2019/MFTE/f_ii/default.html)

| Program Characteristic      | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible properties         | Development with a minimum of four dwelling units. The 8-year or 12-year program may be used for both new development and existing development. Existing development using the 8-year program are only eligible if they need to undergo rehabilitation as defined by state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Definitions                 | <p>"Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income.</p> <p>"High Cost Area" means a county where the third quarter median house price for the previous year as reported by the Washington Center for Real Estate Research at Washington State University is equal to or greater than 130 percent of the statewide median house price published during the same time period.</p> <p>"Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is <b>at or below 80 percent of the median family income</b> adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high-cost areas "low-income household" means a household that has an income at or below 100 percent of the median family income adjusted for family size, for the county where the project is located.</p> <p>"Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is <b>more than 80 percent but is at or below 115 percent of the median family income</b> adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high-cost areas, "moderate income household" means a household that has an income that is more than 100 percent, but at or below 150 percent, of the median family income adjusted for family size, for the county where the project is located.</p> |
| Affordable housing criteria | <ul style="list-style-type: none"> <li>• In the 8-year exemption, there is no affordability requirement and at least 20% of units must have 650 square feet or less of floor area.</li> <li>• In the 12-year exemption, 20% of units must be rented or sold at prices affordable to low-income or moderate-income households.</li> <li>• In the 20-year exemption, at least 25% of units must be sold at prices affordable to low-income or moderate-income households.</li> </ul> <p>Clarify that rental rates must be capped based on the county's relevant low or moderate median family income (adjusted for family size), and rents do not need to be regularly based on changes in the income of individual tenants.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Design requirements         | <ul style="list-style-type: none"> <li>• Affordable units must be distributed throughout the development. In a multi-building or multi-phase development, the tax exemption does not apply until a building containing designated affordable units receives a certificate of occupancy.</li> <li>• In new developments with 20 units or more, no more than 80 percent of total units may be studios or one-bedroom units</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Other characteristics       | Follow the other standards of state law regarding definitions, application review and procedures, issuance of certificates, annual compliance review, and cancellations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

Figure 24. MFTE program recommendations

## 5.2 – Development Fee Adjustments

**Action:** Continue best practices in fee structures and reductions for low-income housing and consider retaining ADU impact fee exemption when lots are subdivided.

Anacortes, like many municipalities, levies impact and development fees on new construction to fund improvements in infrastructure for schools, parks, and other services. In Anacortes, General Facilities Charges (GFCs) fund sewer and water services and are based on the capacity and type of unit. Impact Fees fund transportation improvements, fire services, and parks, and are also based on the type and number of units being developed.

The table below shows the GFC rates in Anacortes for water and sewer connections. Charging less for multifamily per unit and for manufactured homes helps encourage housing affordability and reduce construction costs.

Figure 26 shows Anacortes's impact fees for parks, transportation, fire, and schools. This is compared with nearby municipalities for regional context and fee structures differ significantly by jurisdiction. Anacortes's parks and fire fees are higher than the comparison cities, but the transportation fees are about average. Anacortes has a more nuanced pricing of transportation impacts based on development size, bringing down the costs of multifamily development and helping to incentivize more density and housing production, compared with cities like Burlington and Oak Harbor which charge the same impact fees per unit regardless of building size.

| Water           |            | Sewer                     |          |
|-----------------|------------|---------------------------|----------|
| Meter Size      | GFC        | Housing Type              | GFC      |
| 5/8 x 3/4 & 3/4 | \$ 8,885   | Single-family             | \$ 9,942 |
| 1               | \$ 22,213  | Multifamily               | \$ 7,953 |
| 1.5             | \$ 44,426  | Manufactured Home In Park | \$ 6,462 |
| 2               | \$ 71,082  |                           |          |
| 3               | \$ 142,163 |                           |          |
| 4               | \$ 222,130 |                           |          |

Figure 25. Anacortes General Facility Charges (GFCs). Source: City of Anacortes

| Housing Type                       | Anacortes   | Mount Vernon | Burlington  | Oak Harbor  |
|------------------------------------|-------------|--------------|-------------|-------------|
| <b>Parks</b>                       |             |              |             |             |
| Single-Family                      | \$ 1,471.70 | \$ 855.00    | \$ 655.00   | \$ 1,673.00 |
| Multifamily                        | \$ 1,060.33 | \$ 789.00    | \$ 655.00   | \$ 1,344.00 |
| <b>Transportation</b>              |             |              |             |             |
| Single-Family                      | \$ 3,043.58 | \$ 5,714.00  | \$ 2,665.00 | \$ 907.00   |
| Multifamily                        |             |              | \$ 2,665.00 | \$ 907.00   |
| Duplex                             | \$ 1,887.02 | \$ 5,714.00  |             |             |
| Cottage                            | \$ 1,887.02 |              |             |             |
| Apartment (low-rise 1-2 levels)    | \$ 1,187.00 |              |             |             |
| Apartment (mid-rise 3-10 levels)   | \$ 1,065.25 |              |             |             |
| Apartment (high-rise 10+ levels)   | \$ 1,582.66 |              |             |             |
| Condo/Townhome (low-rise)          | \$ 1,156.56 |              |             |             |
| Condo/Townhome (high-rise)         | \$ 1,795.71 |              |             |             |
| Multifamily (50 units or less)     |             | \$ 5,714.00  |             |             |
| Multifamily (51 units and more)    |             | \$ 3,507.00  |             |             |
| Senior Housing (50 units or less)  |             | \$ 1,471.00  |             |             |
| Senior Housing (51 units and more) |             | \$ 621.00    |             |             |
| <b>Fire</b>                        |             |              |             |             |
| Single-Family                      | \$ 503.67   | \$ 152.00    | \$ 253.73   | \$ 0        |
| Multifamily                        | \$ 426.85   | \$ 152.00    | \$ 253.73   | \$ 0        |
| <b>School</b>                      |             |              |             |             |
| Single-Family                      | \$ 0        | \$ 9,421.00  | \$ 0        | \$ 0        |
| Duplex                             | \$ 0        | \$ 9,421.00  | \$ 0        | \$ 0        |
| Multifamily                        | \$ 0        | \$ 1,134.00  | \$ 0        | \$ 0        |

Figure 26. Anacortes Impact Fees (per unit) with Regional Comparisons, 2022. Source: City of Anacortes, City of Mount Vernon, City of Burlington, City of Oak Harbor, Leland Consulting Group

Waiving or reducing impact and development fees for certain types of housing, such as affordable housing projects and Accessory Dwelling Units (ADUs), are valuable tools to enhance financial viability of these projects and encourage new housing development. Anacortes has already adopted best practices in waiving or reducing development fees as follows:

### Impact Fees

Accessory Dwelling Units are normally exempt from all impact fees per AMC 3.93.030(D)(1)(b). However, under current regulations, if a lot with an ADU is subdivided then impact fees must be collected. This should be revised to retain the exemption no matter how the ADU is owned.

Per [AMC 3.93.060](#), low-income housing provided for residents earning less than 80% of the Skagit County Area Median Income (AMI) receives a partial discount of 80% on impact fees, as

outlined by [RCW 82.02.060](#). The property owner must record an affordable housing covenant on the property prohibiting any use other than low-income housing.

**General Facilities Charges**

Per [Chapter 13.44 AMC](#), sewer, stormwater, and water GFCs for low-income housing provided for residents earning 80 percent of the Skagit County AMI or less may be waived as outlined in [RCW 35.92.380](#). The property owner must record an affordable housing covenant on the property prohibiting any use other than low-income housing.

### 5.3 – Tax Increment Financing

**Action:** Explore the potential to use Tax Increment Financing (TIF) on the MJB site and the R1 zone at the southern city limits to streamline development, finance infrastructure improvements, and/or fund affordable housing on these sites.

In 2021, Washington State granted new powers of tax increment financing (TIF) to the state's cities, counties, and port districts.<sup>55</sup> This funding mechanism allows municipalities to establish a geographic district (called the increment area) that is expected to benefit the most from a proposed new infrastructure investment. Typically, bonds are issued at the outset and the additional tax revenue resulting from the increased land and property values are then captured to pay for the new infrastructure and pay off the bonds.

TIF is widely used in other states across the country but Washington's new program has some specific guidelines which differ from other states. In Washington, the state school levy and some other local taxes used to repay general obligation bonds are exempt. Additionally, TIF financing can only be used for specific authorized public improvements which are expected to encourage private development and increased assessed valuation which would not otherwise happen without the improvements. These improvements may be located inside or outside the increment area and include streets, water and sewer systems, sidewalks, streetlights, parking facilities, parks and recreational areas, broadband service, or brownfield mitigation. TIF can also be used to pay for long-term affordable housing, childcare service, providing maintenance and security for public improvements, and acquiring property for historic preservation. Unlike in other states, TIF funding in Washington can only be used for the specified projects or improvements set forth in the initial application, and project lists cannot be modified later. The TIF district must have a maximum sunset date of 25 years and not have an assessed valuation greater than \$20 million, and each city may not have more than two districts.<sup>56</sup>

Explore the potential to use TIF on the MJB site and the R1 zone at the southern city limits. The MJB site in the east-central waterfront is currently vacant and is zoned MMU. Grading, road, and utility construction is currently underway, with future plans for mixed use development.<sup>57</sup> Establishing a TIF district could help streamline the development process and provide upfront funding for infrastructure and/or affordable housing on the site. The R1 zone near the southern city limits has limited capacity and large minimum lot sizes compared to other areas in the city. Establishing a TIF district in this area could help finance road, sidewalk, water, and sewer improvements necessary to increase development capacity in this zone if desired.

<sup>55</sup> "Tax Increment Financing (TIF)". Municipal Research Service Center. <https://mrsc.org/Home/Explore-Topics/Economic-Development/Financing-Economic-Development/Tax-Increment-Financing.aspx>

<sup>56</sup> "Washington State's Expanded TIF Authority Creates Powerful Catalyst for Public-Private Partnerships." Denis Wright Tremain. May 2022. <https://www.dwt.com/insights/2021/05/washington-state-tax-increment-financing-law>

<sup>57</sup> "Site work begins on downtown waterfront." Anacortes Today. February 2022. <https://www.anacortestoday.com/activities-journal/2022/02/14/site-work-begins-on-downtown-waterfront/>

## 5.4 – Funding for ADU Development

**Action:** Explore the possibility of partially financing or streamlining ADU development and permitting processes, particularly for lower-income homeowners.

Cities across the U.S. have adopted a variety of programs designed to subsidize the cost of ADU development for homeowners.<sup>58</sup> As discussed in Strategy 5.2, Anacortes has already waived General Facilities Charges (GFCs) for ADU construction, a best practice implemented by many cities to lower barriers to ADU development.

Numerous municipalities including Boston, Los Angeles, Montpelier, VT, and Santa Cruz County, CA have established programs which incorporate equity and loan assistance as well as technical assistance and simplified permitting processes.<sup>59</sup> Funding sources for these programs include Community Development Block Grants, cities, philanthropists, and partnerships with nonprofits such as Habitat for Humanity. Many of these programs are targeted at lower-income renters, requiring either that the ADU be made available to households earning 80% AMI or lower, or to households using Housing Choice (Section 8) Vouchers. Onerous income reporting requirements can be a disincentive.

In some cases, these programs have been targeted at lower-income homeowners as well, such as the Small Homes Northwest community ADU demonstration project implemented by Hacienda CDC in Portland and funded by the Oregon legislature, which helps income eligible homeowners develop ADUs in neighborhoods at risk of gentrification.

See related ADU regulatory actions in HAP Strategy 2.3.

---

<sup>58</sup> Chapple, Karen, Wegmann, Jake, Mashood Farzad, and Coleman, Rebecca. "Jumpstarting the Market for Accessory Dwelling Units." Urban land Institute. [https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Jumpstarting\\_the\\_Market\\_-\\_ULI.pdf](https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Jumpstarting_the_Market_-_ULI.pdf)

<sup>59</sup> ADU Aid Programs Across the U.S." Villa. <https://villahomes.com/blog/adu-aid-programs/>

## 5.5 – Inclusionary Zoning and Fee-in-Lieu

**Action:** In the short-term, focus on the MFTE program and housing vouchers to increase affordable housing stock. Explore Inclusionary Zoning in conjunction with future upzoning and/or a significant uptick in multifamily housing construction.

Inclusionary Zoning (IZ) is a term used to describe requirements for developers to set aside a certain number or percentage of units in new multifamily developments to be affordable to low-income households earning below a specified income threshold (usually 80%, 60%, or 50% of the AMI). The intention of these policies, which are found in nearly 900 jurisdictions nationally, is to increase the supply of units for low-income households which otherwise would not be created and, in many cases, to provide for “workforce housing” for middle-income residents. Some programs offer other incentives to developers to offset the cost of providing below-market rate units, including density bonuses, zoning variances, or fee reductions. In all cases, IZ policies are tightly intertwined with market economics and should be reviewed annually to ensure that the restrictions and incentives are properly calibrated with current local market factors such as construction costs, land prices, rents, and interest rates.

The effectiveness of IZ has been studied by a number of researchers in recent years. Although a large number of affordable units have been created nationwide through these programs, the effects on property markets are not always positive. Several studies in California found that cities with IZ requirements have higher market-rate housing prices and did not appreciably increase housing production.<sup>60</sup> Another recent study found similar results in the Washington D.C. area as well as finding that optional bonus programs provided for developers under IZ programs were often ineffective and underutilized.<sup>61</sup>

In Anacortes, it is likely that an IZ policy would reduce or not significantly increase housing production due the lack of significant multifamily development occurring in the city. Instead, direct subsidies such as Housing Choice (known as “Section 8”) vouchers and bonus programs such as the Multifamily Tax Exemption program will likely be more effective at producing affordable housing in Anacortes than an IZ policy at this time.

If multifamily development activity significantly increased in the future, along with significant upzoning within the city, such a program may be more feasible to consider. In the current market, deeply affordable units at 60% AMI or below will be economically unfeasible to provide through an IZ program. If one were to be implemented in the future, it would need to be targeted to middle-income households earning 80-120% AMI.

In the HAP Community Survey, opinions on IZ were generally positive from renters, with almost three-quarters in favor of such a program, and less popular with homeowners with about half in favor. However, this program was still less popular as a whole than other incentive programs proposed in the survey, such as the Multifamily Tax Exemption (see Strategy 5.1).

---

<sup>60</sup> Ramakrishnana, Kriti, Mark Treskon and Solomon Greene. “Inclusionary Zoning: What Does the Research Tell Us about the Effectiveness of Local Action?” Urban Institute, January 2019.

<sup>61</sup> Hamilton, Emily. “Inclusionary Zoning and Housing Market Outcomes.” Cityscape, Vol. 23, No. 1, Regulatory Reform and Affordable Housing (2021).

## 5.6 – Transit and Sidewalk Funding

**Action:** Evaluate and issue an expansion of the transportation benefit district to increase funding for local transit service and sidewalks.

As documented in the HAP Existing Conditions and Housing Needs Analysis Report, transit service in Anacortes is poor. It has limited destinations, frequency, and span of service. This not only affects the ability of the general population to get around without a car. It also hampers the ability of people with mobility disabilities to meet daily needs and for homeless people and others in need of human services to access care in the far-flung cities of Mount Vernon and Burlington, according to stakeholder interviews.

As Anacortes continues to grow and address its human service needs, more transit service can provide a foundation for a more equitable transportation system and affordable housing. A recent multifamily project in Anacortes provided surface parking spaces for about \$30,000 per space, a high cost that is translated directly into rents so the project can remain profitable. More and better transit service at all times of the day and week could help residents downsize the number of cars they own and facilitate less off-street parking in new housing development, significantly reducing the costs of construction and the cost of living.

Skagit Transit provides bus public transit service in Anacortes. Anacortes does not have direct control over transit service but it can contribute funding to improve service for its local constituents. The primary mechanism for cities to do so is a Transportation Benefit District (TBD), authorized under [RCW 36.73](#). TBD's may be used for everything from roads and transit service to sidewalks and transportation demand management.

Anacortes has had a TBD in place since 2014. It was originally funded by a \$20 vehicle license fee and was replaced with a voter-approved 0.2% sales tax in 2018. At the time, the ballot statement estimated revenues of approximately \$900,000 per year with the 0.2% sales tax. Effective July 2022, the state now allows the maximum sales tax rate to be 0.3% (per RCW 36.73.065.3.e). Funding sources for TBD's are as follows:<sup>62</sup>

| Funding Source           | Description                                                                                                                                |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle License Fee      | Up to \$20-50 annually without voter approval (with conditions on phasing in higher fees). Above \$50 and up to \$100 with voter approval. |
| Sales Tax                | Up to 0.3% with voter approval. May be in effect up to 10 years                                                                            |
| Impact Fees              | Anacortes already has impact fees in place, separate from a TBD.                                                                           |
| General Obligation Bonds | Rarely used                                                                                                                                |
| Vehicle Tolls            | Rarely used                                                                                                                                |
| Excess Property Taxes    | Rarely used                                                                                                                                |

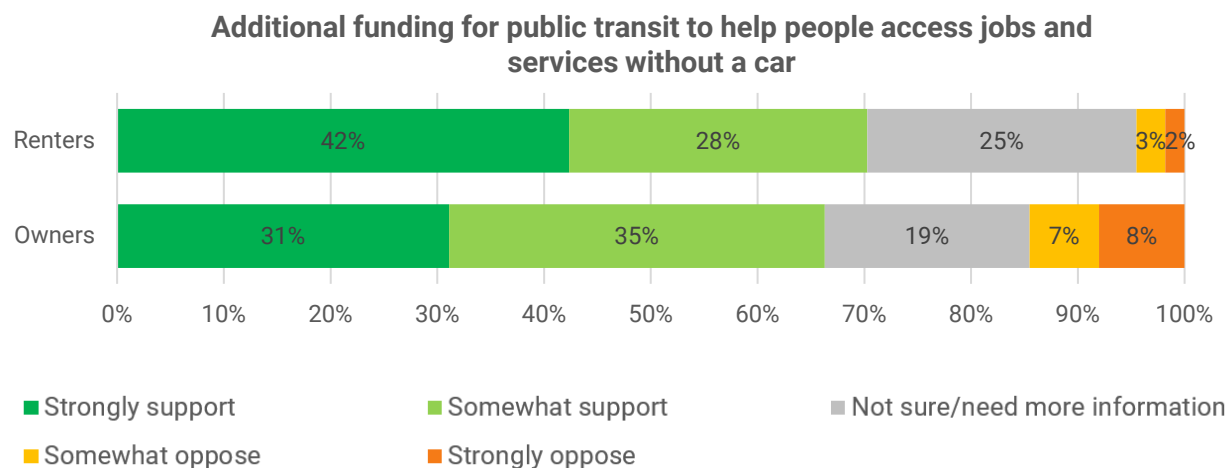
It is the recommendation of this HAP to increase the revenue of the Anacortes Transportation Benefit District. Most of the additional funding would bolster Skagit Transit service through an interlocal agreement. Improved transit should be focused on connecting Anacortes's multifamily areas to commercial services and to job centers elsewhere inside and outside the

<sup>62</sup> "Transportation Benefit Districts." Municipal Research Service Center. <https://mrsc.org/Home/Explore-Topics/Finance/Special-Topics/Transportation-Benefit-Districts.aspx>

county (such as single-seat service to Mount Vernon, Burlington, and Oak Harbor). Funding could also be used for priority sidewalk additions, especially in areas zoned R3, R3A, R4, and C to support increased housing development in these areas. Sidewalks are vital infrastructure for seniors and people with disabilities.

Revenue targets must first be identified for transit and sidewalks. This should be informed by a collaboration between the City Council, Skagit Transit, the Planning, Community & Economic Development Department, the Public Works Department, and the community at large. Planned projects and transit level of service should be adopted in a formal plan or statement of intent.

The funding sources could include increasing the sales tax, re-imposing a vehicle license fee, or a combination. There is likely local approval for any approach. The 2018 sales tax update to the TBD was approved by 59% of Anacortes voters.<sup>63</sup> Further, the HAP Public Engagement Report found a total of 66% of the 648 respondents supported “additional funding for public transit to help people access jobs and services without a car.” Statewide in recent years, voters have approved the vast majority of all proposed TBD sales taxes.



In addition, Skagit Transit imposes a 0.4% sales tax of its own. State law ([RCW 82.14.045](#)) allows transit agencies to have a sales tax up to 0.9%. As a supplement to its local TBD, Anacortes could work with its fellow cities and the county to request a ballot measure to increase the agency’s revenues and countywide transit service.

<sup>63</sup> “Ballot Measure Details.” Municipal Research Service Center. <https://mrsc.org/Ballot-Details.aspx?bid=1528>

## 5.7 – State Advocacy

**Action:** Advocate for additional state investment in the Housing Trust Fund, condominium law reform, and Growth Management Act updates.

Surveying done for this HAP found strong community support for “City advocacy for more county, state, or federal funding for affordable housing projects.” Primarily, this should involve lobbying the Legislature for more funds in the state’s Housing Trust Fund, which provides capital funding.<sup>64</sup> The trust has helped build or preserve more than 50,000 affordable housing units statewide since 1986. The Legislature appropriates funding to the trust every biennium. More money in the trust would help smaller communities like Anacortes (and the affordable housing providers who work in Anacortes) have a greater chance of receiving funding.

Anacortes could also update its legislative agenda with condominium legislation reform. Condos are a highly in-demand type of ownership housing, especially for first-time homebuyers and seniors seeking to downgrade, but they are rarely built in Washington State due to the liabilities placed on developers under state law.<sup>65, 66</sup> The main barriers are a requirement for a 10-year warranty against construction defects and additional building code and inspection requirements that do not apply to rental apartments.

The City may comment on reform to the State Environmental Policy Act (SEPA), which can add significant delay and complications to approval of residential development. Advocacy might involve exempting all residential development from SEPA review if the development intensity is consistent with the Comprehensive Plan.

In addition, the City may comment on updates to state law that affect land use, housing, zoning, and transportation. As noted in Section 1.4, zoning preemptions and other changes to the Growth Management Act are likely to be proposed and debated by the Legislature in the coming years. The City should provide input on proposals that affect the implementation of the Housing Action Plan, either independently or through its involvement in statewide organizations like the Association of Washington Cities.

Continued coordination and involvement with regional partners (such as Skagit County) and the federal government is also recommended to promote and fund affordable housing.

<sup>64</sup> “Housing Trust Fund.” Washington State Department of Commerce. <https://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/>

<sup>65</sup> “Washington state’s condo law changes could ease restrictions.” Spokane Journal of Business, November 2021. <https://www.spokanejournal.com/special-report/washington-states-condo-law-changes-could-ease-restrictions/>

<sup>66</sup> “As Gen X and Boomers Age, They Confront Living Alone.” The New York Times. November 2022. <https://www.nytimes.com/2022/11/27/us/living-alone-aging.html>

## 6 – Implementation

The planning matrix below organizes the actions of this Housing Action Plan. The City Council and Mayor will be involved in most or all action implementation through ordinances, resolutions, budgeting, and partnerships with other agencies. This matrix should be used as a framework for regular progress reports on implementation and could be a live document on the City website.

| #                                   | Description                               | Priority | Lead Department                                     | Time         | Method                                                                                                                                 |
|-------------------------------------|-------------------------------------------|----------|-----------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory Strategies</b>        |                                           |          |                                                     |              |                                                                                                                                        |
| 2.1                                 | Allow more housing types in more zones    | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.2                                 | Map the R3A zone and update its standards | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.3                                 | Streamline ADU regulations                | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.4                                 | Adjust form and intensity standards       | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.5                                 | Adjust definitions and design standards   | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.6                                 | Adjust parking standards                  | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.7                                 | Building code amendments                  | Medium   | Planning Services (with Building Services and Fire) | 6-12 months  | Building code ordinance                                                                                                                |
| <b>Programmatic Strategies</b>      |                                           |          |                                                     |              |                                                                                                                                        |
| 3.1                                 | Short-term rental regulations             | Medium   | Planning Services                                   | 0-6 months   | Code update ordinance with future amendments as needed                                                                                 |
| 3.2                                 | Anti-displacement strategies              | Medium   | City Council                                        | Ongoing      | Tenant Protection Ordinance and future amendments as needed<br><br>Other strategies: Further study, City budget, and future ordinances |
| 3.3                                 | Homelessness strategies                   | High     | City Council                                        | Ongoing      | Intermediate actions<br><br>Other actions: Further study and City budget                                                               |
| <b>Citywide Planning Strategies</b> |                                           |          |                                                     |              |                                                                                                                                        |
| 4.1                                 | Hire a housing coordinator                | High     | City Council                                        | 0-6 months   | City budget                                                                                                                            |
| 4.2                                 | Housing Element updates                   | Medium   | Planning Services                                   | 12-24 months | Comprehensive Plan annual amendment and major periodic update                                                                          |

| #                         | Description                         | Priority | Lead Department                                          | Time         | Method                                                                                                       |
|---------------------------|-------------------------------------|----------|----------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------|
| 4.3                       | Land Use Element updates            | Medium   | Planning Services                                        | 12-24 months | Comprehensive Plan annual amendment and major periodic update                                                |
| 4.4                       | Public land for affordable housing  | Medium   | City Council (with Planning Services)                    | Ongoing      | Partnerships, City budget, policy in resolution or Comprehensive Plan, and future ordinances                 |
| <b>Funding Strategies</b> |                                     |          |                                                          |              |                                                                                                              |
| 5.1                       | Multifamily tax exemption program   | High     | Planning Services (with City Treasurer and City Council) | 0-6 months   | MFTE Ordinance                                                                                               |
| 5.2                       | Development fee adjustments         | Low      | Planning Services                                        | 0-6 months   | Fee schedule update                                                                                          |
| 5.3                       | Tax increment financing             | Low      | Planning Services (with City Treasurer)                  | 6-12 months  | Further study and future ordinance                                                                           |
| 5.4                       | Funding for ADU development         | Medium   | Planning Services (with City Treasurer)                  | 6-12 months  | City budget                                                                                                  |
| 5.5                       | Inclusionary zoning and fee-in-lieu | Low      | Planning Services                                        | Long term    | Monitor multifamily housing production for need and feasibility                                              |
| 5.6                       | Transit and sidewalk funding        | Medium   | Planning Services (with Public Works and City Treasurer) | 6-12 months  | Transportation planning, ballot measure, interlocal agreement with Skagit Transit                            |
| 5.7                       | State advocacy                      | Low      | City Council                                             | Ongoing      | Legislative agenda and engagement with American Planning Association WA and Association of Washington Cities |

## 6.1 – High Priority Implementation

Given the limited resources of government, it is important to set priorities. The following items are high priority for implementation within the next 12 months.

### Development Regulations Ordinances

In 2023, implement the Title 19 code amendments specified in Strategy 2. This will involve a variety of changes intended to increase housing options and decrease construction costs, consistent with the support of housing stakeholders and the HAP community survey results. This ordinance could also include some minor short-term rental regulations (Strategy 3.1).

The 2023 updates could fall into two categories:

**1) Quick updates by April 1, 2023** (leveraging a legal safe harbor under [RCW 36.70A.700](#)) focused on the following Strategies:

- 2.1.2 – Residential Low Density 2 (R2) Zone
- 2.1.4 – Residential Medium Density 3 (R3) Zone
- 2.1.6 – Adult Family Homes
- 2.1.7 – Prohibit New Large-Lot Single-Family Uses in Medium and High Density Zones
- 2.1.8 – Duplex Cottages
- 2.3 – ADU Regulations
- 2.4.5 – Setbacks
- 2.4.6 – Height Bonus Program
- 2.4.7 – Elevator Penthouse
- 2.5 – Adjust Definitions and Design Standards
- 2.6 – Adjust Parking Standards

**2) Updates for further consideration by June 2023,** focused on the following Strategies where options were presented or where additional community engagement and analysis is needed:

- 2.1.1 – Residential Low Density 1 (R1) Zone
- 2.1.3 – Residential Low Density 2A (R2A) Zone
- 2.1.5 – Group Living
- 2.1.9 – Single Room Occupancy Housing
- 2.1.10 – Supportive Housing
- 2.1.11 – Tiny Homes
- 2.2 – Implement the R3A Zone
- 2.4.1 – Minimum Lot Sizes
- 2.4.2 – Maximum Lot Coverage
- 2.4.3 – Maximum Size of Single-Family Homes
- 2.4.4 – Density
- 2.4.8 – Religiously-Owned Land Density Bonus

### **MFTE Ordinance**

Implement the recommendations of Strategy 5.1 and re-adopt a multifamily property tax exemption ordinance in targeted areas in exchange for certain conditions. Because it is recommended to make MFTE participation eligible for a building bonus in some zones, those two ordinances should be adopted as close together as possible.

### **Housing Coordinator**

Create and recruit a new housing coordinator staff position as soon as possible. Purpose, qualifications, and responsibilities are listed in Strategy 4.1.

### **Tenant Protection Ordinance**

The priority tenant protections are requiring longer rent increase notice time, move-in fee caps, and economic/physical relocation assistance. A number of other tenant protection options could be bundled into a single ordinance and amended or expanded over time as needed. See considerations in Strategy 3.2.1 and example ordinances from Burien and Kenmore.

## 6.2 – Market Anacortes’s Housing Incentives

Anacortes has already adopted measures to encourage a great supply, diversity, and affordability of housing, and is poised to do more in the implementation of this Housing Action Plan. The next step is to advertise Anacortes’s housing opportunities and incentives to developers and property owners. Marketing work is ideally led by a new Housing Coordinator (see Strategy 4.1) or could be managed by an outside marketing firm.

A website and storymap are good ways to collect all of the relevant information, such as:

- Newly streamlined zoning standards, relaxed ADU standards, bonus heights programs, and other housing-friendly regulations
- The multifamily tax exemption program (if implemented)
- Monitoring data on number of permitted and constructed units and median housing and rental prices (to help the public keep track of the housing challenge and real estate market trends)
- Case studies showing drawings, photos, and financial data for recent and high-quality development in Anacortes and nearby cities, especially multifamily housing and middle housing like cottages and townhomes
- Location of vacant or underutilized land that is available for development
- Recent and ongoing infrastructure investments, such as the Commercial Avenue redesign and municipal internet service
- This HAP and its related housing reports should be summarized and linked.

Printed brochures with similar information could be mailed to all property owners.

Active networking and connections with private and non-profit developers, co-ops, land trusts, and other housing creators should also be made. This will involve sharing information about the ease of working with Anacortes’s regulations and housing programs. This would start by providing basic education to developers already working in Anacortes and bringing them up to speed on recent changes. Further connections to regional developers not yet working in Anacortes would help bring new business and potentially greater housing production.

All marketing should communicate the City’s desires and intentions for new and innovative affordable housing, define the benefits and development potential within the community, and tell the story of Anacortes. Marketing should promote the qualities of Anacortes, the friendly regulatory environment, and financial incentives.

## 6.3 – Other Implementation Considerations

### Funding Strategies

The values of a City are best demonstrated by its budget. Direct housing investment and support from the City can be one of the most effective ways to support affordable housing and prevent resident displacement. Anacortes’s public tax dollars are limited, but the scale and urgency of the housing challenge require more resources to be dedicated to housing initiatives. Funding could come from re-prioritization of existing revenues, reframing of existing categories (e.g. affordable and homeless transitional housing becomes a component of public safety), or

an increase in revenues and grant awards. Additional construction and development over time also generally increases Anacortes's tax base, and growth in revenues should be directed towards housing as much as possible.

Specific housing actions relying on the City budget include:

- Strategic acquisition of existing multifamily housing (3.2.2)
- Rental and foreclosure assistance (3.2.2)
- Housing rehabilitation (3.2.2)
- Childcare and early education subsidies (3.2.2)
- Creating legal and organized lots for homeless people to congregate and receive services (3.3.3)
- Contribute funding toward permanent supportive housing (3.3.4)
- Hiring a housing coordinator staff position (4.1)
- Acquire and/or sell/lease public land for affordable housing (4.4 and 4.4.7)
- Funding for ADU development, particularly for low-income homeowners (5.4)
- Funding for transit and sidewalk expansions (5.6)

### **Comprehensive Plan Updates**

Major regulatory changes, such as removing parking minimums and expanding the intentions for low-density residential zones and industrial zones, need to have policy support at the Comprehensive Plan level. Typically, these types of changes would wait for the next major periodic update of the Comprehensive Plan which is due in June 2025. Due to the urgency of Anacortes's housing challenges, the City can also consider the annual amendment process to implement Strategy 4.2 and 4.3.

### **Public Land**

The Sharpe's Corner property is the most immediate and promising opportunity to develop affordable housing at scale on public land. Market the property and identify a private or non-profit developer that is interested in a partnership. Identify opportunities to expand the site by acquiring adjacent private land. Consider rezones, environmental assessments, and other pre-development activities to position this site for sale or for lease.

See Strategy 4.4.2 for other public properties that may be viable for affordable housing development and co-location, including some owned by Skagit County and the Port of Anacortes.

## 6.4 – Monitoring

The only way to know if housing actions are successful is to measure and report on outcomes. By developing a monitoring program, Anacortes can track progress toward achieving housing goals and identify where more work or changes are needed. Interviews with housing developers one year after HAP adoption (or at other regular intervals) can also be helpful to get feedback on what HAP actions are working well and where there may still be barriers.

Monitoring will be a key role of the new Housing Coordinator staff position. Even so, integrating monitoring into existing work and activities could help preserve limited staff time. Monitoring the HAP implementation could be merged into:

- PCED's annual or monthly reports to the City Council
- Monitoring of population growth and development permits
- Comprehensive plan monitoring
- Buildable lands reports

Potential performance metrics based on the HAP Existing Conditions and Housing Needs Analysis Report are listed below.

| HAP Objective                                                                            | Performance Metric                                                                                              | Target                                                                                     |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Support the local economy and workforce with more rental homes.                          | Number of duplex, triplex, multifamily, and other rental units permitted                                        |                                                                                            |
|                                                                                          | Vacancy rate                                                                                                    | Rental unit vacancy rates are greater than regional rates                                  |
| Create a greater variety of homeownership opportunities.                                 | Number of small-lot single-family, cottage housing, townhouse, condominium, and other ownership units permitted |                                                                                            |
| Slow down and stabilize the rise in housing prices.                                      | Home price increases                                                                                            | Annual median home price increases are lower than regional, state, or national increases   |
|                                                                                          | Rental price increases                                                                                          | Annual median rental price increases are lower than regional, state, or national increases |
| Refine regulatory standards to reduce barriers to housing development.                   | Housing production                                                                                              | Net increase of 100-150 housing units per year                                             |
|                                                                                          | Housing diversity                                                                                               | 50% or less of new housing units are detached single-family dwellings                      |
|                                                                                          | Number of ADUs permitted                                                                                        |                                                                                            |
|                                                                                          | Number of senior, assisted living, and nursing home units permitted                                             |                                                                                            |
|                                                                                          | Number of permanent support housing and transitional housing units permitted                                    |                                                                                            |
| Adopt new financial tools to support and promote development and maintenance of housing. | Affordable housing for cost-burdened low-income households (80% AMI and below)                                  | Construction or preservation of 20-50 affordable housing units per year                    |
|                                                                                          | MFTE program participation                                                                                      | One development per year                                                                   |

# Anacortes Housing Action Plan

## Existing Conditions and Housing Needs Analysis Report

October 19, 2022

---

### Introduction

The Anacortes Housing Action Plan (HAP) defines strategies and implementing actions that promote greater housing diversity, affordability, and access to opportunity for residents of all income levels. The process to develop the HAP included a review of Anacortes's system of policies, programs, and regulations that shape opportunities for housing development.

The purpose of this effort is to identify ways to encourage construction of both affordable and market-rate housing in a greater variety of types, densities, and cost levels. The priorities for the HAP were informed by a housing needs assessment and community and stakeholder engagement.

The HAP is intended to inform updates to the Anacortes Comprehensive Plan (most notably the Land Use and Housing elements) and to guide implementation strategies such as development regulations, housing programs, fee structures, and infrastructure spending priorities.

### Table of Contents

|                                                          |    |
|----------------------------------------------------------|----|
| Introduction.....                                        | 1  |
| Section 1 – Community Profile .....                      | 3  |
| Section 2 – Housing Inventory and Production Trends..... | 15 |
| Section 3 – Cost Trends .....                            | 30 |
| Section 4 – Housing and Service Needs .....              | 35 |
| Section 5 – Housing Funding .....                        | 42 |
| Section 6 – Housing Policies.....                        | 44 |
| Section 7 – Land Capacity Analysis.....                  | 51 |
| Appendix A – Social Housing Inventory .....              | 53 |
| Appendix B – Comprehensive Plan Policies .....           | 54 |

**Abbreviations**

ACS. American Community Survey, an annual product of the U.S. Census Bureau.

AHA. Anacortes Housing Authority.

AFC. Anacortes Family Center.

AMC. Anacortes Municipal Code (city law).

AMI. Area median income.

CHAS. Comprehensive Housing Affordability Strategy, a product of the U.S. Department of Housing and Urban Development.

GIS. Geographic information system.

HACS. Housing Affordability and Community Services, a committee of the Anacortes City Council.

HAP. Housing Action Plan.

HUD. U.S. Department of Housing and Urban Development.

LEHD. Longitudinal Employer-Household Dynamics, a product of the U.S. Census Bureau.

MFTE. Multifamily tax exemption program.

MSA. Metropolitan Statistical Area.

OFM. Washington State Office of Financial Management.

RCW. Revised Code of Washington (state law).

## Section 1 – Community Profile

The Community Profile discusses Anacortes’s current and future population and the age, race, and ethnicity of residents. It also discusses the size, income, and characteristics of the City’s households, as well as households with specific needs and risks such as cost-burdened households, older adults, and adults with disabilities. These demographic and household characteristics provide background and context for the types of housing required to better serve all of Anacortes’s residents.

### Population and Demographics

#### Historic and Future Population

As of April 2022, Anacortes’s estimated population was 17,880, according to data from the Washington Office of Financial Management (OFM). The City’s population has generally increased at a steady rate, adding more than 10,000 people since 1970 at an annual growth rate of 1.7 percent.

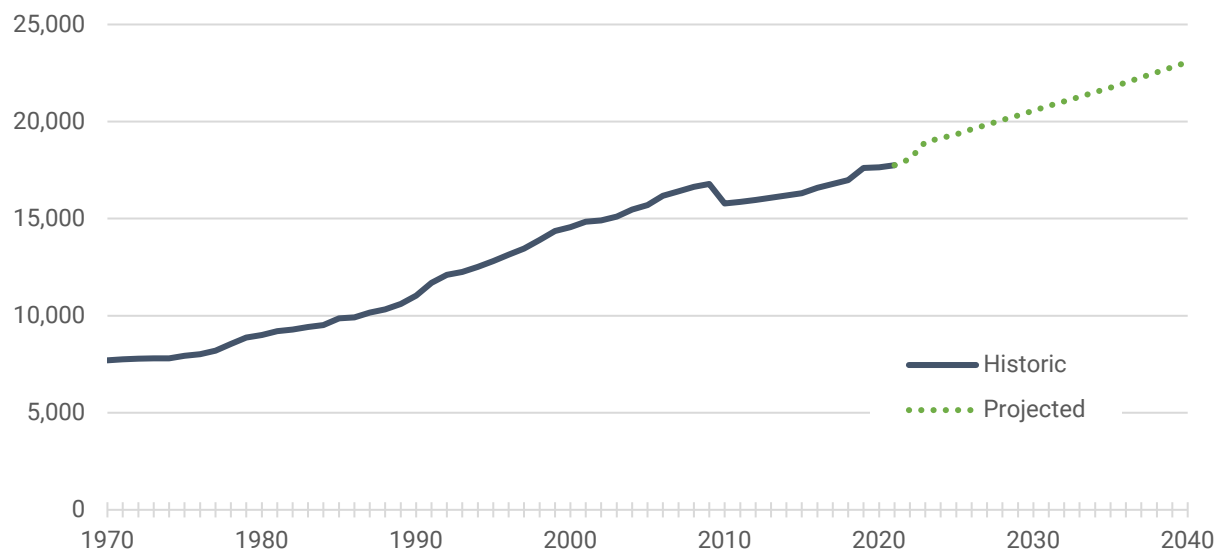


Figure 1. Anacortes Population, Historic Through 2021 and Projected Through 2040. Source: WA OFM (Historic Population and Growth Management Act County Projections)

The 1990s was both the fastest growing decade in Anacortes’s history and the decade in which the most residents were added to the City’s population. The population growth rate and the number of new residents have both continued to decline in the years since, with less than 1,000 residents added since 2010.

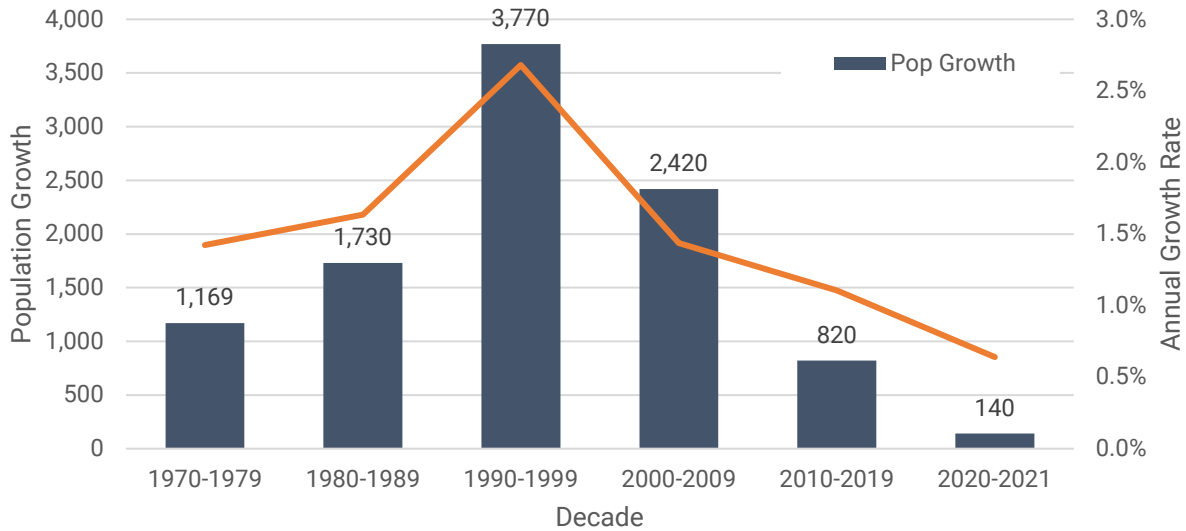


Figure 2. Anacortes Population Growth Per Decade. Source: WA OFM (Historic Population Estimates)

### Age, Race/Ethnicity, and Language

The following chart shows the racial makeup of the Anacortes and Skagit County populations. Anacortes is about 11% non-white, compared to 26% in Skagit County (primarily consisting of Hispanic or Latino).

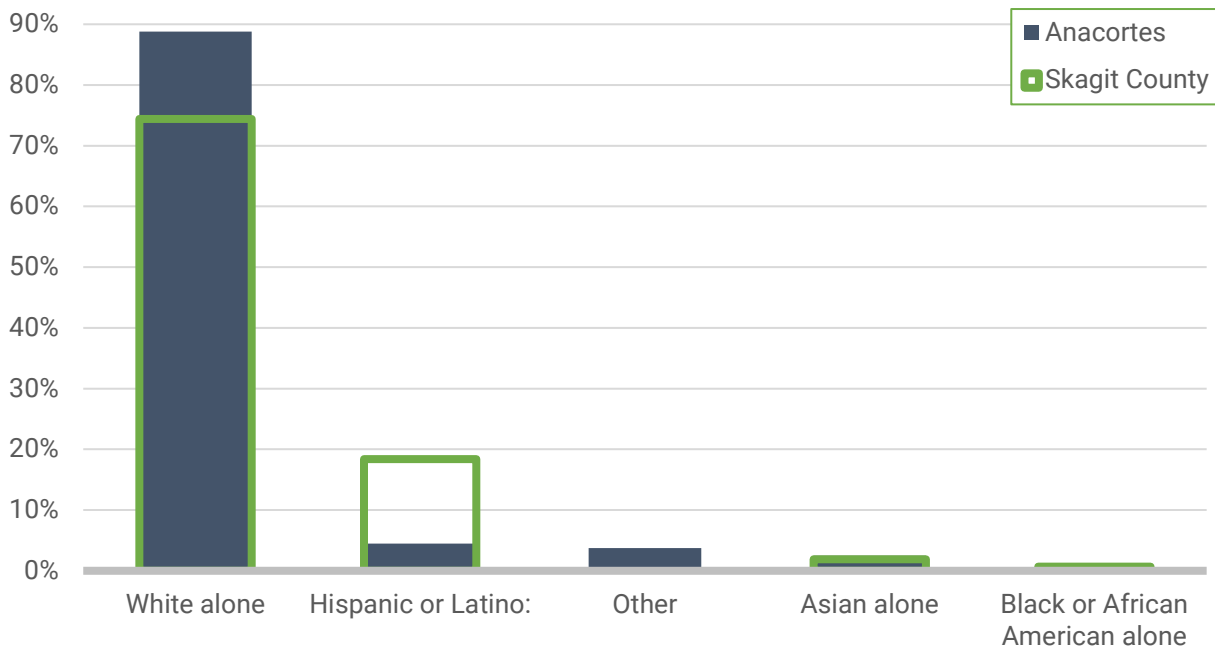


Figure 3. Racial Distribution in Anacortes and Skagit County. Source: ACS

The Anacortes population generally skews older than the Skagit County population, meaning there is a lower proportion of residents aged between 0 and 50 and a greater proportion of older residents aged 50 and above. This difference is particularly striking in senior residents aged above 70, potentially demonstrating the importance of senior-suitable housing in Anacortes.

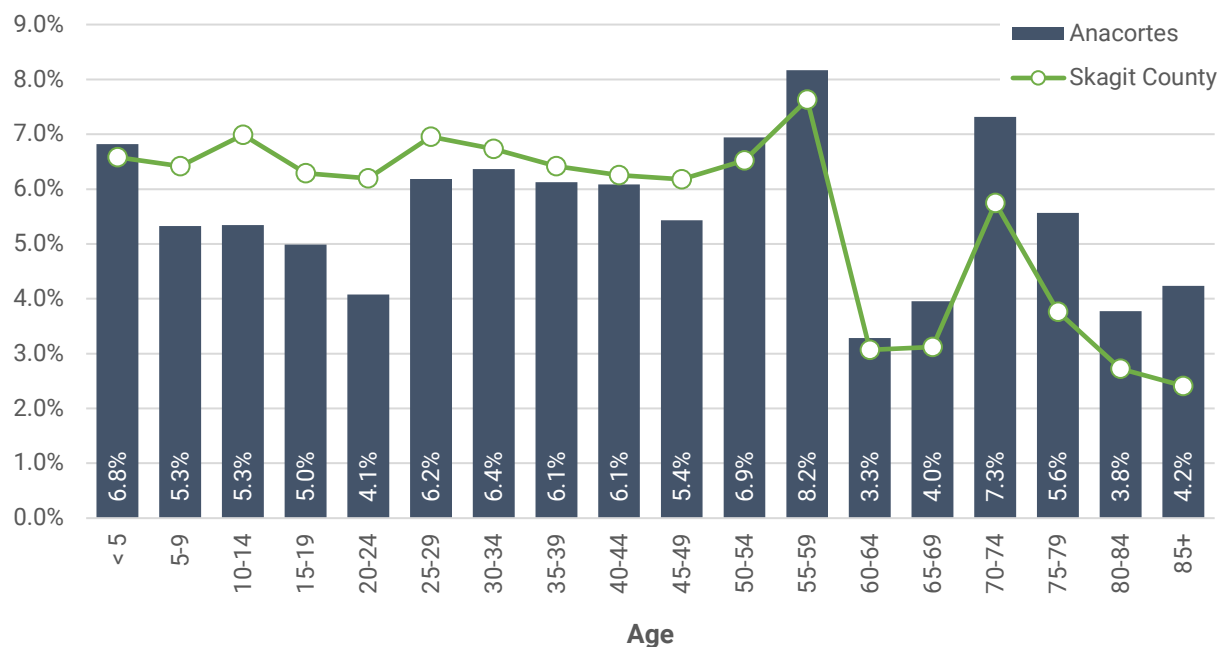


Figure 4. Age Distribution in Anacortes and Skagit County. Source: ACS

The chart below shows the age distribution of Anacortes residents by sex. Generally, there is a greater proportion of females, but especially among most of the age ranges from 40 and up. Males mainly feature heavily in the 30 to 39 age group.

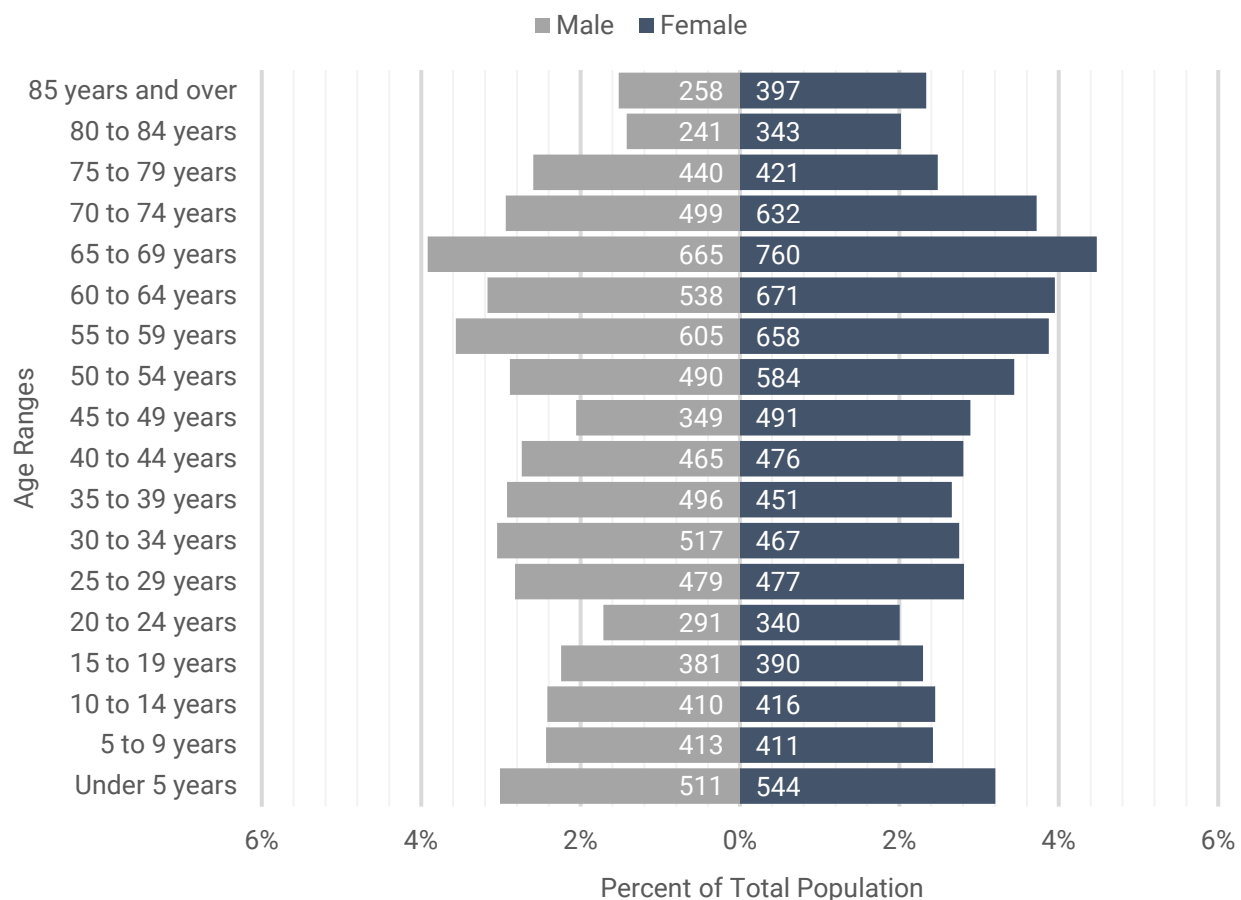


Figure 5. Age Distribution by Sex in Anacortes and Skagit County. Source: ACS

Most Anacortes residents are citizens born in the USA. About two-fifths of Anacortes's residents were born in the state of Washington. About half were born in another state (including U.S. territories). Stakeholders interviewed for this project provided additional anecdotal information that suggested there has recently been significant in-migration to Anacortes from the Seattle metropolitan area.

| Place of Birth    | Percent | Total |
|-------------------|---------|-------|
| USA (same state)  | 40.9%   | 6944  |
| USA (other state) | 52.7%   | 8943  |
| Europe            | 1.7%    | 294   |
| Asia              | 2.0%    | 337   |
| Africa            | 0.0%    | 8     |
| Oceania           | 0.4%    | 71    |
| Latin America     | 1.1%    | 187   |
| Northern America  | 1.1%    | 193   |

Figure 6. Anacortes Residents Place of Birth. Source: ACS

Most Anacortes households speak English as a first language. About two percent or 298 households speak Spanish, 265 households speak a Pacific Island language, 211 households speak an Indo-European language, and 22 speak another language.

| Language                 | Percent | Total  |
|--------------------------|---------|--------|
| English                  | 95.0%   | 15,126 |
| Spanish                  | 1.9%    | 298    |
| Indo-European languages  | 1.3%    | 211    |
| Pacific Island languages | 1.7%    | 265    |
| Other languages          | 0.1%    | 22     |

Figure 7. Language Spoken at Home. Source: ACS

## Household Characteristics

### Household Size, Type, and Tenure

The U.S. Census Bureau defines a household as “all the people who occupy a housing unit.” Households can be comprised of any combination of related family members, unrelated people, or individuals.<sup>1</sup> The 2020 American Community Survey estimated about 8,200 total households in Anacortes up from about 7,500 households in 2010—an annual increase of 0.94%.

The vacancy rate among Anacortes households has remained relatively steady near 8.5% since 2012. The vacancy rate compares the total number of occupied versus unoccupied units. This accounts for all “natural vacancies” due to units on the market being available for sale or rent, second homes and seasonal homes, vacation rentals, and any other type of unoccupied housing. See Section 2 for more information on market-based vacancy rates.

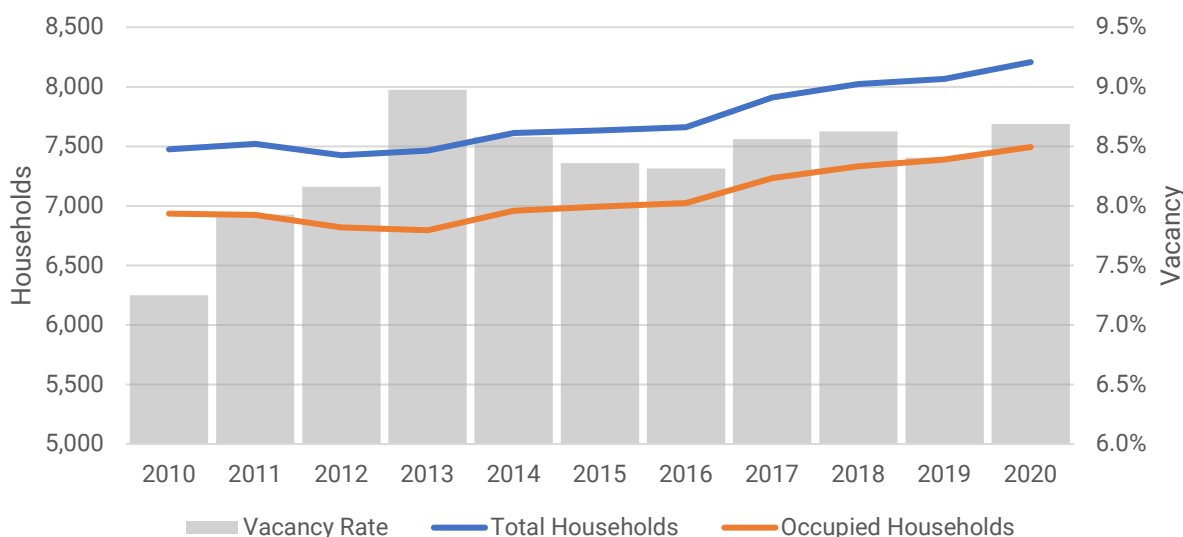


Figure 8. Household Counts. Source: ACS 5-Year Estimates, Table B25002

<sup>1</sup> U.S. Census Bureau: Subject Definitions.

The following table shows household composition in Anacortes and Skagit County. There is a lower proportion of family households in Anacortes compared to the County. The primary differences in non-family households are householders living alone and residents over 65 years old. This reflects a concentration of smaller household types (e.g., apartments) and senior living facilities in Anacortes and likely suggests an ongoing need for additional housing types of this nature.

| Household Type                       | Anacortes    |             | Skagit County |             |
|--------------------------------------|--------------|-------------|---------------|-------------|
|                                      | Total        | Percent     | Total         | Percent     |
| <b>Total Households</b>              | <b>7,494</b> | <b>100%</b> | <b>49,263</b> | <b>100%</b> |
| <b>Family households</b>             | 4,768        | 64%         | 33,252        | 68%         |
| <b>Married-couple family</b>         | 3,961        | 53%         | 26,261        | 53%         |
| <b>Other family</b>                  | 807          | 11%         | 6,991         | 14%         |
| <b>Nonfamily households</b>          | 2,726        | 36%         | 16,011        | 32%         |
| <b>Householder living alone</b>      | 2,197        | 29%         | 12,440        | 25%         |
| <b>Householder 65 years and over</b> | 1,395        | 19%         | 7,121         | 14%         |

Figure 9. Household Composition in Anacortes (2020). Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2501

As the following chart shows, more than 40% of Anacortes households are occupied by two people. Of these two-person households, 78% are owner-occupied. One-person households comprise 29% of total housing units in Anacortes, and 56% of these units are owner-occupied. Households containing three or more people account for less than one-third of all housing units and also tend to be owner-occupied.

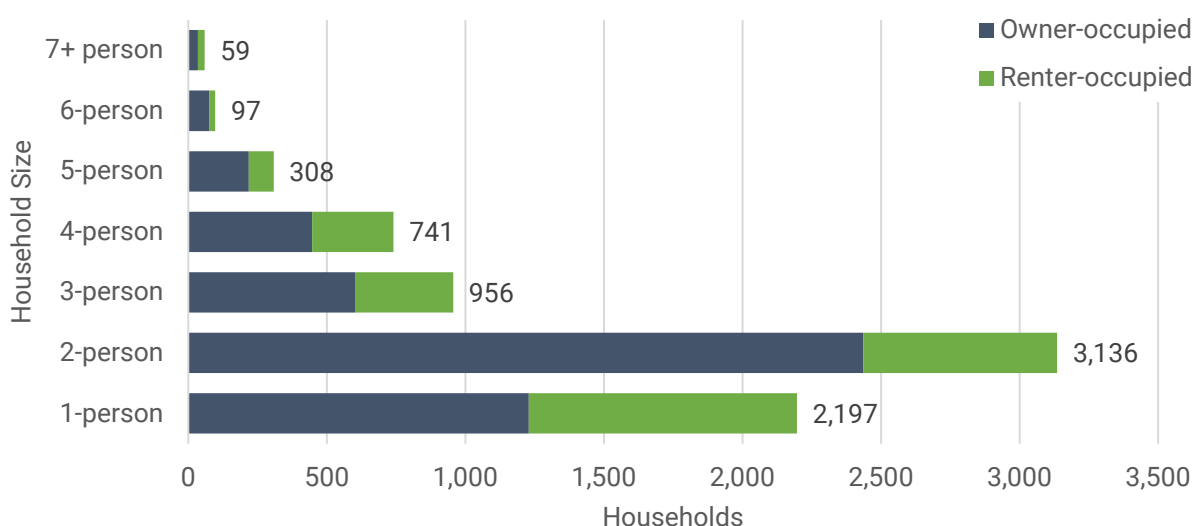


Figure 10. Tenure by Household Size, Anacortes. 2020 American Community Survey (ACS) 5-Year Estimates, Table S2501

### Income

The median household income (MHI) in Anacortes was \$74,161 in 2020, having increased by 29% since 2010, which was in keeping with the 2010-2020 Skagit County change but five

percent lower than the Washington State change. The MHI in Anacortes for families in 2020 was \$90,789; \$101,867 for married-couple families; and \$43,433 for nonfamily households.

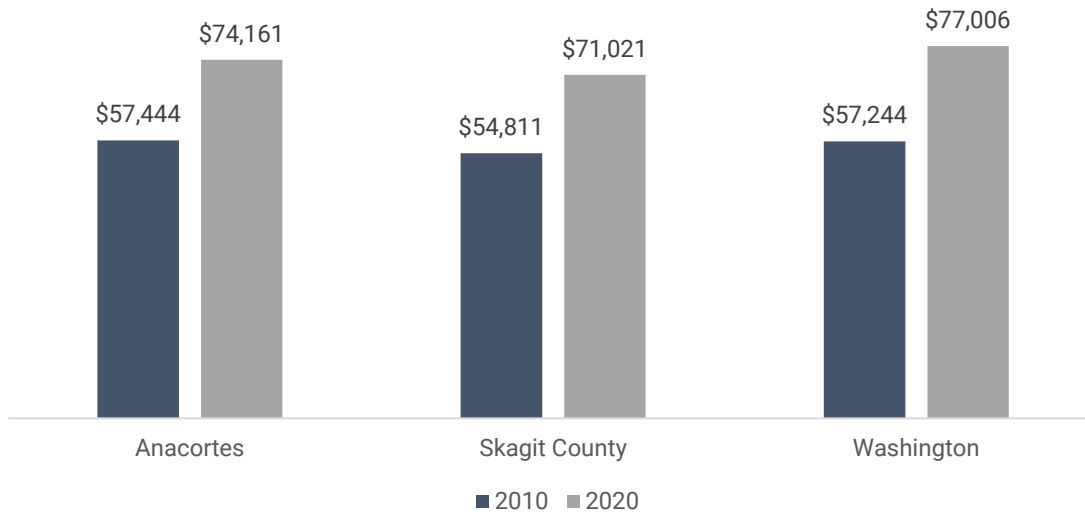


Figure 11. Median Household Income. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2503

Anacortes has a greater share of households earning more than \$100,000 per year than Skagit County, a lower share of middle-income households (\$60,000 to \$100,000), and a similar share of households earning less than \$60,000 per year.

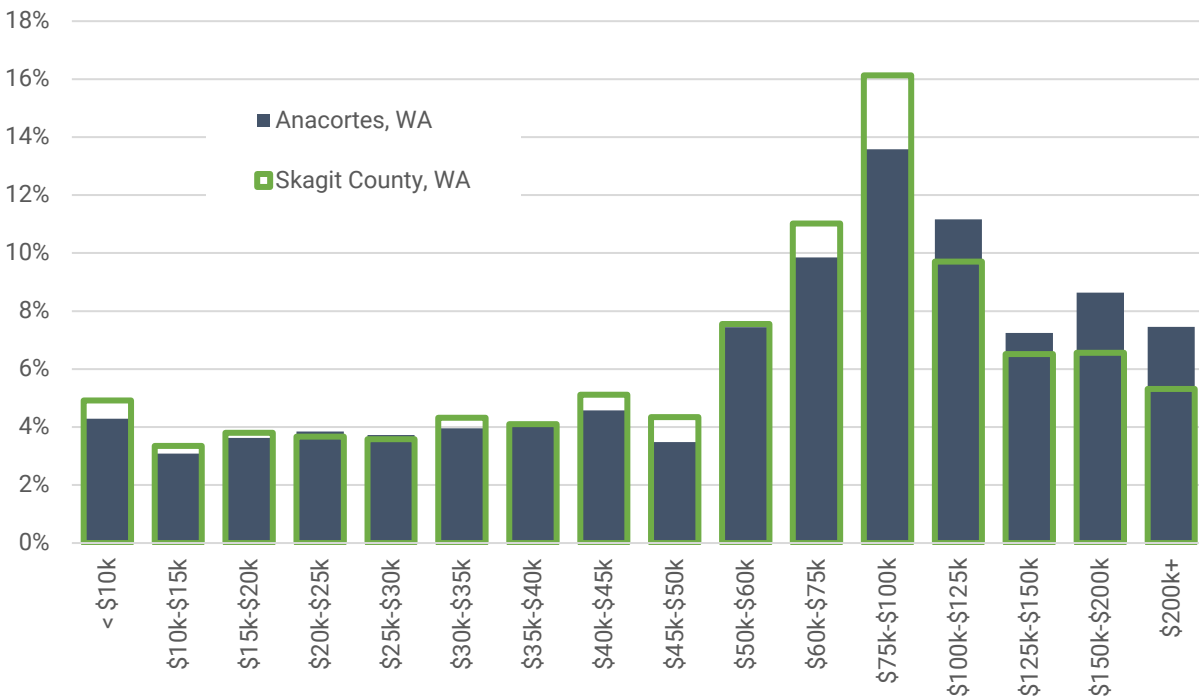


Figure 12. Households by Income. Source: 2020 American Community Survey (ACS) 5-Year Estimates, Table S2503

The figure below is from HUD CHAS data<sup>2</sup> for 2020 and shows a breakdown of Anacortes's households by income level and tenure. Overall, about one-third of Anacortes's households are earning less than 80% area median income (AMI), a common threshold for subsidized housing eligibility. About 54% of renter-occupied households earn less than 80% AMI, while 22% of owner-occupied households earn less than 80% AMI.

Most of the owner-occupied households in the area earn above the median income of \$83,200. A significantly greater share of renter occupied households earn less than the median income, with the second largest bracket of renters earning 50-80% of the median income. This demonstrates a need for lower income housing, especially for renters.

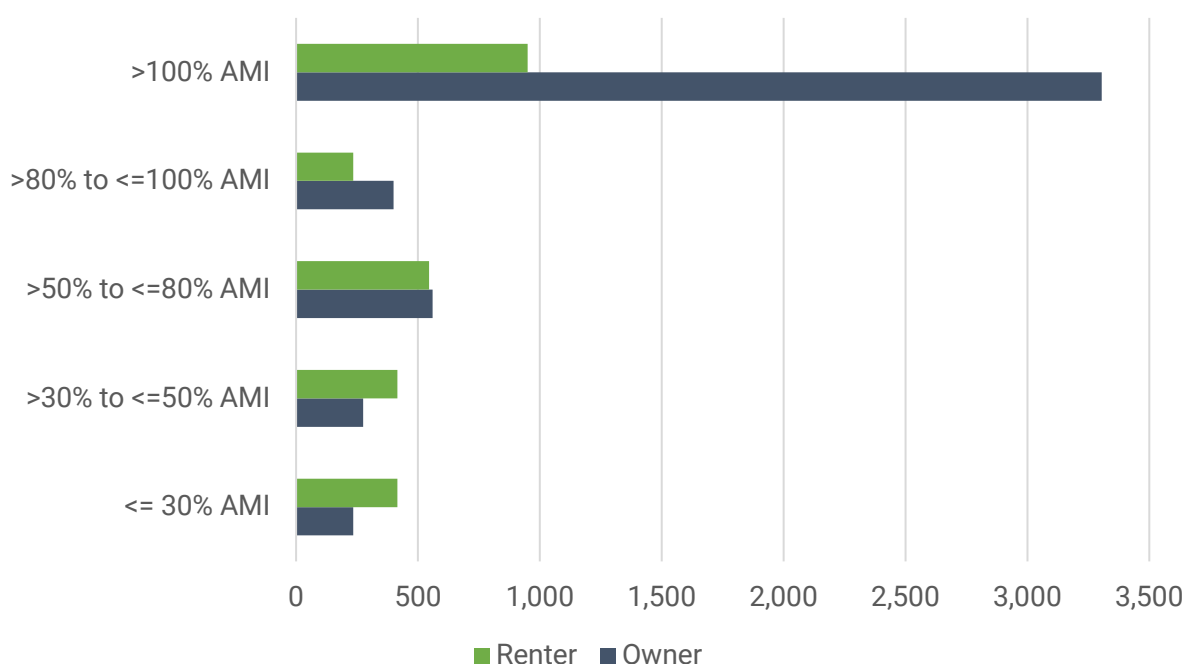


Figure 13. Anacortes MSA Household Income by Tenure, 2020. Source: HUD CHAS

As the following figure shows, Anacortes has a significantly lower share of its population living below the federal poverty level than Skagit County. Regardless, about 10% of people under the age of 35 are under the federal poverty level in Anacortes. The school district also reports at least 25% of students are enrolled in the free-and-reduced cost lunch program, but the need may be higher because of the program's stigma. This generally suggests a need for low-income housing for younger adults and families.

<sup>2</sup> HUD releases a dataset known as CHAS data (Comprehensive Housing Affordability Strategy) that provides a series of different tables demonstrating housing problems and needs.

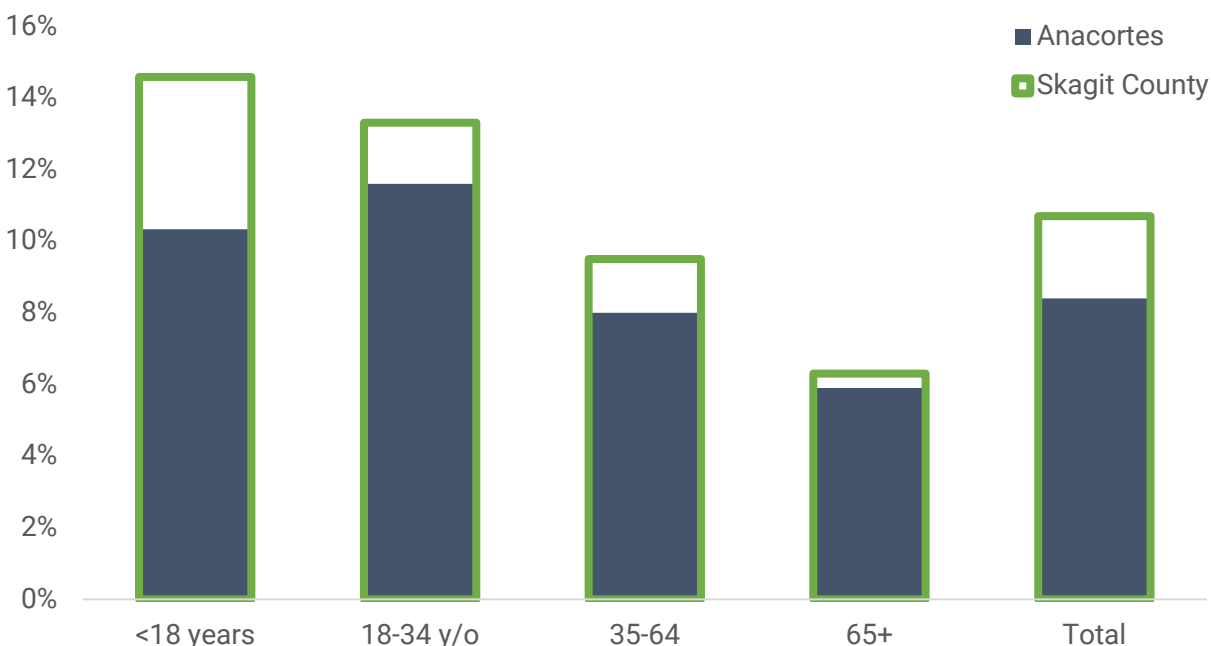


Figure 14. Anacortes Percent of Population by Age Group Below the Federal Poverty Level. Source: ACS

### Vehicle Ownership

The following figure shows the number of vehicles available to households by the tenure of unit. Owner-occupied units are more likely to have 2 or 3 vehicles, while renter-occupied units are more likely to have 1 or 2 vehicles. Also of note, 13% of renter households have no access to a vehicle.

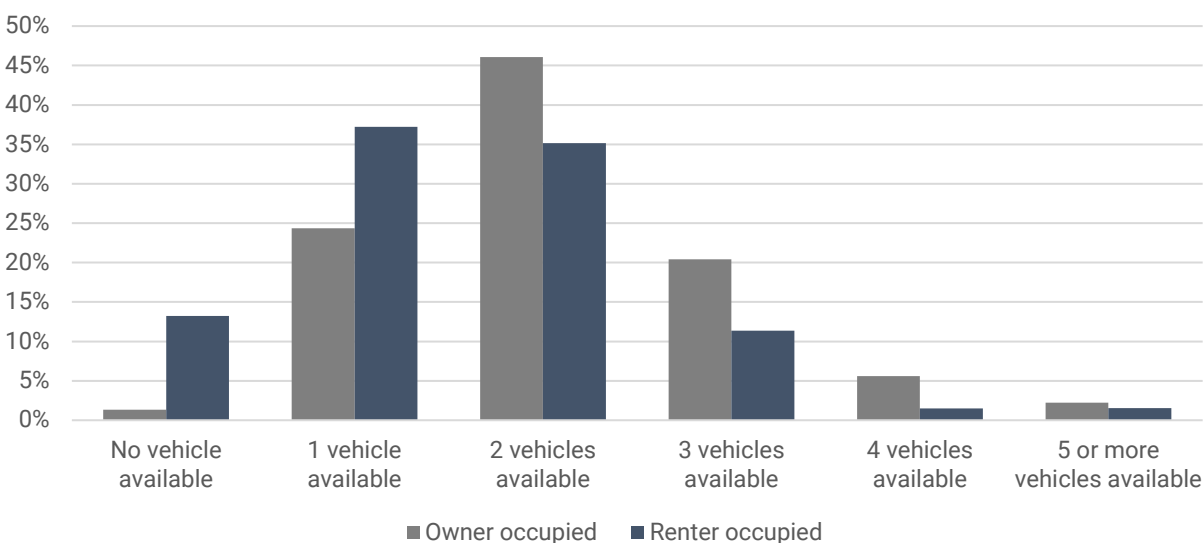


Figure 15. Vehicle Ownership by Tenure of Unit. Source: ACS Table B25044

## Employment Trends

Understanding workforce and employment trends is essential for housing planning. A growing, shrinking, or shifting economy can affect residents' ability to afford housing and limit or expand their housing choices. Strong economies in nearby communities can also affect commuting and residential patterns.

The next chart shows changes in Anacortes's top employment sectors from 2009 to 2019, the year of the most recent Census data. Manufacturing jobs in the city have declined, whereas health care and administration jobs have increased. This shift towards more white-collar employment may correlate with increased incomes in the city, or imply shifting housing preferences over time.

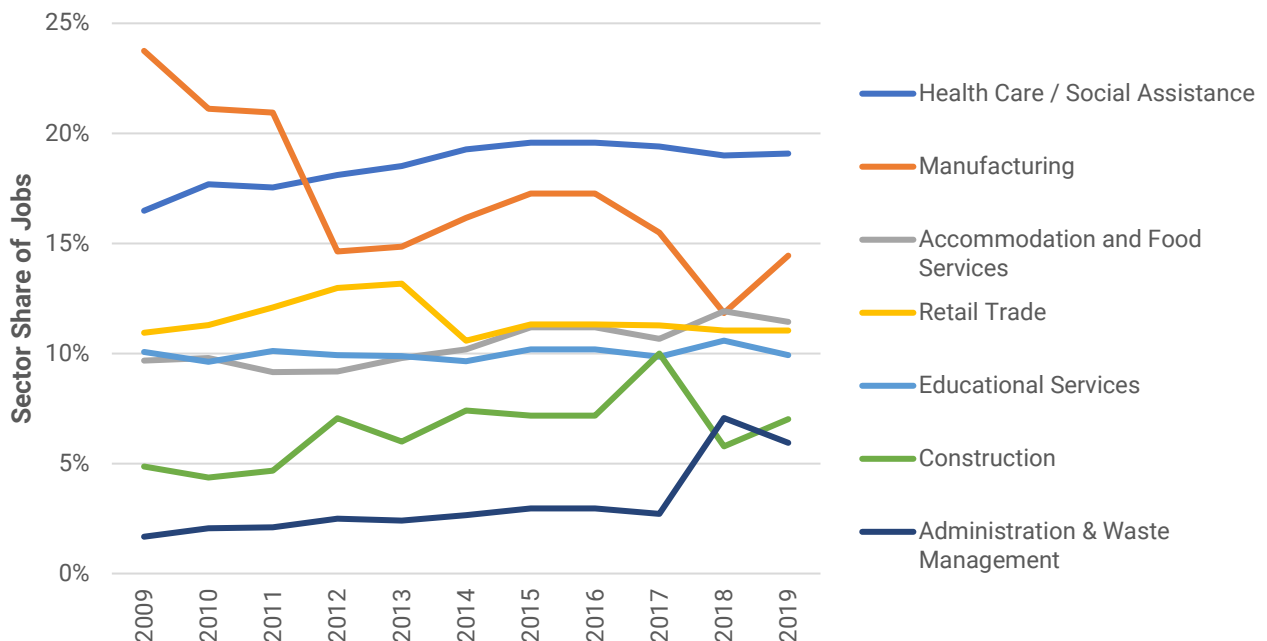


Figure 16. Job Trends by Top Sectors in Anacortes, 2009-2019. Source: Longitudinal Employer-Household Dynamics (LEHD)

Figure 17 shows the top job sectors in the city and the top job sectors worked by Anacortes residents. As discussed above, health care, manufacturing, accommodation/food and retail are the top sectors in the city. Large shares of Anacortes residents are also employed in these sectors, though about five percent of residents are employed in public administration and transportation outside the city itself. This data also shows that about a quarter of the health care and manufacturing employees in Anacortes live outside the city.

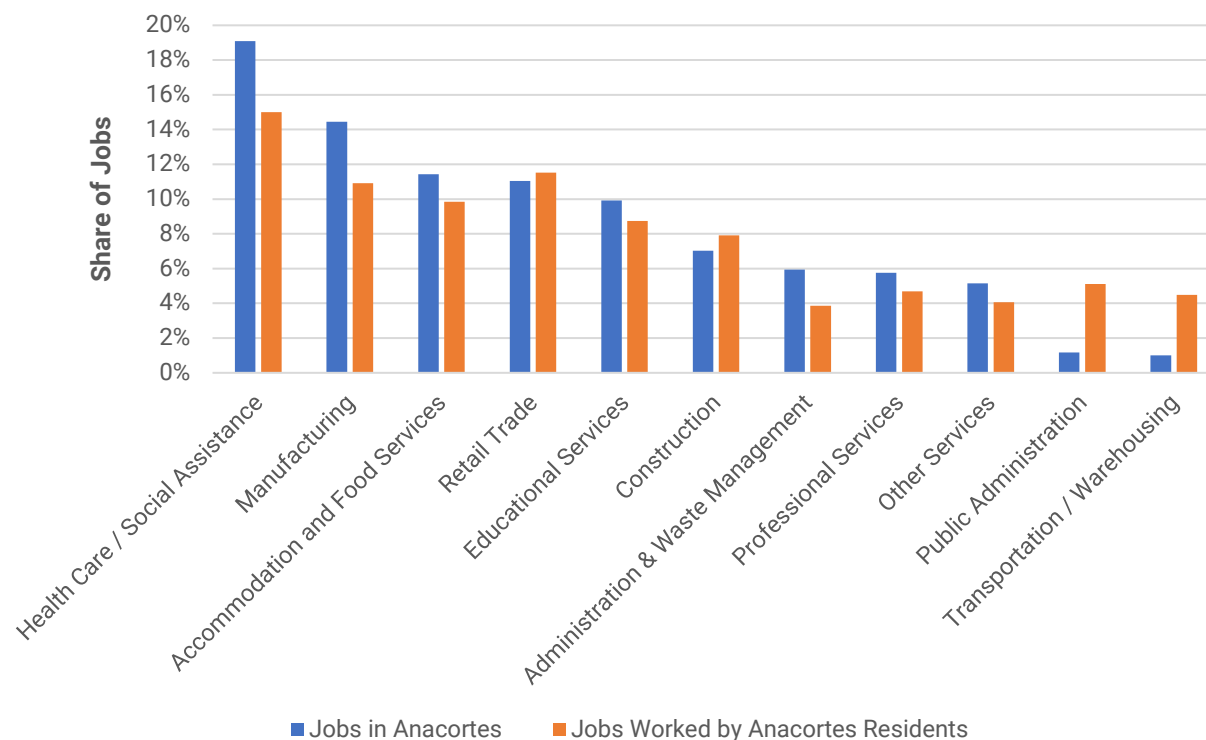


Figure 17. Jobs in Anacortes and Jobs Worked by Anacortes Residents, 2019

Figure 18 shows the work locations of Anacortes residents. Slightly more than a quarter of residents work in the city, and about 10% commute to Seattle. Smaller shares commute to Mount Vernon, Bellingham, and Everett. About 37% of Anacortes residents commute less than 10 miles to work, though another 30% commute more than 50 miles to work.

| Work Location       | Share |
|---------------------|-------|
| Anacortes           | 28%   |
| Seattle             | 9%    |
| Mount Vernon        | 6%    |
| Bellingham          | 5%    |
| Everett             | 3%    |
| Burlington          | 3%    |
| Bellevue            | 2%    |
| Oak Harbor          | 2%    |
| Sedro-Woolley       | 1%    |
| Kent                | 1%    |
| All Other Locations | 41%   |

Figure 18. Work Locations of Anacortes Residents, 2019

About seven percent of jobs on the island are connected to the two March Point oil refineries. A 2016 report from Western Washington University estimates the refineries employ about 840 people, a quarter of whom live on Fidalgo Island and in Anacortes, and another 370 full-time contract workers. The average annual income of all refinery workers is \$104,000, which is one of the highest wages of any sector in Skagit County. The workers have a very high employment multiplier of 2.0, which means that each of the 217 refinery workers who live on the island support another job on the Island (such as people working at restaurants, banks, retail, etc.).

Other industry sectors have lower wages. One industrial employer interviewed said they would hire 10 or more people in the short-term if they could (expanding their workforce by 20%), but the housing market is a major constraint on recruitment. They estimated 90% of their employees live outside of Anacortes, commuting an hour or more, and most rent.

The HAP community survey asked people if they have concerns with some types of costs of living and service issues in Anacortes. The top three concerns all relate to employment:

- 63% of respondents said they or close family and friends are concerned about businesses struggling to recruit employees who can afford to live in the city.
- 38% are concerned about the availability of medical care in town
- 36% of respondents are concerned that assisted living is either expensive or unavailable in town

The survey also received many comments from workers and businesses about housing prices being a barrier to employee recruitment and retention in a variety of sectors, including medical care, retail, education, and manufacturing. See the separate HAP community engagement report for full results.

## Section 2 – Housing Inventory and Production Trends

This section discusses the type and age of Anacortes’s existing housing stock, current, and future housing production. It also identifies special housing types in Anacortes, including subsidized affordable units and senior housing. An inventory of the existing housing creates a baseline for future housing planning and identifies important trends.

### Total Housing Units

Anacortes accounts for approximately 16% of Skagit County’s housing units and the breakdown of housing types in the City closely aligns with the County, per the 2020 American Community Survey (ACS). Anacortes has historically been dominated by single-family homes, with relatively little multifamily inventory. The following table provides an overview of the housing inventory in Anacortes through 2020, the most recent year of ACS data. Housing production since 2020 will be discussed below.

| Housing Type             | Skagit County<br>2020 |       | Anacortes<br>2020 |       |
|--------------------------|-----------------------|-------|-------------------|-------|
| Single Family            | 42,754                | 78.7% | 6,681             | 81.4% |
| Duplexes                 | 1,087                 | 2.0%  | 279               | 3.4%  |
| Multifamily (3-4 units)  | 1,784                 | 3.3%  | 279               | 3.4%  |
| Multifamily (5-19 units) | 2,437                 | 4.5%  | 510               | 6.2%  |
| Multifamily (20+ units)  | 2,375                 | 4.4%  | 284               | 3.5%  |
| Mobile Homes             | 3,717                 | 6.8%  | 164               | 2.0%  |

Figure 19. Household Type in Anacortes and Skagit County (2020). Source: 2020 American Community Survey 5-Year Estimates, Table S2501; City of Anacortes

### Housing Production

In the 1990s and 2000s, Anacortes generally averaged about 120 to 150 single-family residential units and 20 to 40 multifamily residential units permitted per year. In 2021, there were 121 single-family residential units, 5 duplexes, and 29 multifamily units permitted, a slight increase from recent years. Despite this recent uptick in permitting activity, housing development Anacortes is still below historic levels.

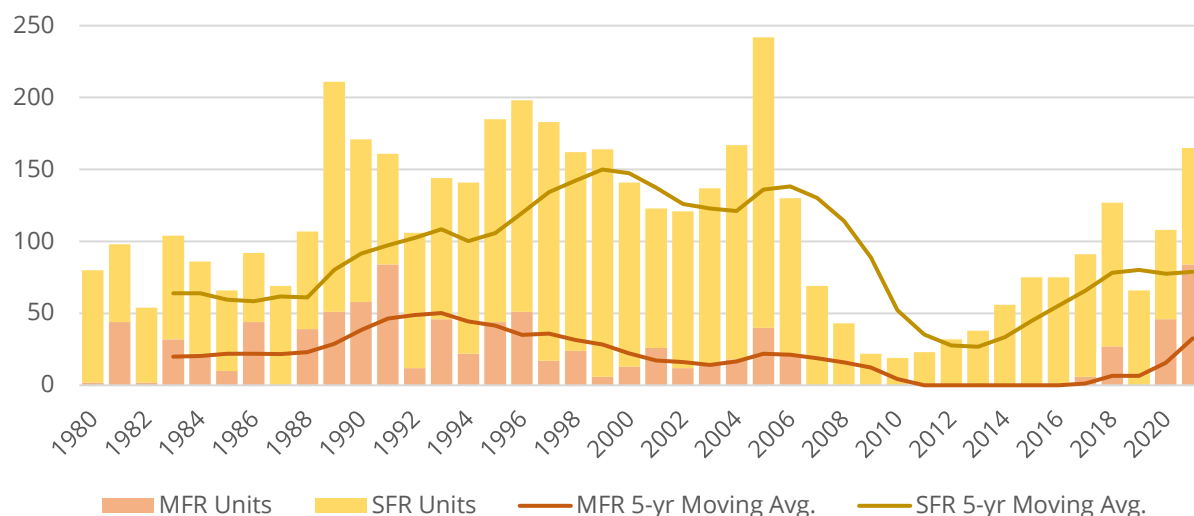


Figure 20. Citywide Permit Trends, 1980-2021. Source: SOCDS (U.S. Census Bureau)

Since 2016, housing production in Anacortes is averaging 101 units per year. This is 29 units below the annual average needed to meet growth targets. Housing production is largely following historic trends and new housing is mostly single-family homes in residential zones. Limited housing activity is occurring in commercial/mixed-use zones.

Starting in 2020, the type of housing being built has diversified slightly, with noticeable increases in production of ADUs and townhomes. The 2022 data is to-date through July (based on new addresses and water meter connections) and does not reflect several projects currently under construction, some of which are discussed in the Project Spotlight section of this report.

When comparing Census data with Anacortes's data, note there are differences in housing type sizes and breakdowns. Anacortes considers cottage housing and townhomes to be distinct from single-family homes, and considers triplexes to be their own housing type separate from multifamily.

| Housing Type             | 2016       | 2017      | 2018       | 2019      | 2020      | 2021       | 2022 to-date |
|--------------------------|------------|-----------|------------|-----------|-----------|------------|--------------|
| Single Family            | 82         | 73        | 92         | 44        | 51        | 57         | 23           |
| ADU's                    | 1          | 0         | 2          | 1         | 10        | 15         | 1            |
| Cottage Housing          | 0          | 0         | 0          | 0         | 0         | 4          | 15           |
| Townhome                 | 0          | 0         | 0          | 0         | 0         | 64         | 18           |
| Duplex/Triplex           | 18         | 4         | 4          | 0         | 2         | 4          | 0            |
| Multifamily              | 0          | 0         | 20         | 25        | 4         | 29         | 4            |
| <b>YEARLY TOTAL</b>      | <b>101</b> | <b>77</b> | <b>118</b> | <b>70</b> | <b>67</b> | <b>173</b> | <b>61</b>    |
| <b>TOTAL 2016-2021</b>   | <b>606</b> |           |            |           |           |            |              |
| <b>AVERAGE 2016-2021</b> | <b>101</b> |           |            |           |           |            |              |

Figure 21 - Anacortes housing production by type, 2016-2022. The 2022 data is to-date through July. Source: City of Anacortes GIS

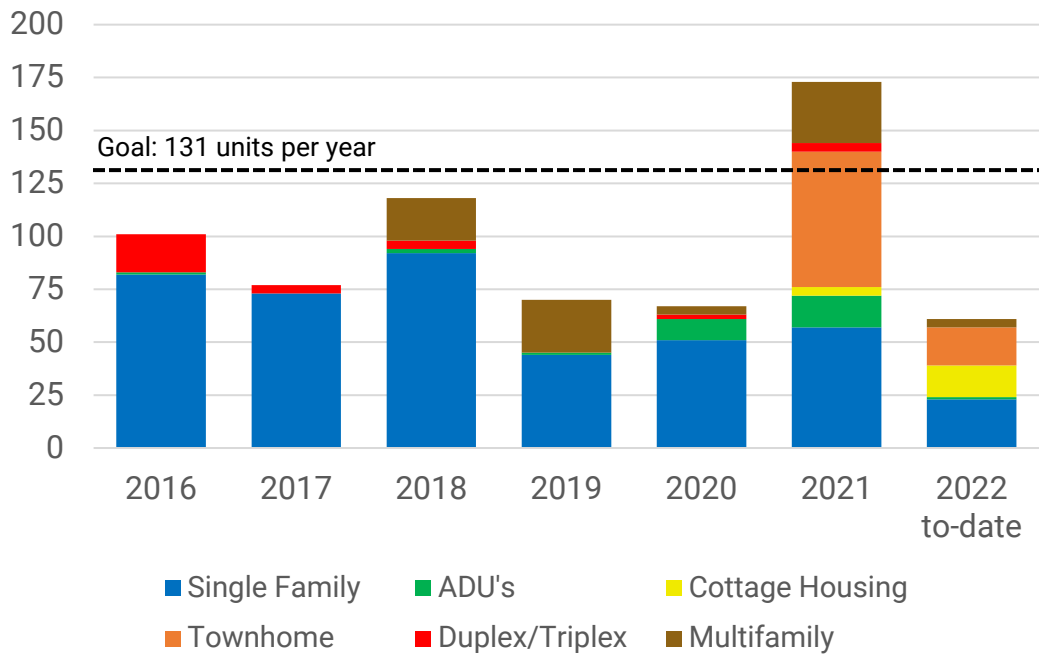


Figure 22 - Anacortes housing production by type, 2016-2022. Source: City of Anacortes GIS

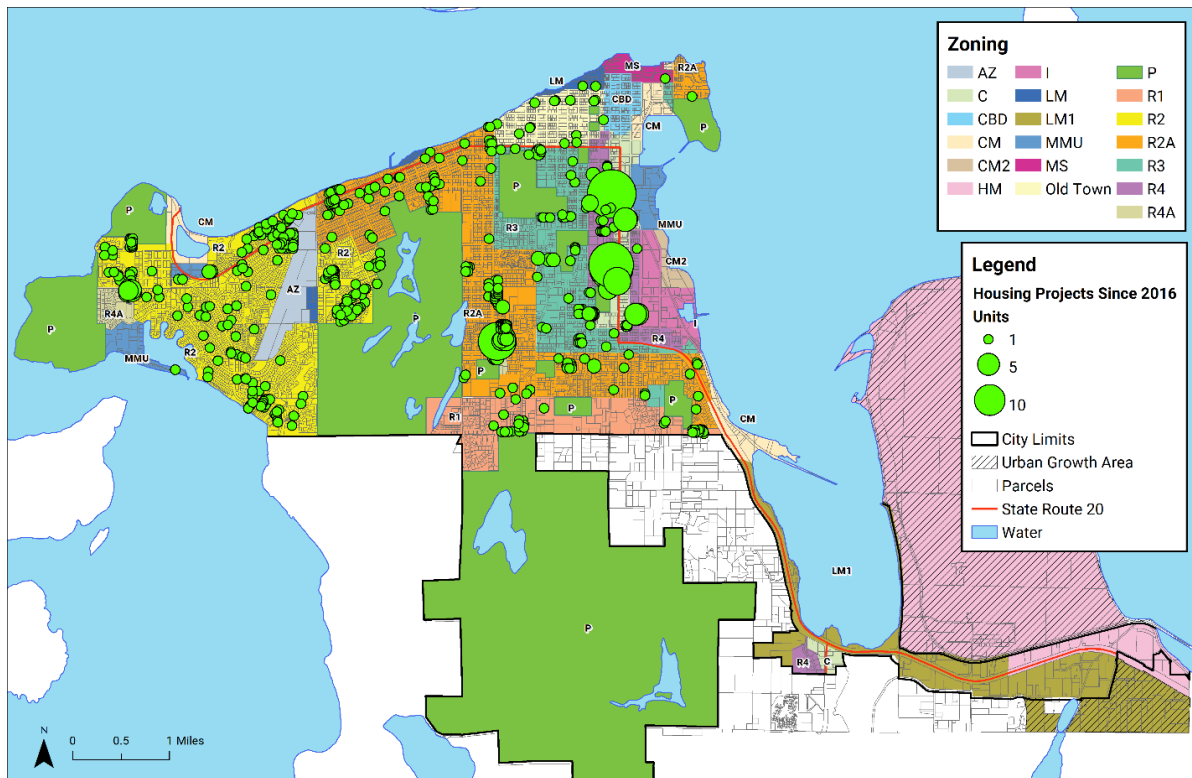


Figure 23 - Permitted Housing Unit Development, 2016-2021. Source: City of Anacortes GIS

## Vacancy Rates

Vacancies among Anacortes's housing inventory are very low, indicating a tight market and constrained supply. Pent-up demand likely resulted from many years of lower-than-average permit activity following the 2008 recession, putting upward pressure on housing prices and rents due to strong competition for existing units. Evidence shows that the vacancy rate tracks closely with whether rents are increasing or decreasing. As permit activity continues to trend higher, pent-up demand will likely diminish, and the market (and prices) will likely stabilize.

According to American Community Survey estimates for 2020, the homeowner vacancy rate was 1.1% and the rental vacancy rate was 1.9% (although Costar data shows significant upticks in vacancy since 2021). For rentals, five percent is typically considered the natural vacancy rate, or equilibrium, where supply and demand are relatively equal. For the owner-occupied housing market, the natural vacancy rate tends to be a little higher at seven or eight percent.

Note that this vacancy rate is based only on dwelling units that are available on the market for sale or rent. It is different from the total number of unoccupied units discussed in Section 1.

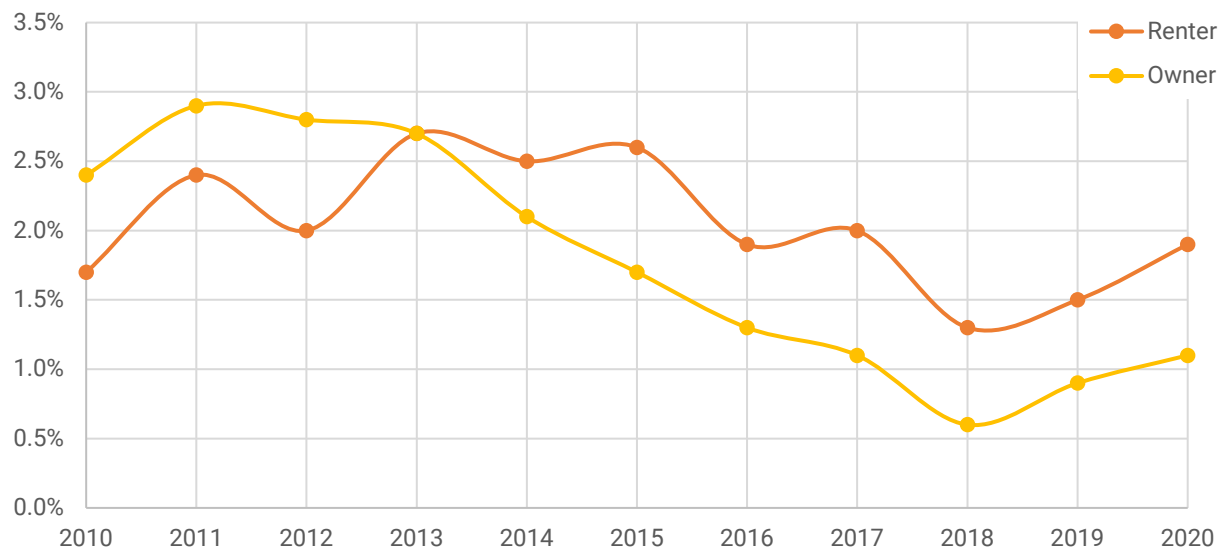


Figure 24. Vacancies in Anacortes (2020). ACS 5-year Estimates, Table DP04

## Vacation Housing

The table below shows the number and share of seasonal and recreational housing units in Anacortes with regional comparison cities. These are units which may be second homes or vacation rentals. Anacortes has 334 such units, or 4.1 percent of its housing stock. This is not as high as the share of seasonal units in Port Townsend, but higher than Port Angeles and Mount Vernon. Seasonal or rental homes in more tourist-driven economies can put pressure on the year-round housing market by removing units from the housing inventory for full-time residents.

| City          | Seasonal / Recreational Housing Units | Share of Total Housing Units |
|---------------|---------------------------------------|------------------------------|
| Anacortes     | 334                                   | 4.1%                         |
| Mount Vernon  | 87                                    | 0.7%                         |
| Port Angeles  | 281                                   | 2.9%                         |
| Port Townsend | 410                                   | 7.2%                         |

Figure 25 - Seasonal / Recreational Housing in Anacortes and Regional Comparisons, 2020. Source: ACS Table B25004

Utility usage can sometimes be used as a proxy for identifying seasonal or recreational housing units. An informal review by City utility staff found that an average of 200 homes per month consumed zero or very little water in the winter (November 2021 to February 2022). Compared to the total share of housing units in Anacortes, this is similar in scale to the Census data findings above.

## Short-Term Rentals

Short-term rentals, also known as vacation rentals, are considered stays of 30 days or less in a residential dwelling. In 2021, City staff research found about 76 short-term rentals operating in Anacortes through the most popular commercial services such as AirBNB and VRBO.

The City code does not specifically define short-term rentals. The code prohibits overnight lodging uses other than bed-and-breakfasts in residential zones, but this is not strictly enforced outside of development permits. Overnight lodging businesses are required to maintain a business license and only 12 percent of the identified short-term rentals have done so. It seems likely that many short-term rentals are operating illegally in residential zones and not paying the lodging tax.

## Affordable Housing

“Affordable housing” is housing reserved for people earning below a certain income and who cannot afford market-rate costs (other interrelated terms include low-income housing, subsidized housing, public housing, or rent-restricted housing). Affordable housing properties may be reserved for people meeting other criteria such as families with children, seniors past a certain age, people with physical or intellectual disabilities, or people with substance abuse disorders.

Anacortes has 387 affordable housing units existing or in the process of being built. See the affordable housing inventory in Appendix A.

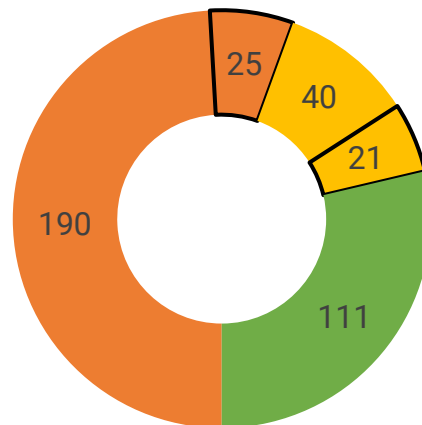
This housing is mostly subsidized and operated by government or non-profit organizations.

Anacortes has a few commercial providers as well, typically involving an investment incentive program that restricts rents below a certain amount for ten years. An affordable housing building height bonus incentive that was created in 2019 is being used by the Anacortes Family Center for its Landing Apartments.

Affordable housing is important to support community members who face barriers in the private housing market, especially those who are on the edge of or transitioning out of homelessness. The main affordable housing providers in Anacortes are the Anacortes Housing Authority (AHA) and the Anacortes Family Center (AFC).

AHA is a public nonprofit corporation formed by the City of Anacortes in 1968. It is governed by a board of commissioners appointed by the mayor, but otherwise it operates independently of the City. The authority’s first property finished construction in 1970. Today AHA manages 190 units and 350 residents across 11 properties. One property, the Wilson Hotel, operates like a single-room occupancy building (SRO). Two additional developments are planned and the authority occasionally purchases existing housing.

Several hundred people are on the AHA waiting list. Preference is given to applicants who are local and employed or on social security. AHA’s most in-demand units are 1-bedrooms and senior apartments which have waits of 1-2 years, and there are shorter waits for 2-bedroom or larger units. The current waiting list numbers are shown below; note that there is some duplication due to different programs running at different properties.



■ AHA ■ AFC ■ Private ■ In Progress

Figure 26. Distribution of affordable housing units.  
Source: City of Anacortes

| Unit Type  | Applications |
|------------|--------------|
| 1 bedroom  | 336          |
| 2 bedrooms | 36           |
| 3 bedrooms | 15           |
| 4 bedrooms | 1            |

Figure 27 - Anacortes Housing Authority waiting list, August 2022. Source: AHA

AFC is a non-profit organization founded in 2005. The organization serves families with children and operates an emergency shelter (stays of up to three months) and a transitional shelter (stays of up to two years). For permanent housing, the AFC manages 61 units across three properties, including one project under construction that will include day care. AFC is also building a new administration building that will include space for legal aid and a food bank. There are usually 5 to 35 families on its waitlist, depending on the time of year. AFC reports that a significant majority of its clients have experienced domestic violence or have a mental health challenge.

The organization goes beyond providing housing by using intensive case management to graduate clients to self-sufficiency, including job requirements for adults and educational and art programs for children. About 75% of participants leave the program with a stable home and job.

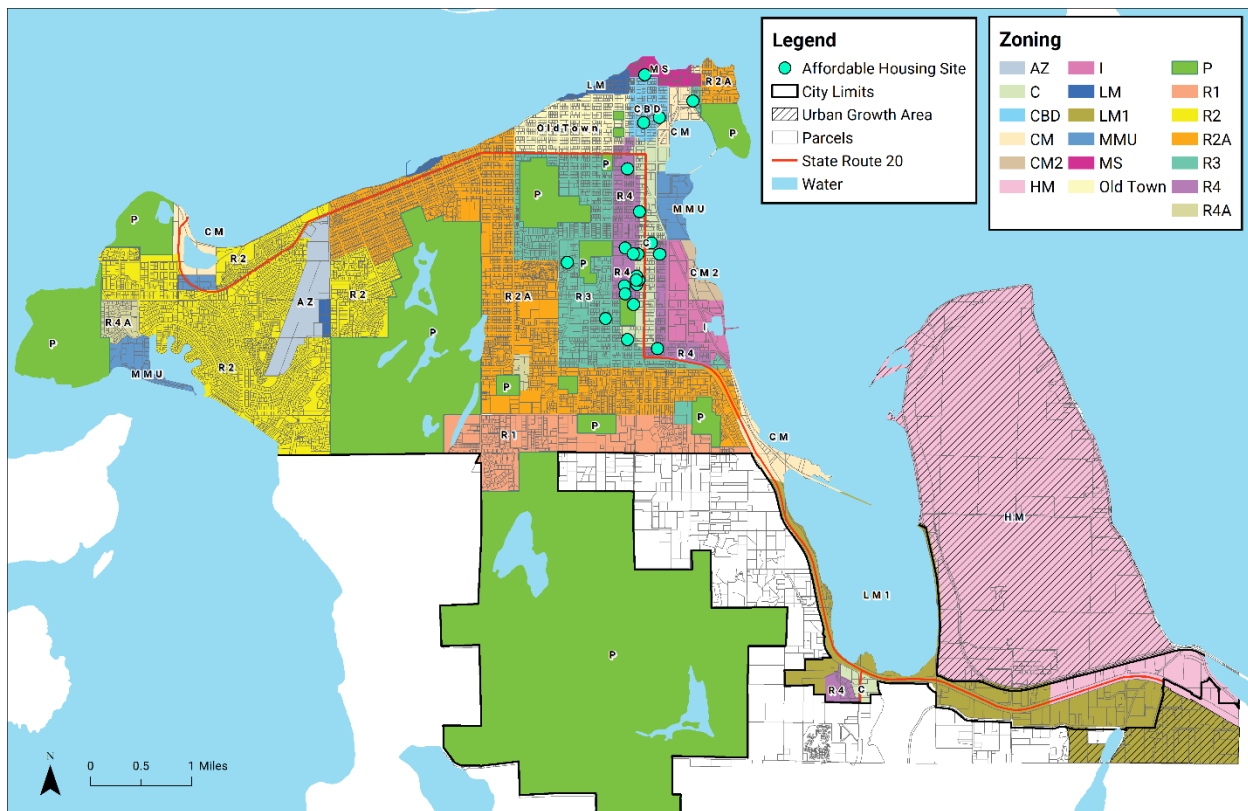


Figure 28 - Anacortes affordable housing locations. Source: City of Anacortes

Anacortes's affordable housing inventory is heavily concentrated in the northeastern part of the city, particularly along the Commercial Avenue corridor and near Island Hospital. This provides good access to commercial and medical services and most of the city's schools, particularly for those who don't have access to a car, but this pattern also provides few opportunities for affordable housing residents to live in less busy environments or to locate near the city's largest parks.

Most of the affordable housing properties are zoned R3, R4, C, or CBD. These zones allow for multifamily buildings, which is what most of the properties are built as. There are a handful of townhouse, duplex, and single-family buildings.

### Public Land

Surplus public land is sometimes used for affordable housing. State law enacted in 2018 ([RCW 39.33.015](#)) allows local governments to transfer, lease, or dispose of surplus property at low or no cost to developers for affordable housing projects. Locally, Anacortes has recently proposed to lease one property to Habitat for Humanity for a five-unit cottage housing development.

The project team conducted a brief review of public land in Anacortes to identify other potential surplus properties. This review found that public lands encompass a large portion of the city. The vast majority is unsuitable for housing because it is either the Anacortes Community Forest Lands, strips of right-of-way, underwater, wetlands, or currently used for parks, schools, utilities, and other civic facilities.

A handful of vacant sites were found to be candidates for further exploration. The City and Port also own several public parking lots in the downtown and central waterfront areas (not listed here) that could also be considered for longer-term redevelopment opportunities.

| Map Key | Site                         | Owner                                                      | Zoning     | Area     | Considerations                                                                                                                                                                                                                                                                            |
|---------|------------------------------|------------------------------------------------------------|------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Sharpe's Corner surplus land | City of Anacortes                                          | LM1 and R4 | 43 acres | This is a large site partially encumbered by wetlands and streams. Nonetheless, the R4 zoning offers considerable housing capacity and flexibility. The LM1 zone conditionally allows multifamily and could be considered for a rezone given the vicinity's lack of existing development. |
| 2       | Highway 20 tribal land       | Samish Indian Nation and Swinomish Indian Tribal Community | LM1        | 41 acres | Three clusters of parcels along Highway 20 appear vacant, and may be partially encumbered by wetlands. The LM1 zone conditionally allows multifamily. The proximity to the highway and industrial uses could be a compatibility issue addressed through buffers and site design.          |

| Map Key | Site           | Owner             | Zoning | Area       | Considerations              |
|---------|----------------|-------------------|--------|------------|-----------------------------|
| 3       | Parcel P31678  | Port of Anacortes | AZ     | 2.3 acres  | Infill housing opportunity. |
| 4       | Parcel P58211  | City of Anacortes | R2A    | 0.37 acres | Infill housing opportunity. |
| 5       | Parcel P116633 | City of Anacortes | R2A    | 0.58 acres | Infill housing opportunity. |

Figure 29 - Table of vacant public land to consider for housing opportunities



Figure 30 – Map of vacant public to consider for housing opportunities. Reference Figure 29. Source: City of Anacortes GIS

## Project Spotlights

This section provides detailed case studies of recent and ongoing housing developments in Anacortes. It includes a cross-section of housing types including multifamily, townhomes, and cottages. The spotlights are intended to provide insights on housing cost and design trends.

### Fidalgo Flats

Fidalgo Flats is a 5-story apartment building at the corner of O Avenue and 18th Street in central Anacortes. The project is located in the R4 zone and immediately to the east is a retail development with several restaurants fronting on Commercial Avenue. Neighboring the site to the south, west, and north are single-family homes. The prior use of the site was two single-family houses.



It has 25 units, a mix of sixteen 1-bedroom and nine 2-bedroom units. The project utilized a new zoning bonus (established 2019) allowing for an extra 10 feet of building height (over the normal 40 feet limit) in exchange for 25 percent of the units being less than 600 square feet in floor area. The total project is about 22,500 square feet of floor area on a 0.3 acre site. The density is 82 dwelling units per acre.

The project was the first to utilize the height bonus program. The development and the City faced considerable public scrutiny over the height of the building. In response to the outcry over the development, City Council imposed a moratorium on additional projects utilizing the height bonus, which was extended multiple times (see the City's [information page](#)). Since the building was completed in April 2022, City staff report no further complaints have been logged.

The development was reviewed against the new Anacortes commercial and multifamily design standards adopted in 2019. The site and building met applicable standards for private and common open space, façade and window design, landscaping, etc. The building has a 15 feet setback on the side facing O Avenue, which is greater than the 10 feet required by the base zoning and block frontage standards.

The building owner reports strong leasing activity despite the rental rates. In early development the goal was for rents of about \$1,250/month, but sustained increases in construction costs over four years led the average starting rent to be around \$1,700 to retain the project's financial feasibility.

Compliance with minimum parking requirements was a notable challenge for the project. The code required a minimum of 35 parking spaces. The site only had room for a 17-space parking lot next to the building. The developer owns the adjacent property to the north and used the code's shared parking provisions to count the 15 spaces already existing there. The remaining three spaces were satisfied using on-street parking for guest spaces.

In a stakeholder interview, the developer opined that repeating this development on a similar site would only be feasible with underground parking, and this would require getting in more dwelling units to help offset the cost of structured parking. Another key cost item is elevators, which cost at least \$100,000 and are required for buildings four stories and taller, but at four or five stories the economies of scale to pay for an elevator are stretched.



*Left: View of the front yard and façade of Fidalgo Flats. Right: View from the building's rooftop deck.*

### Skagit Cohousing

This is a development of apartments and townhomes in central Anacortes. The project is located in the R4A zone off D Avenue. It is neighbored to the south by a garden-style apartment complex, and on all other sides by single-family housing.

The project has 15 multifamily-style units in one 3-story building and 15 townhouse units in four 2-story townhouse buildings. This equaled a total of 30 units on a 4-acre site

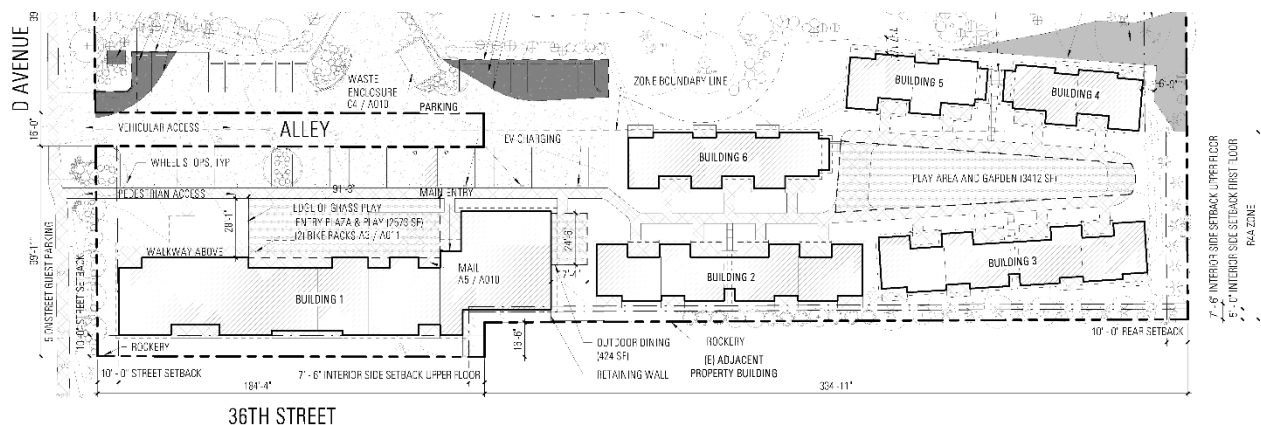
(approximately 2.1 acres are developable, so the net density is 14 units per acre). The site also includes a “common house” recreation space which opens to an outdoor dining area.



Figure 31 – Artist conception courtesy of Skagit Commons

The project is unique in its mix of housing types and ownership model. According to the [project website's](#) description of cohousing, “Households have independent incomes and private lives, but neighbors collaboratively plan and manage community activities and shared spaces.” Cohousing is also intended to make it easy to form clubs, and organize child and elder care, and carpools. The initial residents, organized as a group under the name Skagit Commons, spearheaded the development themselves. Collectively, they secured land in 2018 and construction began late 2020.

The 42 parking spaces (including several electric vehicle charging stations) are collected on the west half of the site next to the multifamily building. The townhouses are accessed by footpaths and some townhouses are clustered around a 3,400 square-foot space for play and gardening. The project features ample landscaping and exterior unit access.



### Skyline Townhomes

Skyline Townhomes is a development of three-story townhomes at the corner of Skyline Way and Sunset Avenue. The project is located in the R4A zone. The project shares a driveway with an existing multifamily development to the south, and to the west, north, and east are single-family houses.



The project has 20 townhomes on a 1.32 acre site (equal to 15 dwelling units per acre). The units are each about 1,450 square feet with two or three bedrooms.

At project conception the estimated rents were \$2,200 per month. The going rents are now \$2,700 per month and there is a waiting list. If the property was converted to fee-simple ownership lots (using the unit lot subdivision process), the developer estimates each townhouse could likely sell for at least \$600,000.

The project required 37 parking spaces and is providing 56 spaces based on the developer's perception of market demand. Each townhome includes a two-car garage and there are 16 guest parking spaces distributed around the site. No on-street parking was included in the calculations.

The R4A zone is an outpost in western Anacortes, which is mostly zoned R2 and characterized by large-lot single-family houses. R4A is the smallest of the residential zones, yet is seeing significant ongoing development. Skagit Commons is building a 30-unit co-housing project (above) in the other R4A location in central Anacortes.



### 21st Street Townhomes

This project is a development of three-story townhomes at the corner of 21st Street and Q Avenue. The project is located in the Commercial zone in central Anacortes. It is neighbor to a variety of uses including two inns to the west and north, townhouses across the street to the east, and a rehabilitation center to the south.

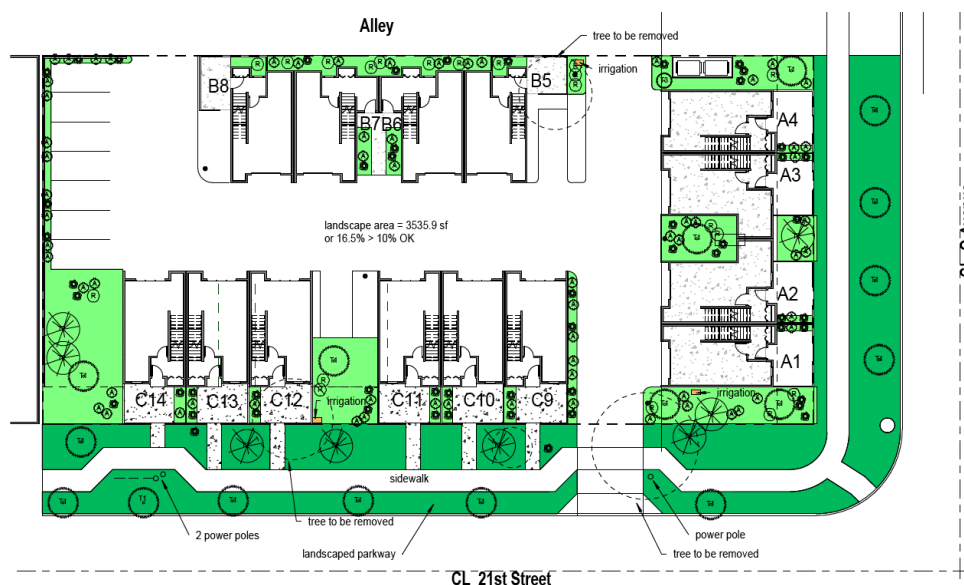


The project has 14 townhomes on a 0.48-acre site (equal to 29 units per acre). Each unit is 1,240 square feet with two-bedrooms.

Development on the site was originally conceived as a mixed-use project with apartments, but was changed to a townhouse design to improve financial viability. The site is being configured as a condominium to avoid the complications of a subdivision and the developer found that buyers do not prioritize land ownership. Homeownership association fees will be approximately \$200 per month. Each unit will likely sell for approximately \$622,000.

The project was required to provide 23 parking spaces and is providing the same amount. This is met through each townhouse having a one-car garage and surface parking spaces located around the site.

The project provides an example of infill development fitting into the urban grid, making good use of alley access, and meeting the townhouse design standards. Parking is mainly accessed off the alley and the townhome buildings face the street with landscaped setbacks. Most of the townhomes include ground-level private open spaces and balconies. The surface parking at the northwest corner of the site was able to fit because of a reduced perimeter parking lot landscape width.



### The Crossings Cottages

This is a cottage housing development located off Anacopper Mine Road in western Anacortes, currently under construction. It is in an R2 residential zone near the airport. Surrounding uses are traditional single-family subdivisions.



The project has 18 cottages on a 5.2-acre lot. Approximately 2.4 acres are developable, so the net density is 7.5 units per acre. The developer opted to do a cottage development because they liked the concept as described in the code and the double density bonus, but said some of the regulations are too prescriptive to allow creative interpretations.

Each cottage is two bedrooms and has approximately 1,300 square feet of floor area, including a one-car attached garage. The project required 27 parking spaces and 34 are provided.

The average combined cost of construction and land is estimated at \$530,000 per unit. The developer was surprised to learn the market may support sales prices of \$750,000, which is lower priced than, but still comparable to, the traditional single-family home market (see Section 3 for more information). This demonstrates the tightness of the market and demand for housing of any kind in Anacortes.

This is one of several cottage housing projects currently being developed in Anacortes. Others include the Parkview Cottages on 32nd Street (two projects with eight total units using duplex designs, R3 zone), the Samish Cottages on 34th Street (15 units including a community building ADU, R2A zone), and the Skagit Habitat for Humanity cottage proposal (five units, R2A zone).



## Section 3 – Cost Trends

### Housing Cost Trends

Overall, home prices have been increasing at much greater rates than both rent and incomes in Anacortes, as demonstrated in the following chart. Home prices in 2020 were 70% greater than in 2012, while rent and incomes were about 25% greater than in 2012. Up until 2018, Anacortes’s median income growth lagged behind the rent increase, but has since caught up.

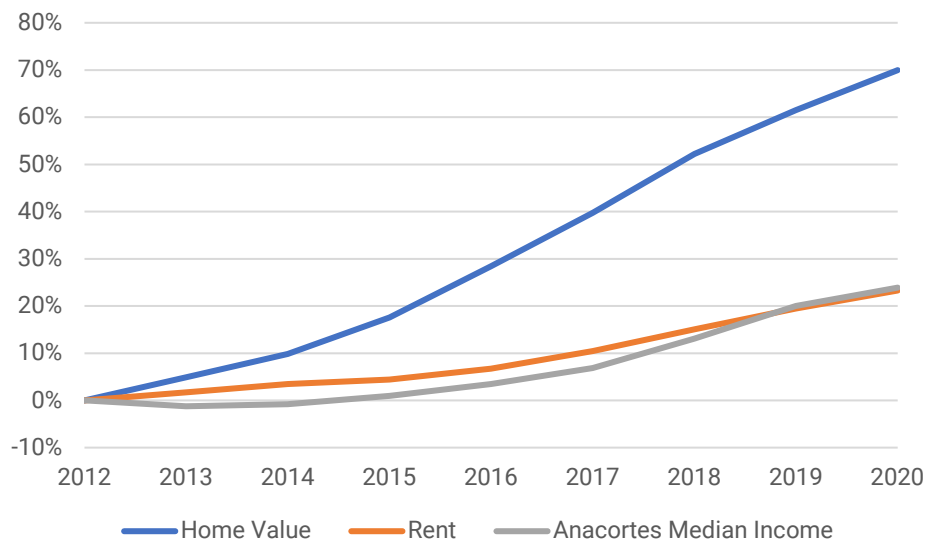


Figure 32. Home Prices, Rents, and Incomes in Anacortes, indexed to 2012.  
Source: Zillow 2020, ACS 2010-2020 5-Year Estimates

Housing costs have been increasing at an even greater rate over the past two years. Average asking rents for apartments have climbed to more than \$3.00 per square foot (per month). This is largely in keeping with the market rate for new construction; Fidalgo Flats, for example, will rent its 580 square foot one-bedroom units for \$1,700 per month. Newer single-family homes, townhomes, and duplexes tend to rent for closer to \$2.00 per square foot. Stakeholders interviewed for this project highlighted 1,500 square foot townhomes renting for \$2,700 per month.

A [2020 report](#) by the U.S. Government Accountability Office finds that every \$100 increase in median rent is associated with a nine percent increase in the estimated homelessness population, even after accounting for demographic and economic characteristics. This formula is considered at a national level but may be helpful context for the current trend in local rent increases.

While rents have been steadily increasing, the value of owner-occupied housing units has increased at a much greater rate. The average value of an Anacortes home is now more than \$700,000.

The sale price of housing built in the past five years has typically ranged from about \$550,000 to \$850,000, with a median sale price of about \$650,000. In 2021 the prices saw a greater range and a higher median price of \$850,000.

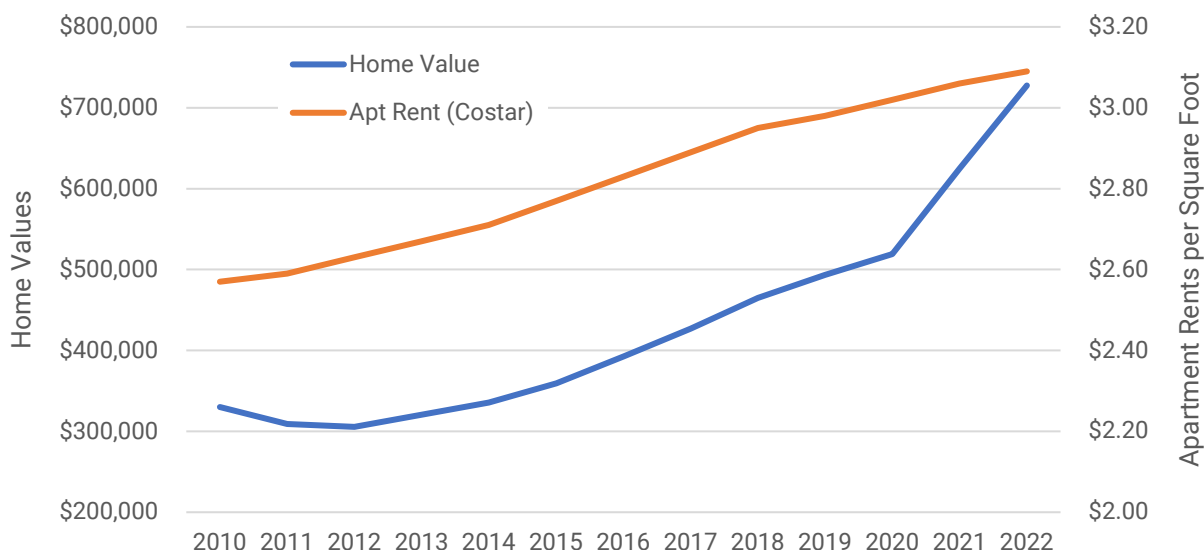


Figure 33. Average Home Value and Apartment Rents in Anacortes, 2010-2022. Source: Costar, Zillow

These values are helping to maintain the for-sale housing construction pipeline, although most of the new builds are out of step with existing income levels in Anacortes.

Some HAP stakeholders interviewed suggested that many homebuyers are middle-aged or older and moving from high-cost urban and out-of-state markets. Stories have also been shared about the prevalence of cash buyers. The chart below illustrates that approximately a third of Anacortes home sales are completed with all-cash purchases, which is a greater share than the rest of Skagit County.

| Purchase Instrument                                                   | Anacortes | Skagit County less Anacortes |
|-----------------------------------------------------------------------|-----------|------------------------------|
| Cash                                                                  | 34%       | 21%                          |
| Conventional mortgage loan                                            | 52%       | 61%                          |
| Mortgage loan backed by the U.S. Department of Veterans Affairs (VA)  | 11%       | 7%                           |
| Mortgage loan backed by the U.S. Federal Housing Administration (FHA) | 0%        | 8%                           |
| Other                                                                 | 3%        | 3%                           |

Figure 34. Types of Home Sale Purchase Instruments in Anacortes and Skagit County. Source: Windermere Real Estate and Multiple Listing Service, 2022

Figure 35 shows the relationship between what the typical Anacortes household earns in a year and the amount they would need to earn to afford the typical Anacortes home, given the most recent home price, interest rate, tax, and income data available (resulting in about a 1:4.2 income-to-price ratio). The income needed to afford the median home in the city is about \$83,500 more than the median household currently earns. Or, to put it another way, the typical Anacortes household could afford a home worth about \$350,000, but the typical home in the city is worth over twice as much, at \$706,000.

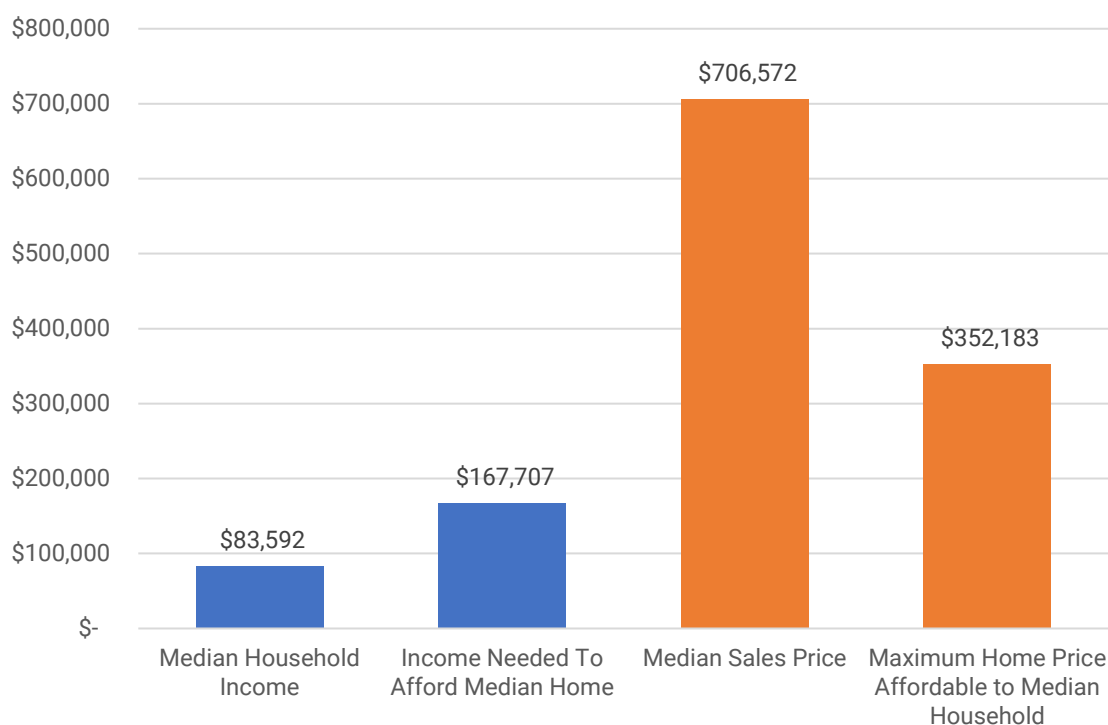


Figure 35. Ownership Housing Affordability in Anacortes. Source: Zillow, Freddie Mac, ESRI, Leland Consulting Group

A housing affordability chart illustrating home prices that would be affordable to a variety of income levels is shown below in Figure 39. Anacortes's median incomes and sales prices are both shown. This data illustrates the degree to which homeownership has become out of reach for the majority of Anacortes residents, even those earning significantly more than the city's median household income.

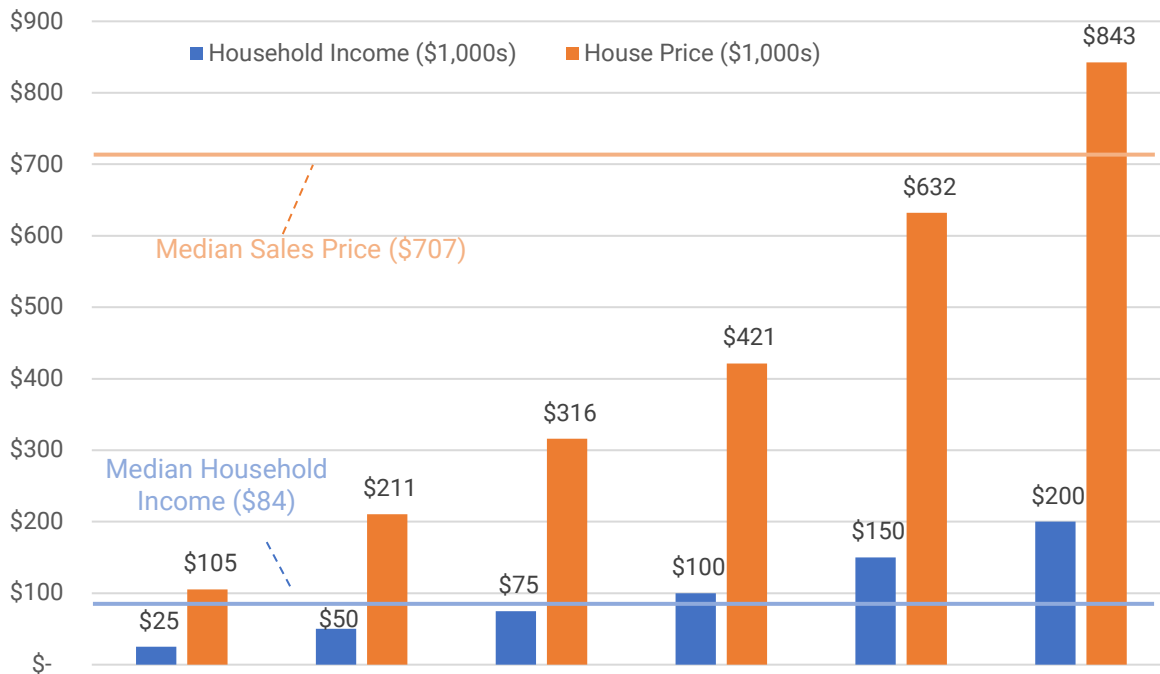


Figure 36. Housing Prices Affordable to Various Incomes with Anacortes Median Income and Sales Price, 2021. Source: Zillow, Freddie Mac, ESRI, Leland Consulting Group

### Construction Costs

The costs of construction for all housing types have been increasing for decades, although the past few years has seen unprecedented increases. These costs have a major impact on development feasibility nationwide. In places like Anacortes where development has generally reflected lower density building types, higher construction costs may require developers to build residential products that offer a greater return on their investment.

The following chart provides construction price indexes<sup>3</sup> for multifamily housing units under construction, single-family houses sold, and for single-family houses under construction. The costs of construction are now the highest seen in 50 years. Recent data from the U.S. Census Bureau shows construction costs went up by 17.5% year-over-year from 2020 to 2021, the largest spike in this data from year to year since 1970. 2021's costs were also more than 23% higher than pre-pandemic 2019. Preliminary data for 2022 indicates an even greater jump in construction costs, largely due to supply chain issues, inflation, labor shortages, and other issues that have dominated headlines in the past year.

<sup>3</sup> The houses sold index incorporates the value of the land and is available quarterly at the national level and annually by region. The indexes for houses under construction are available monthly at the national level. The indexes are based on data from the Survey of Construction (SOC).

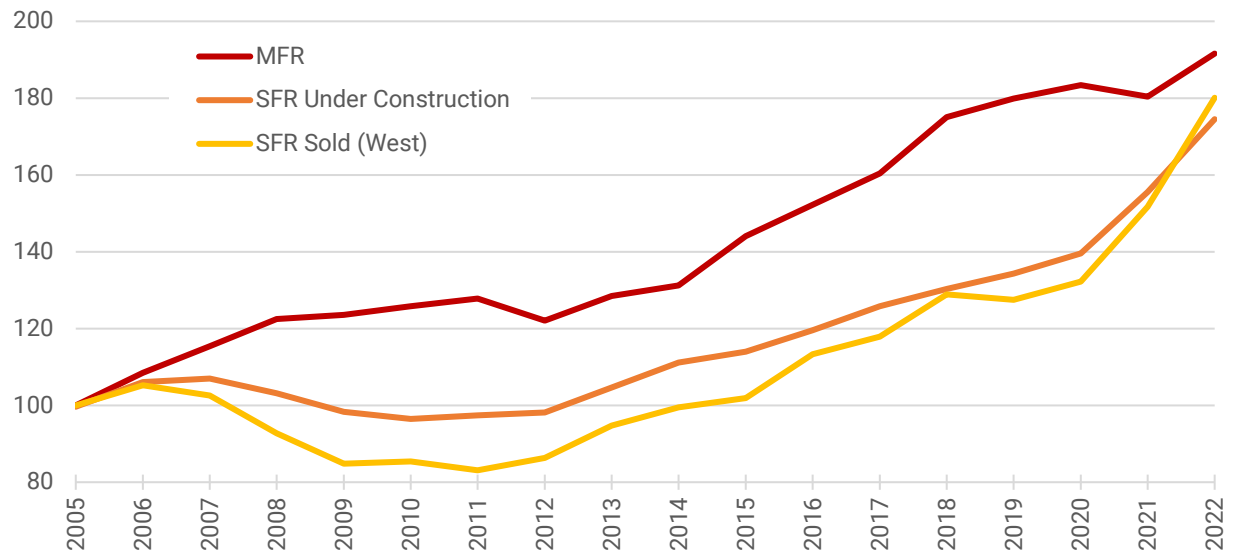


Figure 37. Construction Price Indexes. Source: U.S. Census Bureau Construction Price Indexes

Construction costs were a key topic discussed in the project team’s interviews with various stakeholders. Costs were discussed for a range of project types that included townhomes, multiplexes, and apartments. A summary of these conversations is provided below.

| Topic                    | Cost Discussion                                                                                                                                                                                                        | Comments and Considerations                                                                                                                                                                                                                                                                              |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Multifamily (apartments) | Construction costs per square foot for buildings between three and six stories are relatively constant, regardless of building height.                                                                                 | Allowing more stories allows more units and allows for more revenue to cover higher costs. Per unit rent may also be more affordable for denser buildings.                                                                                                                                               |
| Duplexes and triplexes   | Some cost savings are realized by sharing walls and parking areas compared to single-family homes.                                                                                                                     | Duplexes and triplexes are easier products for smaller developers to build. One developer is selling duplexes for \$510,000.                                                                                                                                                                             |
| Townhomes                | The cost of construction for townhomes is generally \$200 or more per square foot or \$400,000+ per unit.                                                                                                              | As a fee simple product (typically), townhomes are a more flexible development type that can be easily scaled to fit a variety of lot sizes and configurations.                                                                                                                                          |
| Cottage housing          | With the double density bonus, cottages can theoretically bring a smaller and cheaper single-family product to market.                                                                                                 | One developer stakeholder expects to sell 1,300 square feet cottage homes for \$750,000                                                                                                                                                                                                                  |
| Parking                  | Structured parking costs \$40,000 to \$50,000 per stall. Surface parking stalls tend to cost \$4,000 per stall but absorbs more land that could otherwise be used for revenue-producing space.                         | Market conditions in Anacortes are unlikely to support the added cost of structured parking in the near-term. However, the lack of available land in Anacortes may force developers to build structured parking for site planning. Public subsidy may be necessary to support housing development needs. |
| Land                     | As land becomes increasingly scarce and the market improves, land prices will continue to increase. Increasing land costs encourage developers to build products that generate more revenue to cover the higher costs. | If regulations do not support the types of development that can cover the cost of land, land may remain vacant or be underdeveloped.                                                                                                                                                                     |

## Section 4 – Housing and Service Needs

This section offers information about the needs and risks facing households in the City of Anacortes.

### Market Rate Housing

The following chart highlights approximate demand for new housing units through 2045 in addition to the existing 8,197 units. Based on a projected annual growth rate of 1.4%, there is approximate demand for about 3,019 housing units, including 1,451 rental units and 1,568 ownership units. Most of the ownership units will likely target higher income brackets than the rental units. This is based on the current (2021) distribution of households by income bracket; this is likely to change as new residents move to the area, the business and employment profile changes, and economic conditions change.

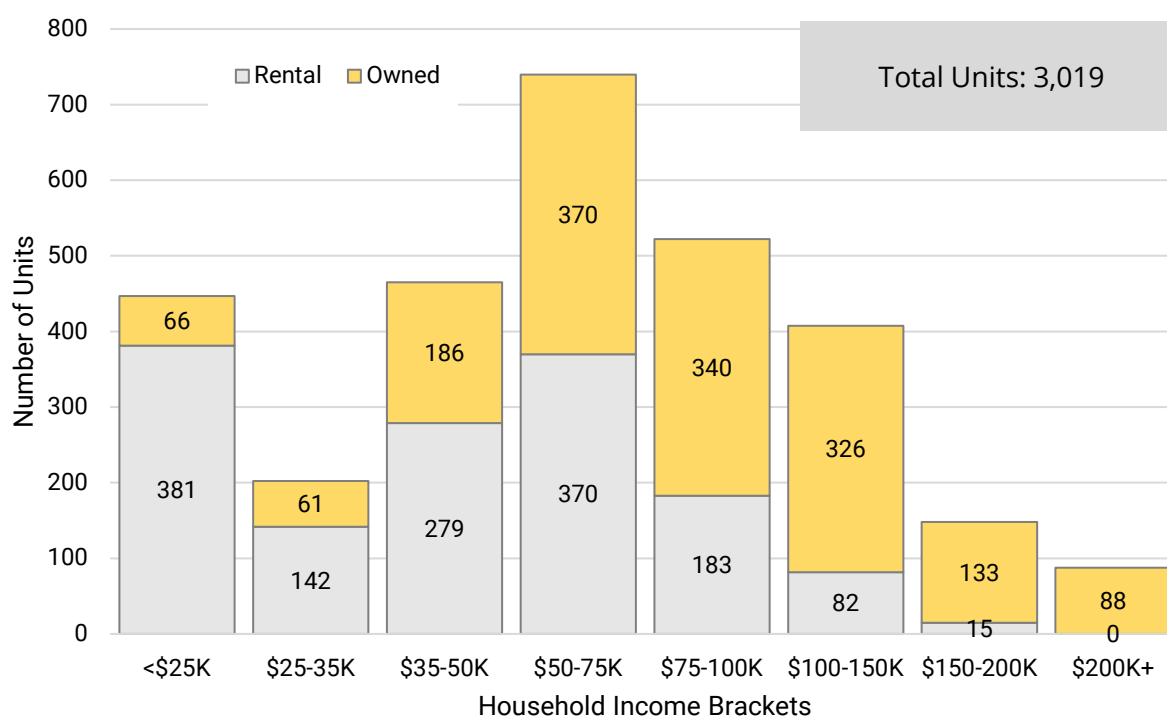


Figure 38. Approximate Demand for New Housing Units, City of Anacortes, 2021-2045. Source: Leland Consulting Group

### Low-Income and Cost-Burdened Households

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs.<sup>4</sup> The Area Median Income (AMI) for the Mount Vernon-Anacortes Metropolitan Statistical Area (MSA) in 2021 according to the U.S. Department of

<sup>4</sup> Including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions.

Housing and Urban Development (HUD) was \$83,200. The following table outlines the 2022 Mount Vernon-Anacortes MSA HUD income limits for low, very low and extremely low-income households making 80%, 50%, and 30% of the Area Median Income (AMI), respectively. This table also corresponds to the chart that follows.

| Household Size        | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Extremely Low (30%)   | 18,100 | 20,700 | 23,300 | 27,750 | 32,470 | 37,190 | 41,910 | 46,630 |
| Very Low Income (50%) | 30,150 | 34,450 | 38,750 | 43,050 | 46,500 | 49,950 | 53,400 | 56,850 |
| Low Income (80%)      | 48,250 | 55,150 | 62,050 | 68,900 | 74,450 | 79,950 | 85,450 | 90,950 |

Figure 39. HUD FY 2022 Income Limits (\$), Mount Vernon-Anacortes, WA MSA. Source: HUD

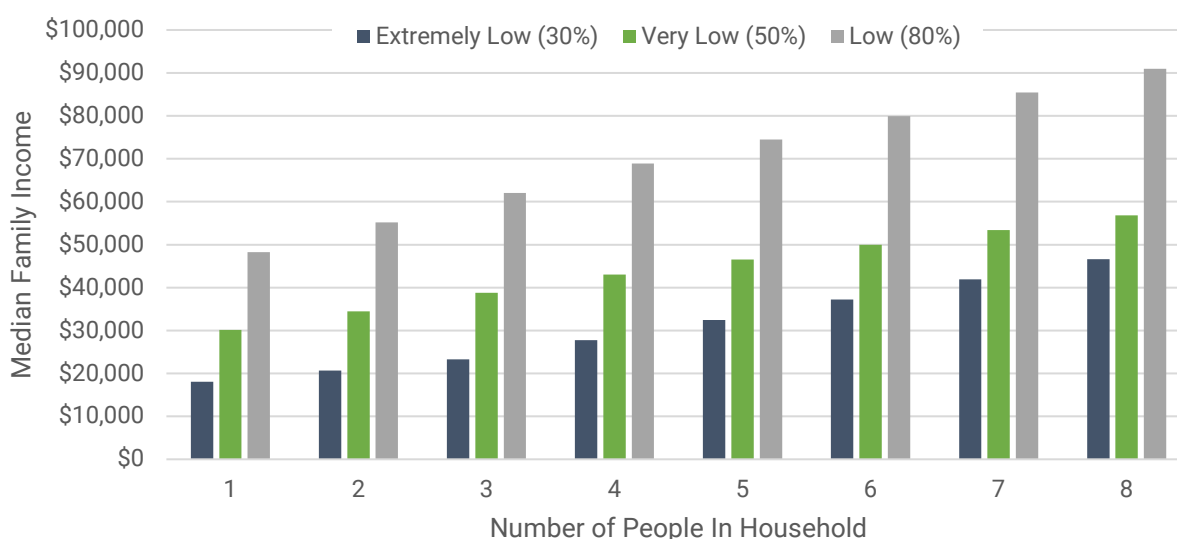


Figure 40. HUD FY 2022 Income Limits, Mount Vernon-Anacortes, WA MSA. Source: HUD CHAS

In addition to income, HUD uses a measurement of “cost burden” to further determine which subset of a community’s residents are most in need of housing support or most at risk of displacement or housing hardship.

The following figure shows a breakdown of Anacortes’s households by tenure and cost burden status. Overall, about 30 percent of Anacortes’s households are considered cost-burdened. Almost half of all renter-occupied households are considered cost-burdened, while just one in 10 owner-occupied households are considered cost-burdened.

A household is considered to be “cost-burdened” if they are spending more than 30% of their monthly income on housing costs (including rent and utilities).

A “severely cost-burdened” household spends more than 50% of their monthly income on housing costs.

As is the case nationwide, renters are significantly more at risk of economic hardship and displacement than homeowners. With rental rates increasing dramatically in recent years and

income growth failing to keep up, it appears that renters are suffering the consequences in terms of cost burden. There is a clear need for more rental housing that is affordable to all income levels.

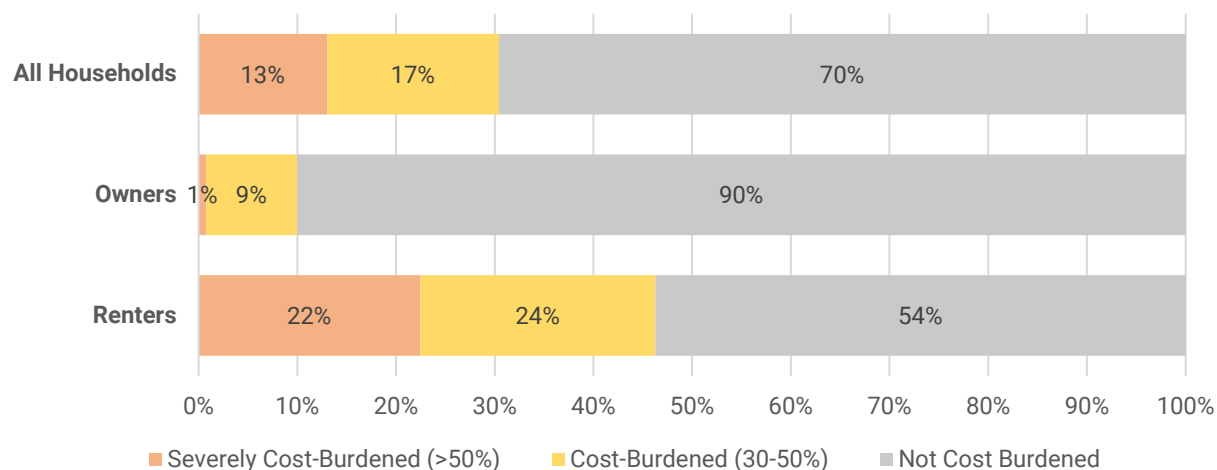


Figure 41. Household Tenure by Cost Burden in the City of Anacortes, 2020. Source: HUD CHAS 2014-2018

The following chart shows cost burden status by household income level. Overall, about 30% of all households are considered cost burdened. More than half of all households earning less than 80% of the area median income (AMI) are considered cost burdened. For very low and extremely low-income households, more than two-thirds are considered cost burdened. This data shows a need for affordable housing at all levels, but primarily for households earning less than 50% AMI.

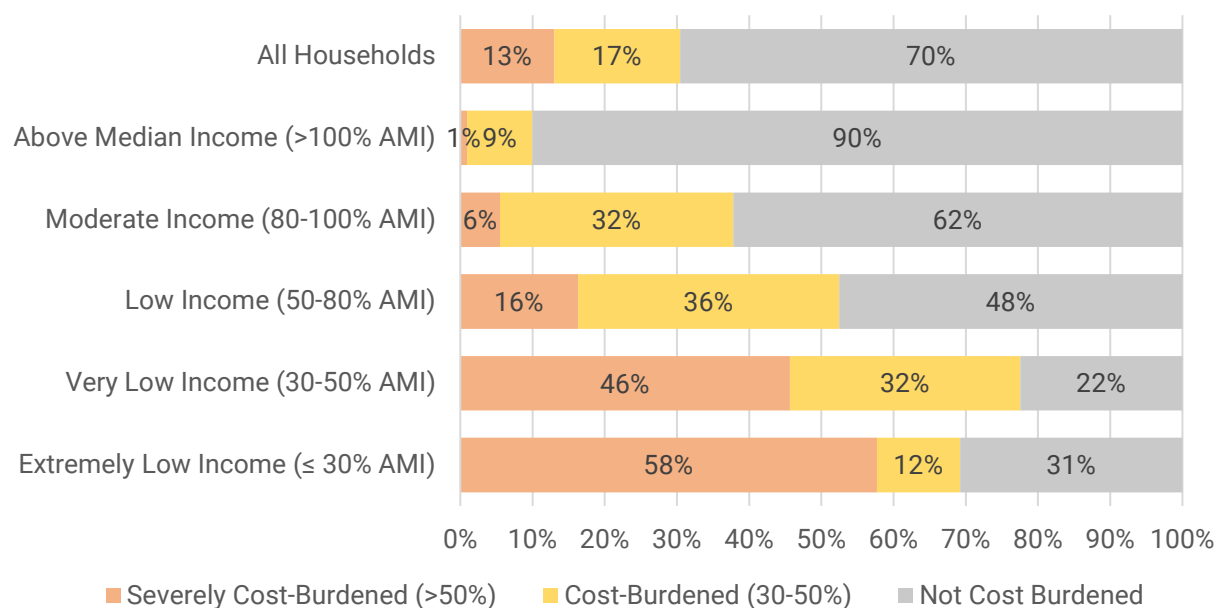


Figure 42. Cost Burden Status by Household Income Level (Percent), 2020. Source: HUD CHAS

The following table shows the same information presented in the figure above in absolute numbers. About 73% of Anacortes's 945 severely cost-burdened households are either extremely low income or very low income. This reflects a significant need for new subsidized housing.

The number of cost burdened households are much more evenly distributed throughout different income levels, with most households earning more than 50% AMI. This reflects a general need for more housing at all affordability levels, both subsidized and market-rate, to ensure that housing costs do not continue to increase beyond a manageable rate.

|                                        | Severely Cost-Burdened (>50%) | Cost-Burdened (30-50%) | Not Cost Burdened | Total        |
|----------------------------------------|-------------------------------|------------------------|-------------------|--------------|
| Extremely Low Income ( $\leq$ 30% AMI) | 375                           | 75                     | 200               | 650          |
| Very Low Income (30-50% AMI)           | 315                           | 220                    | 155               | 690          |
| Low Income (50-80% AMI)                | 180                           | 400                    | 525               | 1,105        |
| Moderate Income (80-100% AMI)          | 35                            | 205                    | 395               | 635          |
| Above Median Income (>100% AMI)        | 40                            | 385                    | 3,830             | 4,255        |
| <b>Total</b>                           | <b>945</b>                    | <b>1,285</b>           | <b>5,105</b>      | <b>7,335</b> |

Figure 43. Cost Burden Status by Household Income Level (Total). Source: HUD CHAS

## Senior Housing

The following table shows household type by income. Overall, about 44% of Anacortes's households are occupied by seniors (either a family or living alone), and about 36% of households are occupied by small families (four or fewer people). The remainder are nonfamily households (15%) and large families (5%). More than one-third senior of households earn less than 80% AMI.

It should be noted that Anacortes does not currently have many assisted living or memory care options for senior residents. This data shows a need to focus on senior living and the specific needs of Anacortes's senior residents.

|                     | Extremely Low Income ( $\leq$ 30% AMI) | Very Low Income (30-50% AMI) | Low Income (50-80% AMI) | Moderate Income (80-100% AMI) | Above Median Income (>100% AMI) | Total |
|---------------------|----------------------------------------|------------------------------|-------------------------|-------------------------------|---------------------------------|-------|
| Senior Family       | 38                                     | 77                           | 260                     | 184                           | 1,225                           | 1,784 |
| Senior Living Alone | 215                                    | 255                          | 305                     | 138                           | 463                             | 1,376 |
| Large Family        | 8                                      | 8                            | 60                      | 42                            | 245                             | 363   |
| Small Family        | 164                                    | 188                          | 305                     | 144                           | 1,780                           | 2,581 |
| Other               | 135                                    | 144                          | 179                     | 124                           | 543                             | 1,125 |
| Total               | 560                                    | 672                          | 1,109                   | 632                           | 4,256                           | 7,229 |

Figure 44. Households by Income and Type. Source: HUD CHAS

## Special Needs Housing

The following table shows the number of household members in Anacortes by disability status and income. There are about 3,260 household members with a disability. About half of these households have incomes above 80%; the remainder are relatively evenly split between the three lower income brackets. Residents with a disability are more likely to have a hearing or vision impairment or an ambulatory limitation (generally meaning they are unable to walk) than other disabilities.

| Disability Status (any household member) | Extremely Low Income ( $\leq$ 30% AMI) | Very Low Income (30-50% AMI) | Low Income (50-80% AMI) | Moderate Income or Higher (>80% AMI) | Total Households |
|------------------------------------------|----------------------------------------|------------------------------|-------------------------|--------------------------------------|------------------|
| Cognitive limitation                     | 110                                    | 65                           | 100                     | 350                                  | 625              |
| Hearing or vision impairment             | 100                                    | 65                           | 160                     | 570                                  | 895              |
| Self-care/ind. living limitation         | 110                                    | 115                          | 155                     | 375                                  | 755              |
| Ambulatory limitation                    | 140                                    | 165                          | 195                     | 485                                  | 985              |

Figure 45. Households by Disability Status and Income. Source: HUD CHAS

## People Facing Homelessness

According to the Washington Department of Commerce, there were approximately 314 people experiencing homelessness in Skagit County in 2020. Of these, the vast majority were adults. More local and updated data would be useful to understand the scale of homelessness in Anacortes.

## Human Service Needs

The Anacortes City Council's Housing Affordability and Community Services (HACS) committee reviews the social service needs of city residents. In 2021, it presented a report on "unmet needs" for people who are in financial, emotional, or mental health crisis. The information in the report was provided by city departments, community services providers, and the public.

The top five categories of need are:

- Housing
- Behavioral and physical health
- Childcare, adult day care
- Legal aid, tenant aid, criminal aid, domestic violence
- Vulnerable populations (e.g., seniors, disabled, veterans)

The key problems meeting these needs are housing affordable to all income levels, communication and coordination between fragmented human services agencies, and establishing continuity of care for people experiencing behavioral health disorders (mental health and substance abuse).

The HACS committee made several findings on affordable housing. Identified needs include small studio, one-bedroom, and single-resident-occupancy (SRO) units at market-rate and low-income rates. Additional low-barrier emergency shelter capacity is needed, particularly during cold weather. Unmet needs for the homeless also include sanitation facilities and storage for personal belongings and pets to help people attend appointments.

Communication and coordination is hampered by the lack of a central communication hub for service providers. The City has taken the steps of establishing weekly meetings to facilitate interagency discussions and contracting with Anacortes Family Center to provide support for the police department. Other frontline City staff, such as those working in parks and the library, are also encountering people in need.

Island Health operates a hospital in Anacortes and offers a variety hospital, primary, secondary, and therapy care services. This includes a psychiatry and behavioral health practice which is reported to have limited staff capacity compared to patient needs. As a result, some people must travel outside of Anacortes to access such services. Even then, Skagit County and Washington State also have almost no staff capacity for long-term behavioral health treatment nor identified courses of action to resolve the gap in need. One bright spot is the didg'walic Wellness Center operated by the Swinomish Indian Tribal Community, which has developed an integrated care model.

| Next Steps/Long-Term Approaches                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                         |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Behavioral Health                                                                                                                                                                                                                                            | Housing Affordability & Availability                                                                                                                                                                                                                                                | Communication & Coordination                                                                                                                                                                                                                                                         |                                                                                     |
| <ul style="list-style-type: none"> <li>• Work with Skagit County to improve timely access to Designated Crisis Responders</li> <li>• Lobby state officials for more mental health resources for Skagit</li> <li>• City staff training for serving those with behavioral health problems or intellectual/developmental disabilities</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Housing Action Plan</b></li> <li>• Low-Barrier Community Shelter/Day Room</li> <li>• Continued participation in the Skagit Housing Consortium</li> <li>• Continued support of AFC/AHA</li> <li>• Exploration of Habitat for Humanity partnership</li> <li>• Work on cost burden issues (utilities, childcare)</li> </ul> | <ul style="list-style-type: none"> <li>• Continue exploration of UniteUs App</li> <li>• Ongoing meetings with local service providers</li> <li>• Improve direct coordination with Skagit County on human services issues</li> <li>• Explore countywide governance model for human services issues/funding</li> <li>• <b>1 FTE Human Services Coordinator</b></li> </ul> |                                                                                     |

Figure 46. HACS Committee recommended next steps on unmet needs. Source: City of Anacortes

## Transit

Skagit Transit operates several bus routes in Anacortes. The 409 is a circulator bus running between Downtown and 32nd Street. The 410 runs between the Skyline neighborhood and the March Point park and ride. The 40X and 513 connect March Point to, respectively, Mount Vernon and Burlington.

All routes generally run at frequencies between one and three hours, with limited evening service, and they do not operate on Sundays. The level of service is unreliable for transit-reliant people, especially those who need to access social and human services which are concentrated in Mount Vernon and Burlington. From Anacortes the trip requires a transfer between two very infrequent buses.

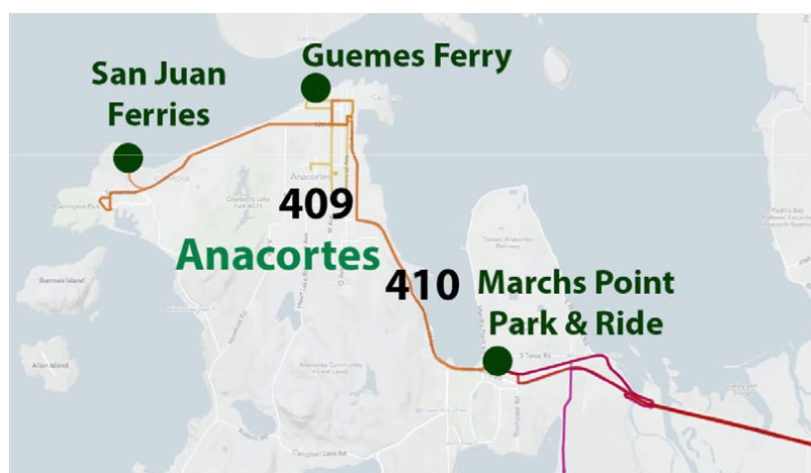


Figure 47 - Public transit routes in Anacortes. Source: Skagit Transit

## Section 5 – Housing Funding and Monetary Tools

### Existing Funding

In February 2020, Anacortes voters approved a 0.1% sales tax to use for affordable housing. This is authorized by [RCW 82.14.530](#) (effective June 2020, voter approval for such measures is no longer required). Additionally, the City will collect a 0.0146% sales tax credit from the State, as outlined in RCW 82.14.543, that may be used for constructing or maintaining affordable housing.

Combined, the 2021 revenue from the sales tax sources was about \$719,000. The funds have been split between the AHA and AFC. The funds are already assisting ongoing projects. These include AFC's Landing Apartments and AHA's Birch Tree Village townhomes and the rehabilitation of the Olson Building.

The City receives federal Community Development Block Grant (CDBG) funding of approximately \$100,000 per year that is used for low-income housing maintenance and rehabilitation. This funding also goes to either the AHA or AFC. The [U.S. Department of Housing and Urban Development](#) manages a variety of CDBG grants that cities may apply to.

### Other Funding Options

The [Municipal Research Service Center](#) provides a list of other funding sources for Washington cities and affordable housing developers. These include:

- Property tax levy of up to \$0.50 per \$1,000 assessed valuation for up to 10 years to fund very low-income housing ([RCW 84.52.105](#))
- Real estate excise tax of up to 0.25% to fund affordable housing through 2026 ([RCW 82.46.035](#))
- Mandatory inclusionary zoning requirements that require residential developments to either provide affordable housing on-site or to pay into a housing fund for city governments to fund housing elsewhere
- Lodging taxes, which may be used to fund a variety of government programs (as noted under the short-term rental discussion, Anacortes already has a lodging tax)
- Loans and grants from the [Washington State Housing Trust Fund](#) (administered by the Washington State Department of Commerce)
- State law under [RCW 43.185C.080](#) allows cities to receive grants from the Washington homeless housing account. A prerequisite is adoption of a local homeless housing plan or adopting by reference a county homeless housing plan that has a specific strategy for the city. Grant value is tied to the real estate document recording fees generated within the local jurisdiction.
- Low-income housing tax credits which investors in housing projects can apply to (administered by the [Washington State Housing Finance Commission](#))

## Multifamily Tax Exemption

A related option is a multifamily tax exemption (MFTE) program authorized by the state in 1995 ([RCW 84.14](#)). Cities can grant an 8-year property tax exemption for any type of multifamily development, or a 12-year exemption for multifamily developments that reserve at least 20 percent of units for low- and moderate-income households. The program can be used for new buildings or existing buildings.

Land, existing site improvements, and non-residential improvements are not exempt and are subject to normal property taxes. At the local government's discretion, the exemption's basis may be limited to the value of affordable units or other criteria. The local government has latitude in many other aspects. It can require certain public benefits, change what types of development apply, and can map specific areas where the exemption is available. Cities can also set lower maximum rent prices than the statute allows.

Anacortes had an MFTE program previously. It started in the late 2000's at the time of the housing recession. No projects applied and the City ended the program in 2015.

MFTE programs require ongoing monitoring, especially for any buildings with affordable units, to ensure that rental rates and resident incomes are meeting the criteria. The Anacortes Housing Authority has indicated openness to assisting with screening and monitoring, as they already have systems in place to administer income-based housing.

A 2019 statewide [audit](#) found that local MFTE programs are frequently used to improve the financial performance of private developments but it is unclear if they result in a net increase in housing production. For 2018 the audit found average annual local and state [property tax savings](#) of \$10,651 per affordable unit and \$2,096 per market-rate unit, with wide variations depending on the location, land value, and local property tax rates. Seattle has the most MFTE units in the state and likely skews the average tax savings high. Bellingham, for example, sees average annual property tax savings of \$1,390 per market-rate unit.

As noted in Section 3, the past few years have seen unprecedented increases in construction costs which have a major impact on development feasibility. Today there is renewed interest in the program among City officials and stakeholders. It would likely be attractive since no other cities in Skagit County have adopted an MFTE program.

## Section 6 – Housing Policies

### Comprehensive Plan Goals and Policies

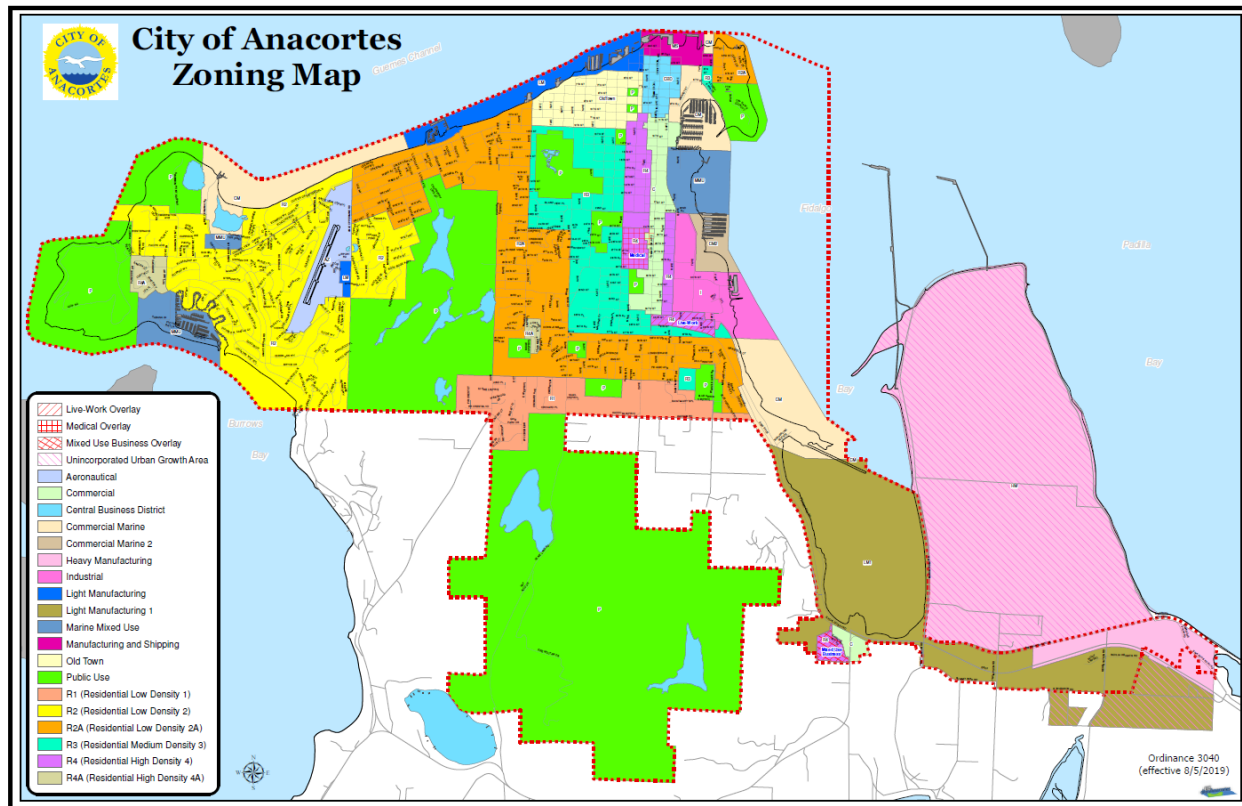
The 2016 Anacortes Comprehensive Plan contains policies that relate to the development and maintenance of housing. This section focuses on a handful of key elements in the Housing Element and the Land Use element; full comments are available in Appendix B.

| Policy                                                                                                                                                       | Comment                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Policy H-1.1</u> - Provide for an adequate supply of appropriately zoned land to accommodate the city's housing growth targets.                           | Volume 2 of the Comprehensive Plan identifies a 20-year growth target (2016-2036) of 5,895 new residents and 2,620 new dwelling units. To reach the target an average of 131 new units needs to be built per year. According to 2016-2021 GIS structures data, an average of 101 units per year is being built. <b>This means Anacortes is on track to fall short of its 20-year housing growth target.</b> |
| <u>Policy H-1.3</u> - Integrate smaller housing types, such as cottages, duplexes, townhouses, and accessory dwelling units, into residential neighborhoods. | The 2019 code update made several changes that encourage more of these "missing middle" housing types. While the data since the 2019 code update (years 2020-2021) reflects a limited span of time, an increase in the share of ADUs, townhouses, and cottages reflects a positive trend.                                                                                                                   |
| <u>Policy H-1.6</u> - Evaluate barriers to achieving increased density in multifamily residential and mixed-use zones and revise regulations if appropriate. | The 2019 code update eliminated density limits in the R4 zone and relaxed ground floor commercial requirements on nearly all side streets, thus enhancing opportunities for multifamily development. In 2020-2021, 33 multifamily units were built including one mixed-use project.                                                                                                                         |

### Development Regulations

The primary way the City of Anacortes affects housing production and supply is through its development regulations. This begins with zoning, which are regulations on where and what type of housing is permitted to be constructed. The 2019 code update made several zoning and other regulatory changes to help meet Comprehensive Plan housing goals related to housing diversity, location, and affordability.

Zoning standards start under [Chapter 19.41 AMC](#). This chapter is summarized in the map and permitted use and dimensional tables for the residential zones below.



In the zoning tables, P means permitted, C means conditionally permitted (subject to extra review and public comment), and a blank cell means the housing type is not permitted in the zone.

| Residential Uses                       | Residential Zones |    |     |    |     |    |     |    |
|----------------------------------------|-------------------|----|-----|----|-----|----|-----|----|
|                                        | R1                | R2 | R2A | R3 | R3A | R4 | R4A | OT |
| <b>Household living</b>                |                   |    |     |    |     |    |     |    |
| Single-family                          | P                 | P  | P   | P  | P   | P  | P   | P  |
| Single-family, small lot               |                   |    |     | P  | P   | P  | P   |    |
| Cottage housing                        |                   | P  | P   | P  | P   | P  | P   |    |
| Duplex                                 |                   | C  | P   | P  | P   | P  | P   | P  |
| Triplex                                |                   |    |     | C  | P   | P  | P   |    |
| Townhouse                              |                   |    |     | C  | P   | P  | P   |    |
| Multifamily dwellings, 4 units         |                   |    |     | C  | P   | P  | P   |    |
| Multifamily dwellings, 5 or more units |                   |    |     |    |     | P  | P   |    |
| Live-work                              |                   |    |     |    |     |    |     |    |
| <b>Group living</b>                    |                   |    |     |    |     |    |     |    |
| Adult family home                      | P                 | P  | P   | P  | P   | P  | P   | P  |
| Assisted living facility               |                   |    |     | C  | C   | P  | C   |    |
| Nursing homes                          |                   |    |     |    |     | C  |     |    |
| Rooming houses                         |                   |    |     | C  | C   | P  | P   | C  |

Figure 48 - Excerpt of Anacortes Municipal Code table 19.41.040

Next, the development regulations govern the form and intensity of housing through [Chapter 19.42 AMC](#).

|                                                                                              | Residential Zones |       |       |                         |       |       |       |       |
|----------------------------------------------------------------------------------------------|-------------------|-------|-------|-------------------------|-------|-------|-------|-------|
| Measure                                                                                      | R1                | R2    | R2A   | R3                      | R3A   | R4    | R4A   | OT    |
| <b>Lot Size &amp; Development Intensity</b>                                                  |                   |       |       |                         |       |       |       |       |
| Lot size for single-family dwelling, minimum (square-feet)                                   | 15,000            | 7,500 | 6,000 | 4,500                   | 3,000 | 3,000 | 3,000 | 6,000 |
| Lot size for duplex, minimum (square-feet)                                                   |                   | 9,000 | 9,000 | 7,500                   | 5,000 | 4,200 | 4,200 | 7,500 |
| Additional lot size needed for additional dwelling unit beyond duplex, minimum (square-feet) |                   |       |       | 2,500                   | 2,000 |       | 1,200 |       |
| Density maximum (dwelling units/gross acre)                                                  | 2                 | 4     | 6     | See lot size min. above |       | None  | 18    | 9     |
| Lot coverage, maximum percentage                                                             | 35%               | 35%   | 40%   | 50%                     | 50%   | 50%   | 50%   | 35%   |
| Landscaped area, minimum percentage                                                          | 20%               | 20%   | 20%   | 20%                     | 20%   | 20%   | 20%   | 20%   |
| <b>Height – Principal Structures</b>                                                         |                   |       |       |                         |       |       |       |       |
| Height, maximum (feet)                                                                       | 35                | 35    | 35    | 35                      | 35    | 40    | 35    | 25    |
| Height, maximum with bonus                                                                   |                   |       |       |                         |       | 50    |       |       |
| <b>SETBACKS (Feet)</b>                                                                       |                   |       |       |                         |       |       |       |       |
| Street setback, minimum                                                                      | 20                | 20    | 20    | 20                      | 20    | 10    | 10    | 20    |
| Street setback - garage, minimum                                                             | 25                | 20    | 20    | 20                      | 20    | 20    | 20    | 25    |
| Side street setback, minimum                                                                 | 20                | 10    | 10    | 10                      | 10    | 10    | 10    | 10    |
| Interior side setback, minimum                                                               | 10                | 5     | 5     | 5                       | 5     | 5     | 5     | 5     |
| Interior side setback - upper floors, minimum                                                | 10                | 7.5   | 7.5   | 7.5                     | 7.5   | 7.5   | 7.5   | 7.5   |
| Rear setback, minimum                                                                        | 20                | 20    | 20    | 20                      | 20    | 10    | 10    | 20    |

Figure 49 - Excerpt of Anacortes Municipal Code table 19.42.020

Some housing types are also permitted in mixed-use and industrial zones, but their associated tables are not displayed here for brevity.

In addition, Chapters 19.43 and 19.47 in the updated code provide supplemental residential use and design standards for most housing types. Multifamily design standards are separately located under Chapters 19.61, 19.62, and 19.63 AMC.

## Building Code

The City of Anacortes has adopted standard building and trades under [Chapter 19.14 AMC](#) with local amendments. Adopted codes include the International Building Code (applies to commercial and mixed-use development, and residential development with three or more units), the International Residential Code (applies to single-family, duplex, and townhouse development), and international codes for mechanical systems, plumbing, energy conservation, fire safety, and property maintenance.

## Landlord-Tenant Regulations

People who rent homes are significantly more likely to be cost-burdened, face eviction, and be at risk of homelessness. Recognizing this, the State of Washington sets the baseline for the

landlord-tenant relationship through the State Residential Landlord-Tenant Act, RCW 59.18. According to the Attorney General's Office, there is no centralized enforcement mechanism for the RCW, and so it is incumbent upon landlords and tenants to either self-remedy violations, seek counseling or low-cost legal help from non-profit organizations, and/or resolve disputes through the courts.

Over the past few years, the Washington State Legislature has adopted new tenant protections as follows.

| Year | RCW       | Topic                                          | Effect                                                                                                                                                            |
|------|-----------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2018 | 59.18.255 | Prohibition on source of income discrimination | Prohibits source of income discrimination against a tenant who uses a benefit or subsidy to pay rent                                                              |
| 2019 | 59.18.200 | Notice of demolition                           | Tenants must be provided a 120-day notice to tenants of demolition or substantial rehabilitation of premises                                                      |
| 2019 | 59.18.140 | Notice of rent increase                        | Tenants must be provided a 60-day notice of a rent increase, and increases may not take effect until the completion of the term of the current rental agreement   |
| 2020 | 59.18.610 | Initial deposits and fees                      | Tenants may request paying initial deposits, nonrefundable fees, and last month's rent in installments (may be spread over 2-3 months, depending on lease length) |
| 2021 | 59.18.650 | Just cause evictions                           | Landlords must specify a reason for refusing to continue a residential tenancy, subject to certain limited exceptions                                             |

Figure 50 - Recent state landlord-tenant regulations

Notably, rent control by local jurisdictions was banned at the state level in 1981 (RCW 35.21.830). Otherwise, local jurisdictions are free to adopt additional or more stringent regulations than those provided by the state, and numerous cities and counties have done so.

The City of Anacortes has not adopted any local landlord-tenant regulations. The King County Bar Association provides a model tenant protection ordinance within the framework of Washington State law which could be informative for future discussions and recommendations.

### State Land Use Law

In recent years the Washington State Legislature has enacted preemption laws requiring local jurisdictions to ease regulations on certain types of residential land uses. In the 2022 legislative session, several additional bills were proposed with major preemptions regarding missing middle housing, accessory dwelling units, and minimum building heights (respectively, [HB 1782](#), [HB 2020](#), and [HB 1660](#)). These recent bills did not pass but can likely be expected to come up again in 2023 and beyond as Washington continues to confront statewide housing challenges.

A non-exhaustive list of recent state preemptions follows.

| Year | RCW                        | Topic                      | Effect                                                                                                            |
|------|----------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------|
| 2018 | <a href="#">36.70A.450</a> | Home-based family day care | Cities may not prohibit the use of a residential dwelling, located in an area zoned for residential or commercial |

| Year | RCW                        | Topic                                                             | Effect                                                                                                                                                                                                                                                                                                                      |
|------|----------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                            |                                                                   | use, as a family day-care provider's facility serving twelve or fewer children                                                                                                                                                                                                                                              |
| 2019 | <a href="#">35.21.684</a>  | Tiny homes                                                        | Cities may not adopt ordinances that prevent tiny homes with wheels used as a primary residence in a manufactured/mobile home community, with the exception that ordinances may require that tiny houses with wheels contain sanitary plumbing fixtures.                                                                    |
| 2019 | <a href="#">35A.63.300</a> | Religious organization density bonus                              | Upon request, cities must allow an increased density bonus for development of single-family or multifamily residences affordable to low-income households on property owned by religious organizations.                                                                                                                     |
| 2019 | <a href="#">36.70A.600</a> | Safe harbor from appeals under the State Environmental Policy Act | The adoption of ordinances and other nonproject actions taken by a city to ease regulations on housing development are not subject to administrative or judicial appeal under RCW 43.21C. Similar protection is made for housing elements and implementing regulations that increase housing capacity under RCW 36.70A.070. |
| 2020 | <a href="#">36.70A.698</a> | Parking for accessory dwelling units                              | Cities may not require the provision of off-street parking for accessory dwelling units within one-quarter mile of a major transit stop (likely does not apply to Anacortes due to low transit service today).                                                                                                              |
| 2020 | <a href="#">36.70A.620</a> | Parking for multifamily housing                                   | Cities may not require more than a certain ratio of parking spaces per unit within one-quarter mile of a frequent transit stop. There are different limits for market-rate units, designated senior and disability homes, and low-income units (likely does not apply to Anacortes due to low transit service today).       |
| 2021 | <a href="#">35A.21.430</a> | Permanent supportive housing                                      | Cities may not prohibit permanent supportive housing in areas where multifamily housing or hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed. This supersedes a similar law passed in 2019, RCW 35A.21.305.                                                             |
| 2021 | <a href="#">35A.21.430</a> | Transitional housing                                              | Cities may not prohibit transitional housing in areas where multifamily housing or hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed.                                                                                                                                   |
| 2021 | <a href="#">35A.21.430</a> | Indoor emergency shelters and indoor emergency housing            | Cities may not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are permitted. Reasonable occupancy, spacing, and intensity of use requirements may be imposed.                                                                                                                 |
| 2021 | <a href="#">35A.21.314</a> | "Family" definition and number of unrelated household occupants   | Except for limits on occupant load per square foot or general health and safety provisions, cities may not regulate or limit the number of unrelated persons that may occupy a household or dwelling unit.                                                                                                                  |

| Year | RCW                        | Topic                                                | Effect                                                                                                                                                                                                                                                                                                        |
|------|----------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2021 | <a href="#">36.70A.070</a> | Requirements for Comprehensive Plan Housing Elements | Requires planning and analysis of housing needs for moderate, low, very low, and extremely low-income households; a variety of housing types; zoning that may have a discriminatory effect; and other related issues. This will apply to the next major update of Anacortes's Comprehensive Plan due in 2025. |

Figure 51 - Recent state zoning preemptions

## Federal Incentives

Created in 2017, Opportunity Zones are intended to assist economically distressed communities with preferential tax treatment for those investing eligible capital gains. Anacortes has been designated with one federal [Opportunity Zone](#) located contiguously with Census Tract #53057940500. This is in the South Commercial Avenue area and it overlaps with commercial and residential zones (C, R4, R3, and R2A). City staff report little to no local interest by developers. The program expires at the end of 2026.

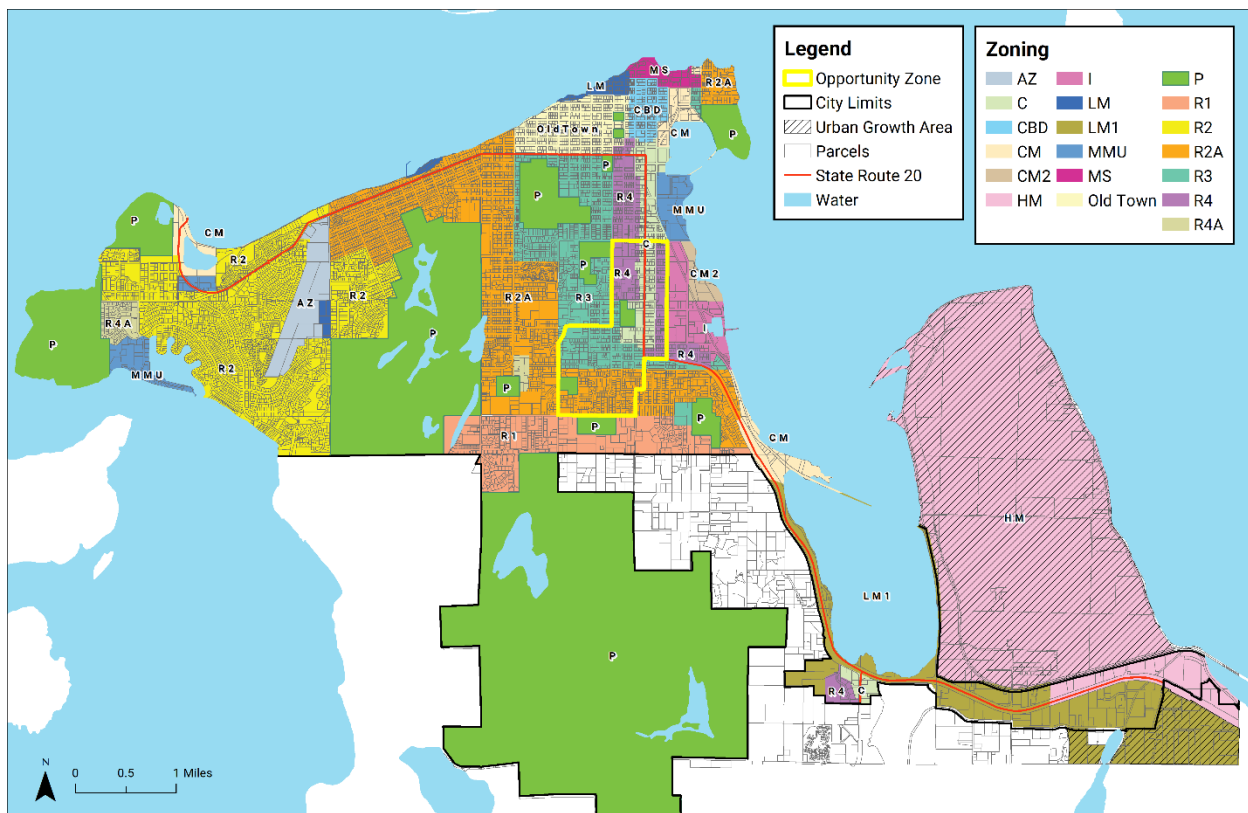


Figure 52 – Zoning and location of the federal Opportunity Zone in Anacortes

Anacortes shares many of its housing challenges with other communities nationwide, and the country's affordable housing problem has caught the attention of the White House. In [May 2022](#), President Biden released a statement saying, in part:

*"One of the most significant issues constraining housing supply and production is the lack of available and affordable land, which is in large part driven by state and local zoning and*

*land use laws and regulations that limit housing density. Exclusionary land use and zoning policies constrain land use, artificially inflate prices, perpetuate historical patterns of segregation, keep workers in lower productivity regions, and limit economic growth. Reducing regulatory barriers to housing production has been a bipartisan cause in a number of states throughout the country. It's time for the same to be true in Congress, as well as in more states and local jurisdictions throughout the country."*

The President has directed his administration to leverage existing transportation and economic development funding streams to reward jurisdictions that promote density, main street revitalization, and transit-oriented development. For the near future, the President has also proposed billions of dollars for HUD grant programs to support local jurisdictions in eliminating barriers to affordable housing production, supporting manufactured housing, scaling up ADU production, and other measures.

## Section 7 – Land Capacity Analysis

A land capacity analysis is a core element of a housing needs analysis, as required by the Washington Department of Commerce. The Comprehensive Plan, adopted by the City of Anacortes in 2016, includes a buildable lands analysis that serves as the baseline analysis for this section.

### 2016 Analysis

The following table shows the results of the residential buildable land analysis from the 2016 Comprehensive Plan. The land capacity analysis was conducted using available GIS layers, buildout data from the Skagit County assessor, and growth projections from the Washington Office of Financial Management. The analysis involved using GIS to estimate the amount of land available for development in each city and UGA, and then comparing the available land to future growth projections. Areas where development is unlikely, such as wetlands, steep slopes, and floodplains were removed.

| Zone                            | Net Buildable Acres | Assumed Density | Estimated Additional Dwelling Units | Existing Platted Vacant Lots | Estimated Capacity (Dus) |
|---------------------------------|---------------------|-----------------|-------------------------------------|------------------------------|--------------------------|
| Residential Low Density (R1)    | 52.73               | 2               | 105                                 | 26                           | 131                      |
| Residential Low Density (R2)    |                     |                 |                                     |                              |                          |
| West of Anacopper Mine Rd.      | 49.27               | 4               | 197                                 | 293                          | 490                      |
| East of Anacopper Mine Rd.      | 85.73               | 5               | 429                                 | 207                          | 636                      |
| Residential Medium Density (R3) | 24.68               | 11              | 271                                 | 26                           | 297                      |
| Old Town Overlay                | 1.28                | 9               | 11                                  | 0                            | 11                       |
| Residential High Density (R4)   | 8.45                | 28              | 237                                 | 19                           | 256                      |
| Commercial (C)                  | 0.41                | 28              | 12                                  | 0                            | 12                       |
| Central Business District (CBD) | 0.17                | 50              | 8                                   | 0                            | 8                        |
| Marine Mixed Use                |                     |                 |                                     |                              |                          |
| MJB                             | 9.87                | 40              | 395                                 | 0                            | 395                      |
| Skyline                         | 1.64                | 28              | 46                                  | 19                           | 65                       |
| Ferry Terminal Rd               | 1.75                | 30              | 53                                  | 0                            | 53                       |
| Commercial Marine 1 (CM1)       | 0.53                | 28              | 15                                  | 0                            | 15                       |

Figure 53. Anacortes 2015 Residential Buildable Lands Analysis Summary. Source: 2016 Comprehensive Plan

### 2022 Analysis

Six years have now passed since this land capacity analysis was conducted. During this time, the City has updated the density provisions in its zoning code and almost 500 housing units have been built absorbing approximately 64 acres of buildable land. The table below reflects these updated conditions.

The City of Anacortes, as of the start of 2022, has an approximate total capacity of just over 2,000 housing units. Based on development trends over the past five years, this would reflect

about 20 years of capacity for new housing development. However, the increased development trends in recent years and the potential for some of these “buildable” lands to remain vacant in perpetuity due to infrastructure or environmental constraints, odd lot sizes, parcelization, or simply owner preference, suggests that this probably reflects a development capacity of closer to 10 to 15 years at current allowed densities.

| Zone         | Net Buildable Acres (2016) | Updated Density (2022) | Permitted Dev't (Lot Acres) 2016-2021 | Estimated Additional Dwelling Units (2022) | Existing Platted Vacant Lots (2021) | Estimated Capacity (Dus) (2022) |
|--------------|----------------------------|------------------------|---------------------------------------|--------------------------------------------|-------------------------------------|---------------------------------|
| R1           | 52.73                      | 2                      | 4.10                                  | 97                                         | 13                                  | 110                             |
| R2           | 49.27                      | 4                      | 31.37                                 | 72                                         | 188                                 | 260                             |
| R2A          | 85.73                      | 5                      | 18.62                                 | 336                                        | 163                                 | 499                             |
| R3           | 24.68                      | 12                     | 3.18                                  | 258                                        | 41                                  | 299                             |
| Old Town     | 1.28                       | 8                      | 0.62                                  | 5                                          | 28                                  | 33                              |
| R4           | 8.45                       | 60                     | 3.13                                  | 319                                        | 11                                  | 330                             |
| C            | 0.41                       | 40                     | 1.52                                  | 0                                          | 17                                  | 17                              |
| CBD          | 0.17                       | 70                     | 0.07                                  | 7                                          | 6                                   | 13                              |
| MMU          | 13.79                      | 37                     | 1.57                                  | 450                                        | 28                                  | 478                             |
| CM           | 0.53                       | 28                     | 0.03                                  | 14                                         | 2                                   | 16                              |
| <b>Total</b> | <b>237</b>                 |                        | <b>64</b>                             | <b>2,051</b>                               | <b>497</b>                          | <b>2,055</b>                    |

Figure 54. 2022 Buildable Land Capacity. Source: Leland Consulting Group

## Appendix A – Affordable Housing Inventory

| Property Name                        | Zone | Units | Residents | Housing Type    | Resident Criteria                  |
|--------------------------------------|------|-------|-----------|-----------------|------------------------------------|
| <b>Anacortes Housing Authority</b>   |      |       |           |                 |                                    |
| Harbor House                         | CBD  | 50    | 51        | Multifamily     | Elderly/disabled, income 0-80% AMI |
| Cypress Homes                        | R3   | 14    | 38        | Multifamily     | Family, income 0-80% AMI           |
| Cottonwood Place                     | R4   | 14    | 43        | Multifamily     | Family, income 0-80% AMI           |
| The Willows                          | C    | 22    | 57        | Multifamily     | Family, income 0-80% AMI           |
| Maple Leaf Apartments                | C    | 4     | 12        | Multifamily     | Family, income 0-80% AMI           |
| Evergreen Place                      | R4   | 2     | 6         | Duplex          | Family, income 0-80% AMI           |
| Hawthorne Place                      | R4   | 4     | 7         | Multifamily     | Family, income 0-80% AMI           |
| Cedar Estates                        | R3   | 2     | 4         | Duplex          | Family, income 0-80% AMI           |
| Pear Tree Townhomes                  | R4   | 7     | 13        | Townhouses      | Income 0-80% AMI                   |
| Wilson Hotel                         | CBD  | 25    | 24        | Multifamily     | Income 30-50% AMI                  |
| Bayview Apartments                   | R4   | 46    | 91        | Multifamily     | Income 0-60% AMI                   |
| Birch Tree Village (in construction) | R4   | 5     |           | Townhouses      | Income 0-60% AMI                   |
| Olson Building (in planning)         | MS   | 20    | n/a       | Multifamily     | Income 0-60% AMI                   |
| <b>Anacortes Family Center</b>       |      |       |           |                 |                                    |
| Emergency Shelter                    | R4   | 9     | 161       | Shelter         | Stays up to three months           |
| Transitional Shelter                 | R4   | 9     | 37        | Shelter         | Stays up to two years              |
| The Launch                           | R4   | 20    | 52        | Multifamily     | Income 30-60% AMI                  |
| Affordable Housing                   | R3   | 2     | n/a       | Single-Family   | Income 60% AMI                     |
| The Landing (in construction)        | R4   | 21    | n/a       | Multifamily     | Income 30-50% AMI                  |
| <b>Private Ownership</b>             |      |       |           |                 |                                    |
| Anacortes Manor                      | R4   | 35    | n/a       | Assisted Living | Elderly                            |
| Silverwood                           | C    | 24    | n/a       | Assisted Living | Elderly or disabled                |
| Harborview Apartments                | R4   | 32    | n/a       | Multifamily     | Family                             |
| Bayside                              | R4   | 20    | n/a       | Multifamily     | Family                             |

## Appendix B – Comprehensive Plan Policies

The consultant team's comments on select housing policies are listed below.

### Housing Element

| Goal/<br>Policy | Text                                                                                                                                                                                  | MAKERS Comments                                                                                                                                                                                                                                                                                                      |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H-1.1           | Provide for an adequate supply of appropriately zoned land to accommodate the city's housing growth targets.                                                                          | Volume 2 of the Comprehensive Plan identifies a 20-year growth target (2016-2036) of 5,895 new residents and 2,620 new dwelling units. To reach the target an average of 131 units per year should be built. According to 2016-2021 permit data provided by the City, an average 101 units per year have been built. |
| H-1.3           | Integrate smaller housing types, such as cottages, duplexes, townhouses, and accessory dwelling units, into residential neighborhoods.                                                | The 2019 code update made several changes that encourage more of these "missing middle" housing types. While the data since the 2019 code update (years 2020-2021) reflects a limited span of time, an increase in share of ADUs, townhouses, and cottages is encouraging and will be reviewed further in the HAP.   |
| H-1.6           | Evaluate barriers to achieving increased density in multifamily residential and mixed use zones and revise regulations if appropriate.                                                | The 2019 code update eliminated density limits in the R-4 zone and relaxed ground floor commercial requirements on nearly all side streets, thus enhancing opportunities for multifamily development. In 2021-2021, 33 multifamily units were built including one mixed-use project.                                 |
| H-1.7           | Provide for development of multifamily housing in areas close to shopping, employment, services and public transportation.                                                            | Same as above.                                                                                                                                                                                                                                                                                                       |
| H-1.9           | Encourage demonstration projects of innovative housing types or programs, such as co-housing, tiny houses, or others.                                                                 | The new cottage housing ordinance could be designed as co-housing. Otherwise, the city could pursue other demonstration projects as a public/private partnership, consider opportunities as a part of this HAP.                                                                                                      |
| H-2.3           | Encourage rehabilitation and improvement programs to preserve the character and condition of existing housing.                                                                        | Check in with City staff on whether such programs exist. If not, are they still desirable and what would it take to launch them? If so, what is working well and what needs improvement?                                                                                                                             |
| H-3.2           | Develop meaningful, measurable goals and strategies that promote the development of affordable workforce housing to meet local needs and monitor progress toward meeting those goals. | It is not clear that measurable affordable housing goals currently exist beyond land use/zoning changes and growth targets noted above. Such measurable goals and strategies could be developed in the HAP.                                                                                                          |

| Goal/<br>Policy | Text                                                                                                                                                                                                | MAKERS Comments                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| H-3.3           | Support non-profit agencies and public/private partnerships to preserve or develop additional housing for very low, low and moderate income households.                                             | The City's sales tax and CDBG funding are examples of this.                                                                                                                                                                                                                                                                                                                                                       |
| H-3.4           | Support both rental and ownership forms of affordable housing in a variety of types and sizes.                                                                                                      | The 2019 code update helps to implement this.                                                                                                                                                                                                                                                                                                                                                                     |
| H-3.5           | Locate affordable housing throughout the city and especially in areas with good access to transit, employment, education, and shopping.                                                             | Updated zoning provisions help to implement this. The HAP may also consider current levels and accessibility of transit and services.                                                                                                                                                                                                                                                                             |
| H-3.6           | Consider a housing levy to provide ongoing funding for affordable housing.                                                                                                                          | While not a property tax levy, the City has been collecting a voter-approved 0.1% sales tax for affordable housing since July 2020.                                                                                                                                                                                                                                                                               |
| H-3.7           | Consider developing an inclusionary zoning program as a means of increasing the City's affordable housing supply.                                                                                   | This was considered during the 2019 development regulations update and could be considered again in the HAP, though it would need to be paired with an increase in height and/or density to justify the requirement – and considering many such changes occurred in the recent code update, additional increases are likely to be challenging at best (from a compatibility standpoint and/or market standpoint). |
| H-3.8           | Require that affordable housing achieved through public incentives or assistance remains affordable for the longest possible term.                                                                  | The R4 zone bonus provision implements this.                                                                                                                                                                                                                                                                                                                                                                      |
| H-3.9           | Evaluate land owned by the City and other public entities for use for affordable housing utilizing a community land trust,-or similar, -type model.                                                 | A high-level surplus land analysis can be performed in the HAP.                                                                                                                                                                                                                                                                                                                                                   |
| H-3.10          | Develop and implement a detailed affordable housing program that identifies specific actions to increase the supply of housing that is affordable to low to middle-income individuals and families. | The HAP itself implements this policy.                                                                                                                                                                                                                                                                                                                                                                            |
| H-4.1           | Provide accommodation throughout the city for housing for people with special needs and avoid concentrations of such housing.                                                                       | Zoning updates can help implement this.                                                                                                                                                                                                                                                                                                                                                                           |
| H-4.3           | Promote a range of housing types for seniors; e.g., adult family homes,                                                                                                                             | The code now allows for this – though the conditional use provision in the R3 could be relaxed.                                                                                                                                                                                                                                                                                                                   |

| Goal/<br>Policy | Text                                                                                                                                                                                                       | MAKERS Comments                                                               |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                 | skilled nursing facilities, assisted living, and independent living communities.                                                                                                                           |                                                                               |
| H-4.5           | Promote the provision of support services, including transportation options, to allow seniors and those with special needs to remain in their own homes or non-institutional settings.                     | This policy connects with the Transportation Element policies reviewed below. |
| H-4.6           | Support public and private housing and services for people who are homeless.                                                                                                                               | Will be reviewed in the HAP.                                                  |
| H-5.2           | Explore local and regional funding options to support development of housing for low- and moderate-income households.                                                                                      | Will be reviewed in the HAP.                                                  |
| H-6.1           | Evaluate and report on how the goals and policies of this Housing Element are being achieved.                                                                                                              | Will be reviewed in the HAP.                                                  |
| H-6.2           | Monitor housing supply, type and affordability, including progress toward meeting a proportionate share of the countywide need for affordable housing for very low-, low-, and moderate-income households. | Will be reviewed in the HAP.                                                  |
| H-6.3           | Monitor local data and routinely reassess and adjust policies, strategies and regulations to improve effectiveness of programs to meet local housing needs                                                 | Will be reviewed in the HAP.                                                  |

## Land Use Element

| Goal/<br>Policy | Text                                                                                                                                                                                                                                                                                                                                                                                                                                                       | MAKERS Comments                                                                                                                                    |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Table<br>LU-1   | Residential Medium Density<br>Principal uses & density: Single-family detached dwellings are the predominant dwelling type. Other dwelling types, such as accessory dwellings, cottage housing, and <u>low density multi-family</u> may be allowed under certain circumstances. The permitted density is 7-14 dwelling units per gross acre, depending on the particular housing types used and established development pattern and character of the area. | Townhouses, triplexes, and fourplexes are conditionally permitted in the R3 zone. Consistent with the policy, consider changing this to permitted. |
| LU-3.2          | Craft and maintain zoning regulations to balance the need to accommodate anticipated growth while preserving the City's historic resources and character. Consider techniques to                                                                                                                                                                                                                                                                           | The continuation/refinement of the Old Town zoning arguably does this. Explore                                                                     |

| Goal/<br>Policy | Text                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | MAKERS Comments                                                                                                                                                                                                                  |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | integrate incentives and/or site design flexibility for preservation and/or reuse of historic structures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | other incentives as a part of this HAP process.                                                                                                                                                                                  |
| LU-4.3          | Encourage retrofits to existing development and infrastructure to reduce environmental impact. Explore providing incentives to residents and businesses that improve building energy performance and/or incorporate onsite renewable energy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Building energy use is an affordability issue. The HAP could recommend strategies to improve building energy efficiency and update zoning to easily permit onsite renewable energy.                                              |
| LU-4.6          | Explore the feasibility of an incentive zoning/development credit program. For example, under such program, developers could have an option to purchase additional density credits or other zoning code flexibility. Funds from this purchase could go towards purchasing land or the development rights from property owners in sensitive natural/rural areas or toward some other public benefit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | The proposal for the R1 zone in the 2019 code update went in this direction, but it was ultimately not approved. Explore other incentives as a part of this HAP process.                                                         |
| LU-6.1          | <p>Provide for a wide variety of housing types within the city to meet the full range of housing needs for Anacortes's evolving population.</p> <p>A. Accessory dwelling units (ADU). Allow for attached and detached ADUs in all residential districts provided size, design, and other provisions are included to promote compatibility with surrounding uses.</p> <p>B. Small lot single family. Allow for small lot single family development (lots smaller than 5,000 square feet) in the R3 zone provided design provisions that emphasize a pedestrian-oriented design and the inclusion of usable open space are included.</p> <p>C. Cottage housing. Encourage the development of cottage housing (a cluster of small homes around a common open space) in single family zones as an increasingly popular housing type, provided special design provisions are included to ensure a pedestrian-oriented design, inclusion of common open space, and strict cottage size limitations.</p> <p>D. Duplexes &amp; triplexes. Encourage these housing types in the R3 and R4 zones provided design provisions that emphasize a pedestrian-oriented design and the inclusion of usable open space are included.</p> <p>E. Townhouses. Encourage the development of townhouses in the R-3, R-4 and on certain side streets in the C and CBD zones as an efficient and popular form of housing for a large demographic of Anacortes's population. Design standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.</p> <p>F. Senior and assisted housing. Encourage these housing types in the R-4 zone and under certain circumstances in the</p> | These have been largely implemented with the 2019 code update. There are additional opportunities to relax ADU provisions and integrate middle housing in the residential zones that ought to be considered in this HAP process. |

| Goal/<br>Policy | Text                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | MAKERS Comments                                                                                                                                             |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <p>R3, and along certain side streets in the C, and CBD zones. Design standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.</p> <p>G.Walk up apartments and stacked flats. Encourage these housing types in the R-4 zone and in the C and CBD zones above shops and on side streets. Design standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.</p> <p>H.Live-work units. Promote opportunities to combine live and work spaces in the C and CBD zones and within Live-Work Overlay zones.</p> |                                                                                                                                                             |
| LU-6.5          | <p>Allow some compatible nonresidential uses in residential zones, such as appropriately scaled schools, neighborhood-scaled grocery stores, religious facilities, home occupations, parks, open spaces, and other uses that provide places for people to gather, senior centers and day care centers. Maintain standards in the zoning code for locating and designing these uses in a manner that respects the character and scale of the neighborhood.</p>                                                                                                                                                                          | <p>So far it appears that commercial uses have not been integrated into residential zones, but it's good the code allows this option for the long-term.</p> |
| LU-6.6          | <p>Explore the development of zoning incentives to help meet housing diversity and affordability goals. Examples could include residential density bonuses, variations in allowed housing type, or flexibility in regulations, if a proposal meets community goals for affordable, senior, size-limited or other types of innovative housing. If not permitted outright or through discretionary review processes, consider providing for these incentives through pilot programs or other innovative measures.</p>                                                                                                                    | <p>All examples will be explored in the HAP.</p>                                                                                                            |

## Transportation Element

| Goal/<br>Policy | Text                                                                                                                                                                                                                                                                                                                                                                                                                 | MAKERS Comments                                                                                                                 |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| T-3.23          | <p>Provide adequate parking space in high demand areas by:</p> <p>B.Investigating opportunities to reduce parking requirements,</p> <p>C.Identifying minimum and maximum parking standards,</p> <p>D.Creating an action plan to implement a comprehensive parking plan over time,</p> <p>E.Periodically surveying parking space availability and occupancy to determine any emerging needs for additional space,</p> | <p>The 2019 code update moved in this direction. Additional opportunities remain to streamline or reduce parking standards.</p> |

| Goal/<br>Policy | Text                                                                                                                                                                                                                                                                                                                                                                         | MAKERS Comments                                                                                                                                                                  |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | G.Considering a parking availability study as a means of parking mitigation by businesses and developers to avoid overdesigning parking facilities around town,<br>H.Developing a ‘fee-in-lieu-of’ parking space fee program for projects which are unable to meet on-site parking requirements and use these funds to provide parking or save for a larger parking project. |                                                                                                                                                                                  |
| T-4.5           | Plan and develop a citywide transportation system that reduces greenhouse gas emissions by shortening trip length and replacing vehicle trips with other modes of transportation by <u>implementing higher density and mixed-use development</u> , and encouraging ride-sharing, public transit, and non-motorized transportation, to decrease vehicle miles traveled.       | The 2019 code update moved in this direction.                                                                                                                                    |
| T-4.6           | Develop a transportation system that aims to minimize negative impacts to human health, including exposure to environmental toxins generated by vehicle emissions, noise, or a lack of non-motorized options.                                                                                                                                                                | Opportunities for new housing, particularly higher-density housing and affordable housing, should include locations located away from arterial streets and industrial land uses. |
| T-4.12          | Implement transportation programs and projects in ways that aim to prevent or minimize negative impacts to low income, minority, and special needs populations.                                                                                                                                                                                                              | Same as above.                                                                                                                                                                   |
| T-4.13          | Work to improve mobility choices for people with special transportation needs, including persons with disabilities, the elderly, the young, and low income populations.                                                                                                                                                                                                      | Updates to permitted uses or zoning boundary changes may help implement this.                                                                                                    |

# Anacortes Housing Action Plan

## Public Engagement Plan

---

**Version: December 5, 2022**

### Project Introduction

The City of Anacortes is embarking on a housing action plan (HAP) to address the increase in housing costs and the relatively limited diversity of housing available in Anacortes. In recent years significant strides have been made to improve the local housing situation, including an updated Comprehensive Plan, major development regulations update, and a voter-approved sales tax to fund affordable housing. As a result, production of some housing types has increased in the last several years.

Despite this progress, homeownership remains out of reach for many, rents are high and rental choices are limited, and there is a lack of group housing and special needs housing for seniors and people with disabilities. Anacortes was awarded a grant from the Department of Commerce to create an HAP to encourage construction of additional affordable and market housing in a greater variety of housing types and at prices that are accessible to greater variety of incomes. The HAP will be developed with robust public engagement.

### Public Engagement Purpose and Approach

This Public Engagement Plan provides a framework for the project team to organize HAP engagement efforts. It outlines the purpose and objectives of engagement, key stakeholders, and methods. As the project progresses, the team will use this Public Engagement Plan to design activities that are aligned with the project schedule and respond to community needs. The plan will be revisited throughout the process to reflect accomplished activities and fill in emerging needs.

The Public Engagement Plan identifies a range of engagement options that meet the needs of the people, businesses, and agencies affected by the HAP planning effort, including methods that meet requirements for public health and safety in response to COVID-19.

Housing is deeply personal, and a good engagement process will build community advocates and reduce political tensions. To that end, the general approach for public engagement in this project includes:

- Clearly communicate the housing challenges in Anacortes and the sources of those challenges, along with the project's purpose, process, timeline, and final recommendations, so the community is well-informed.
- Given the robust public engagement during the Comprehensive Plan and development regulations update, alongside the ongoing outreach by the City Council's Housing Affordability & Community Services (HACS) committee, the HAP will focus on

individual/targeted stakeholder outreach and HACS committee meetings instead of large public events. One-on-one outreach for technical topics like housing regulations and finance is often more effective and encourages more frank and constructive input.

- Effectively solicit valuable feedback from key stakeholders and community participants by arranging appropriate meeting environments and asking the right questions.
- Use accessible engagement methods to address common barriers across time constraints, transportation, internet access, physical accessibility, and comfort level.
- Avoid engagement fatigue by drawing on past work, setting realistic expectations about what the HAP can accomplish, asking for referrals for new community leaders, reporting what we have heard and how it is being used, and visibly implementing the HAP. When people do not see results from past plans, they are less likely to engage in the future.

## Public Engagement Goals

The Public Engagement Plan is designed to reach the following goals:

1. Gain a deeper understanding of local housing needs and affordability issues (e.g., specific demographic group needs and qualitative knowledge the numbers do not capture or are out-of-date). For example, income averages do not capture the large retiree population in and near Anacortes with significant purchasing power.
2. Build a groundswell of community support and consensus on Anacortes' approach to housing and associated infrastructure planning, which will affect community sentiments for specific housing developments.
3. Share data, local knowledge, and stories to increase shared understanding of housing issues and solutions and develop a data-informed plan. Avoid jargon and use normal language that people can understand.
4. Collect personal stories that bridge understanding across differing worldviews and connect housing to system-wide issues. This includes engaging with people living in or seeking both rental housing and ownership housing.
5. Gain local insight on development potential, e.g., site-specific characteristics, local barriers, and opportunities. A particular issue is identifying barriers to mixed-use residential projects on sites that tend to be developed as single-use commercial projects.
6. Elevate voices of those at risk of displacement and/or most burdened by housing costs to understand specific needs and potential unintended consequences of proposed strategies and jointly find solutions.
7. Build ownership of the HAP by bringing viewpoints together. This means understanding people's values and shared community goals and may mean using quantitative and qualitative data to sensitively bust myths about housing.
8. Build trust between community, stakeholders, City planning staff, City Council, Planning Commission, and other local agencies through an open, transparent process, by setting realistic expectations for the HAP and identifying who has decision-making power at different points in the process.
9. Build advocates who help communicate and solve problems with their community and shepherd the plan through adoption and implementation.

10. Ensure that the HAP represents the ideas heard from Anacortes' full range of demographic cohorts (e.g., income levels, household size, race, ethnicity, disability) to meet existing needs, build community ownership of the HAP, and respond to grant requirements for representative community engagement.

## Public Health Considerations

While the COVID-19 pandemic moved most engagement online, as of March 2022 some public health guidelines are now relaxed for in-person activities. Some HACS meetings are conducted in a hybrid format and the project team is open to in-person activities as allowed under health guidelines.

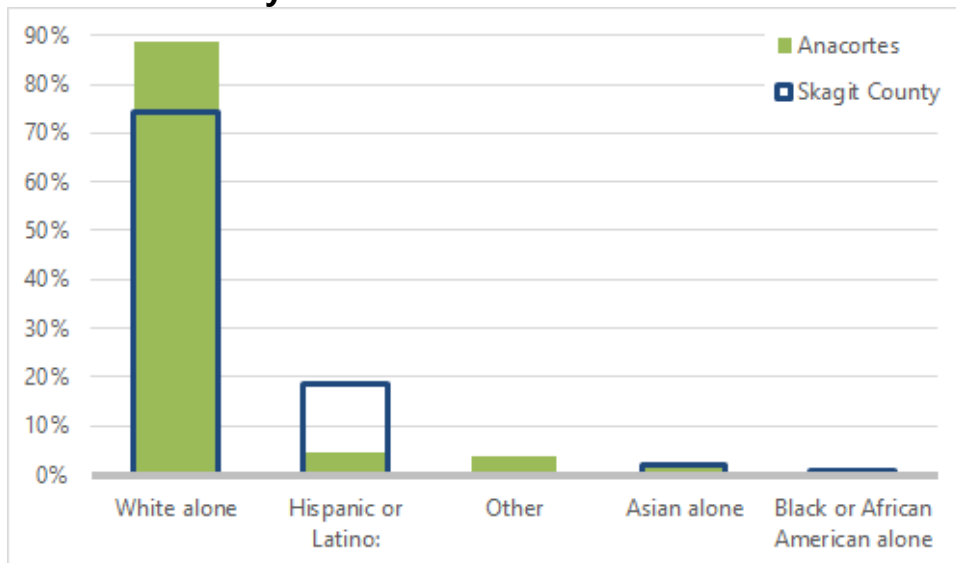
## Who To Engage

While baseline community engagement activities are guided by Department of Commerce grant requirements, we will seek to engage with all of Anacortes' populations to the extent allowed by the project timeline and budget. Representative engagement enables the HAP to respond to current needs for housing variety and options. Considerations for representative engagement include race and ethnicity, origin and language, income, household tenure, age, and families.

The charts below show relevant demographic information. In summary:

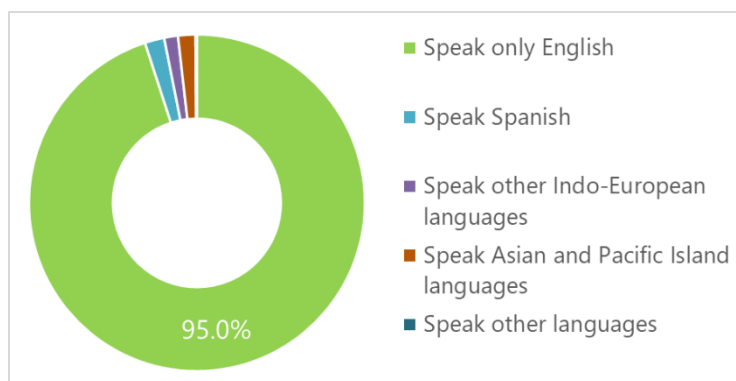
- Anacortes residents are older on average
- There is a large proportion of homeowners
- There are fewer low-income households than the county or state, on average
- Anacortes is mostly white and has few non-English-speaking residents

### Race and Ethnicity

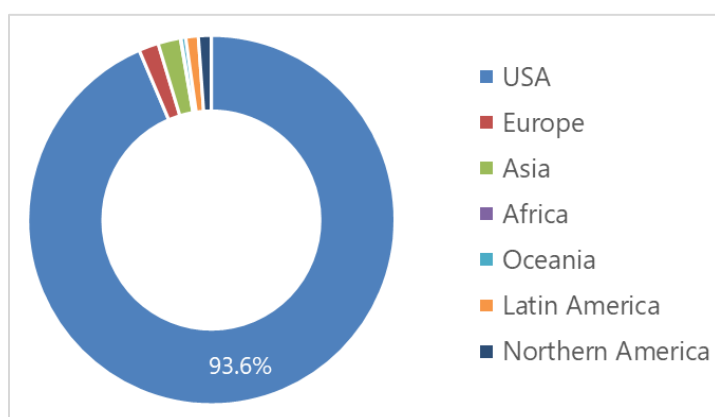


*Hispanic or Latino Origin by Race, American Community Survey 2019, Table B03002*

### Language and Origin

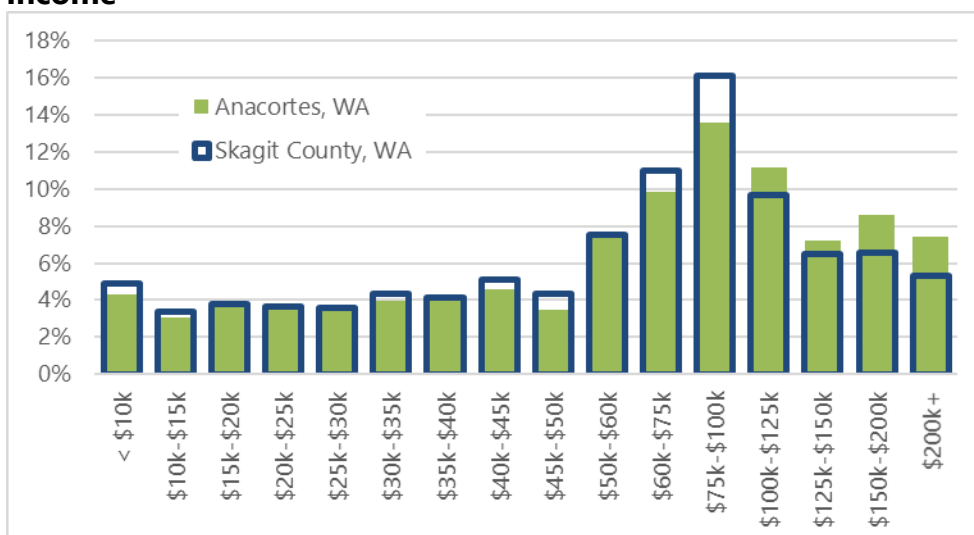


Age by Language Spoken at Home for the Population 5 Years and Over, American Community Survey 2019, Table B16003



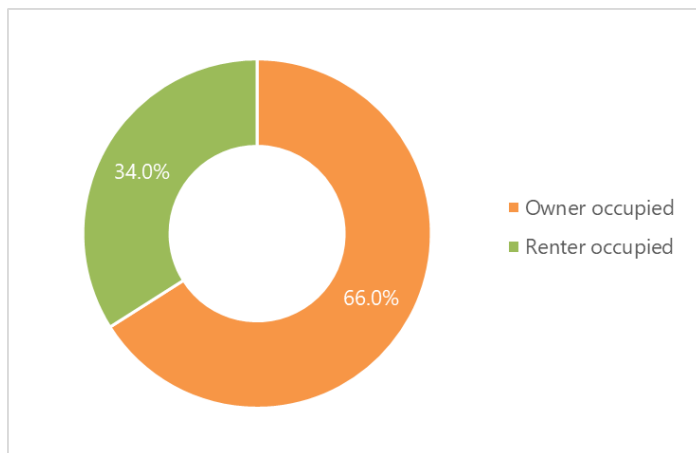
Place of Birth by Nativity and Citizenship Status, American Community Survey 2019, Table B05002

## Income



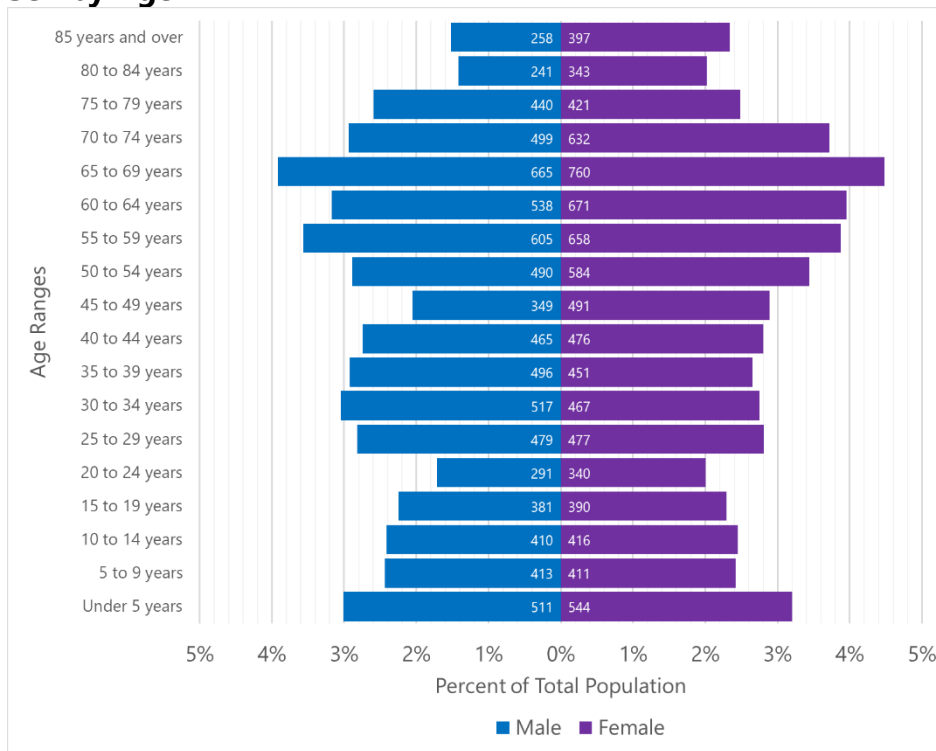
Household Income in the Past 12 Months (In 2019 Inflation-adjusted Dollars), American Community Survey 2019, Table B19001

## Household Tenure



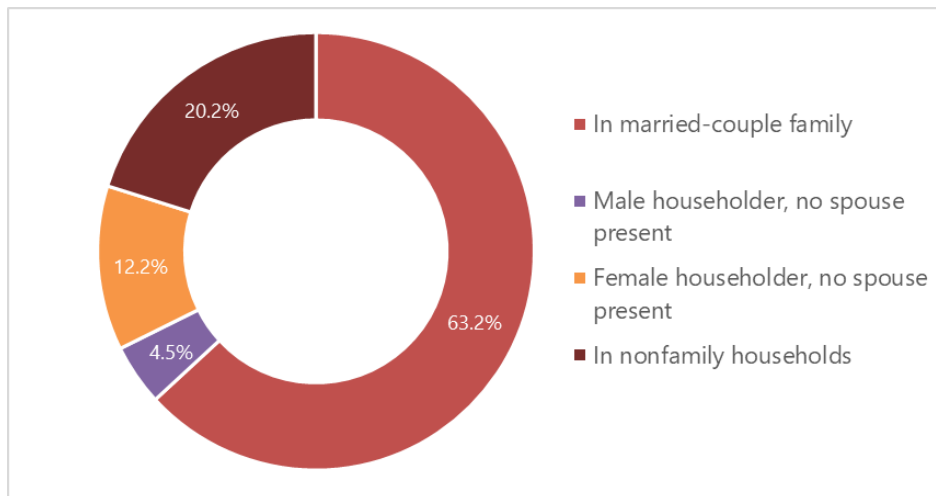
*American Community Survey 2019, Table B25003*

## Sex by Age



American Community Survey 2019, Table B01001

## Families



Household Type by Relatives and Nonrelatives for Population in Households, American Community Survey 2019, Table B11002

## Focused Engagement

Focusing engagement efforts on those most impacted ensures a timely, budget-efficient, and equitable process and responds to guidance issued by the Washington Department of Commerce [Guidance for Developing a Housing Action Plan](#). The Commerce grant guidance recommends using the chart below to identify the stakeholders that this planning process should engage. It suggests prioritizing the top two quadrants to invest planning resources effectively and efficiently. This framework guides who should sit on the advisory group and ensures targeted conversations with people most impacted by housing issues.

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| More impacted by housing issues | <b>PRIORITIZE</b><br><b>At-risk communities</b><br><br>Requires significant collaboration or HAP may not meet community needs. Focus on empowering these voices. <ul style="list-style-type: none"><li>• Renters</li><li>• People experiencing housing cost burdens</li><li>• Seniors</li><li>• People of color impacted by historic lending practices (redlining), displacement pressures, and/or biases</li><li>• People with special needs</li><li>• Immigrants</li><li>• Youth/families/multigenerational families</li><li>• People experiencing homelessness</li><li>• Mom-and-pop landlords</li><li>• Mom-and-pop developers</li><li>• People and businesses at risk of displacement</li><li>• Social services</li></ul> | <b>COLLABORATE</b><br><b>Influencers</b><br><br>Requires significant collaboration or HAP adoption and implementation could stall. <ul style="list-style-type: none"><li>• Homeowners experiencing change</li><li>• Housing providers/authorities/consortiums</li><li>• Real estate developers</li><li>• Construction industry</li><li>• “Big” landlords</li><li>• Property owners</li><li>• School districts</li><li>• Small business owners</li></ul> |
|                                 | <b>INVOLVE</b><br><b>Concerned residents or bystanders</b><br><br>Inform and consult to confirm baseline conditions and community interests and values. <ul style="list-style-type: none"><li>• Residents experiencing stability</li><li>• Community-based organizations/non-profits (non-housing related)</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                           | <b>LEVERAGE</b><br><b>Potential advocates</b><br><br>Inform and consult as needed to build and maintain HAP advocates. <ul style="list-style-type: none"><li>• Homeowners experiencing stability</li><li>• Major employers</li><li>• Transportation providers</li></ul>                                                                                                                                                                                 |
| Less impacted by housing issues | Less Influence on housing issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | More Influence on housing issues                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Communication Mediums

Updates to the public on the HAP and engagement opportunities will be communicated through the City's existing communication channels. These include:

- City website news items and meetings/events calendar
- City dedicated webpage for the HAP project
- City e-updates email list
- HACS committee meetings and email list (includes hundreds of subscribers)
- Press releases; the *Anacortes American* is the local paper of record, published online at [gorskagit.com/anacortes](http://gorskagit.com/anacortes)
- City social media presence on Instagram and Facebook, including a Facebook page specifically for the Planning, Community, & Economic Development Department
- City utility bills
- City quarterly "A-Town" magazine (back page for alerts; inside for longer-form pieces)
- Connections with local advocacy and business organizations (City staff could ask information to be distributed to memberships; this is particularly helpful for hard-to-reach groups)

## Methods and Tools

This plan outlines a variety of communication and engagement tools to be used as appropriate during this project. It is meant to act as a flexible guide to reach stakeholders and interested groups; the team may adjust engagement approaches if some methods prove more successful than others.

The following engagement methods are proposed for this project:

### Stakeholder Interviews/Focus Groups

Stakeholder interviews are helpful as a two-way communication tool: The project team learns from the unique perspectives and expertise of local people, and stakeholders learn more about the project and its process so they can be ready to engage further.

Based on the project resources, about 12 interviews/focus group meetings are anticipated. The scope of work and HACS committee have developed an initial list of possible interview candidates, including:

- Local housing advocates
- For-profit and non-profit housing providers
- Religious or social service organizations
- Residents and especially renters
- Landlords at a mixture of property types
- Developers and builders
- Neighborhood associations

- Major employers such as the hospital and school district and small business owners/employers

Stakeholder interviews can be flexible scheduled as one-on-one or group meetings. Several interviews are anticipated to occur with an in-person site visit by the consultant team in April 2022, and others will occur online via Zoom or phone call.

## **Community Survey**

The scope of work provides for one survey. This will be a community survey to identify demand for housing types among the current population, with a focus on special needs housing, supportive housing, and the challenges for cost-burdened residents. Because most housing data is available from official sources, the survey could focus on collecting qualitative information and be designed as a story-collection tool. The HACS committee will be provided a draft of the survey for comments/edits.

The survey will be distributed online and in a mailing. Targeted efforts can help aim for demographic representation, including: word of mouth; City and community group email listservs; a notice in the A-Town magazine; and social media boosts to targeted populations. Incentives like prizes or gift cards from local businesses could also help increase response rates.

If resources allow, the City will use a utility bill mailing to send paper copies of the survey to all Anacortes addresses to ensure at least a representative population is reached. Special distribution activities may be needed for residents and dwelling units who do not directly receive utility bills, such as those who live in multifamily buildings or ADU's. In this case, City staff will include an adequate number of copies with a request for the building owner/manager to distribute to each resident or placed in a common area. Paper copies of the survey will also be made available at community hubs such as City Hall, library, post office, and medical center.

The paper copy should have a link/QR code to the online version in case recipients prefer that method.

## **Place-Based Outreach**

Posters and signs can be an effective way of informing people of a project. It can include pop-ups, canvassing, participation in community events, or other efforts that provide casual interaction with the community. Social distancing requirements may limit these opportunities. Potential locations may include: local supermarkets, farmers' markets, food banks, local housing and social service provider locations, religious centers, libraries, parks, community centers, schools, and public health centers. Consultants will provide some graphics to support posters and signs.

## **Public Meetings**

City staff and consultants will provide periodic updates to elected and appointed decision-makers throughout the project. These updates may be done remotely if public health concerns limit travel and/or in-person meetings. Completed and anticipated public meetings include the following.

| <b>Public Meeting</b>       | <b>Date</b>          | <b>Description</b>                                                                                                                                                                                                               |
|-----------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kickoff with HACS Committee | February 10, 9:00 AM | The consultant team presented an overview of the project, asked the committee members for their project priorities and top housing concerns, and led a discussion on community engagement methods.                               |
| HACS committee              | Thursdays at 9:00 AM | This is a weekly opportunity for regular project updates and draft document review. The public can attend these meetings. City staff will provide updates at key points, with the consultant team attending at major milestones. |
| Planning Commission meeting | October 26, 6:00 PM  | Present draft HAP                                                                                                                                                                                                                |
| City Council meeting        | December 19, 6:00 PM | Present draft HAP                                                                                                                                                                                                                |

## **Project Webpage**

The City will host and maintain a webpage on the City's main website that will serve as a repository for HAP information, including status updates, draft documents, schedules, official notices, and links to partner agencies. Consultants may provide specialized content, such as links to surveys and case studies. The current webpage link is:

<https://www.anacorteswa.gov/1416/Housing-Action-Plan>

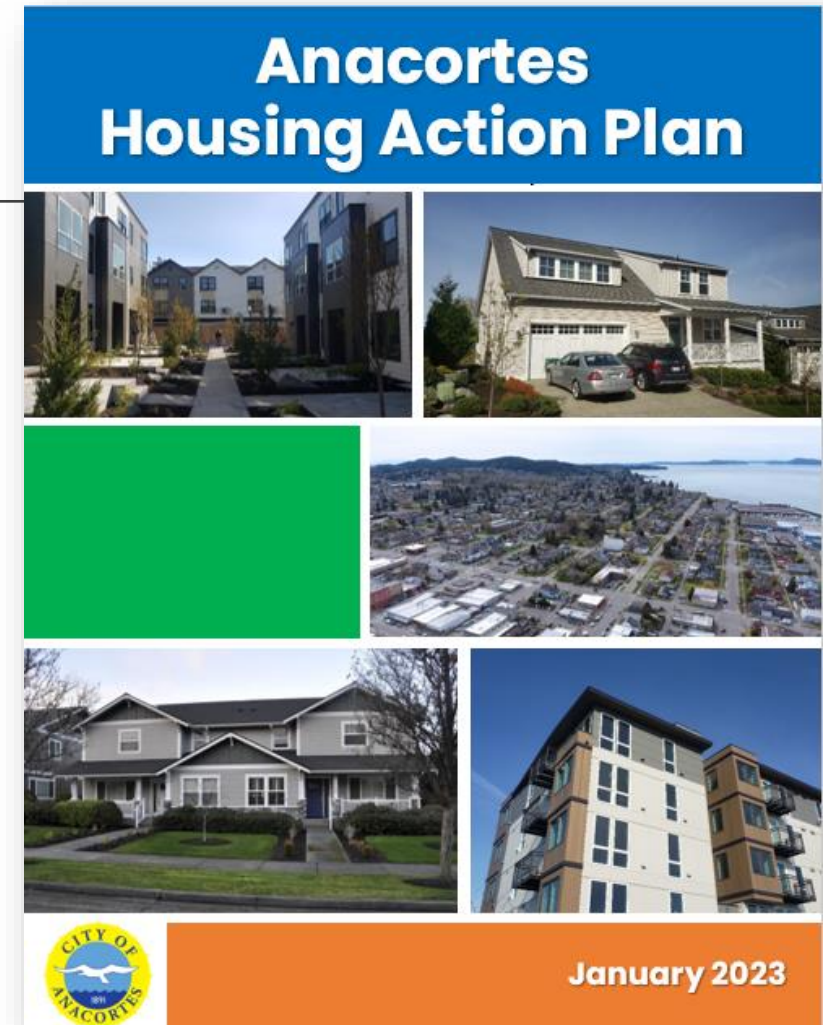


# Anacortes Housing Action Plan

JANUARY 17, 2023  
CITY COUNCIL

# What is the HAP?

- A policy document with data, goals, and strategies to promote safe and affordable housing options for all
- **Recommendations and considerations** on how to address housing challenges
- It is a “pre policy” document informing:
  - Amendments to development regulations (zoning)
  - Comprehensive Plan updates
  - City budgeting and investment decisions
  - Other programmatic and partnership opportunities



# Public Outreach to Date

---

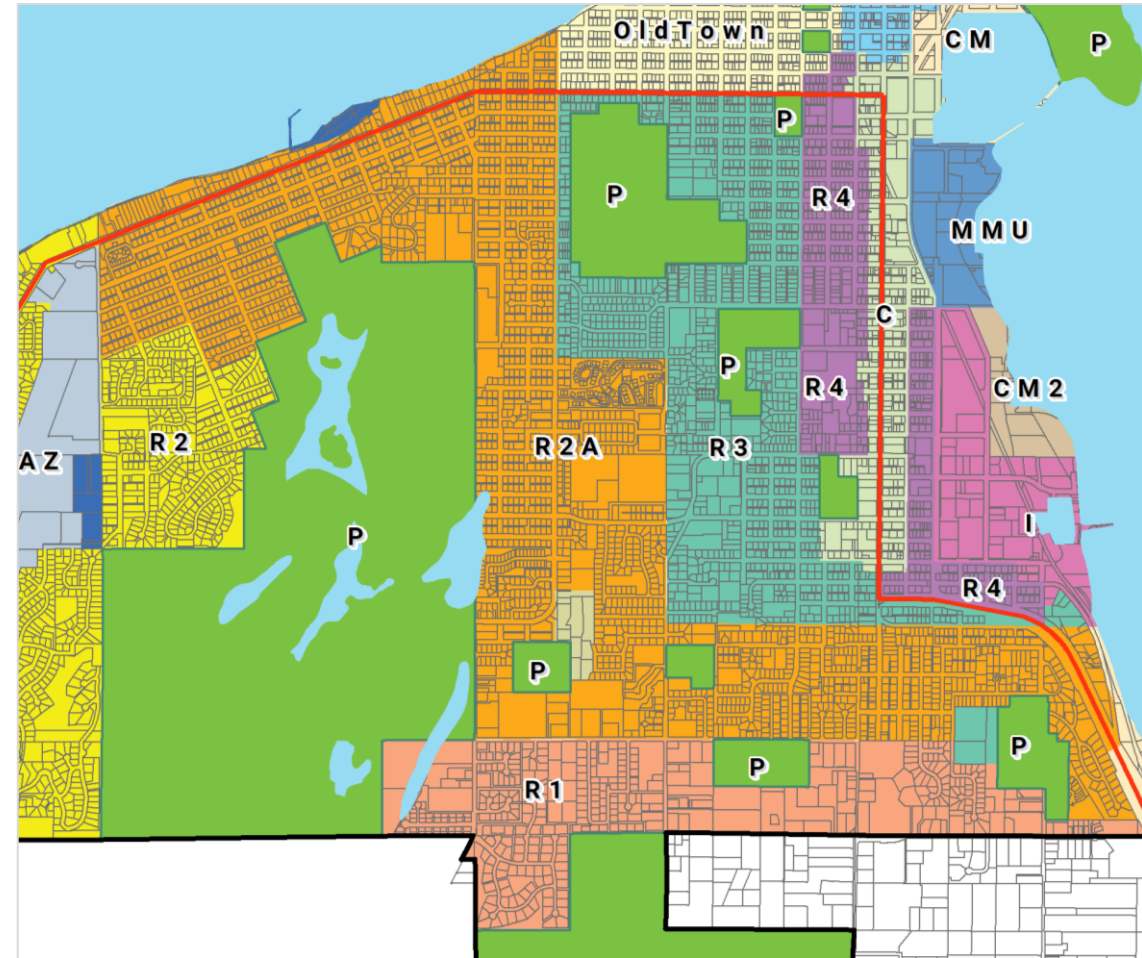
- Public kickoff meeting at the HACS Committee (February 2022)
- 15 stakeholder interviews (April-May)
- 1,067 survey responses (June-July)  
*Survey was mailed to all property owners and advertised online*
- Planning Commission briefing (October)
- City Council briefing (December)
- City Council public hearing and adopting (January 2023)

# **Adjustments Since Last Meeting**

# R2A Zone Considerations

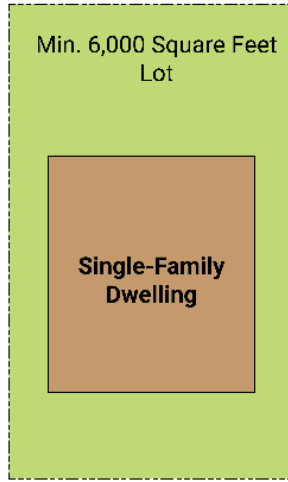
Make it easier to build middle housing:

- Adjust duplex lot size (next slide)
- Triplexes allowed on alley-loaded lots
- Townhouses allowed on alley-loaded lots, max. 3 or 4 attached units
- Potentially limit the size of such units to 1,000 to 1,200 square feet of floor area

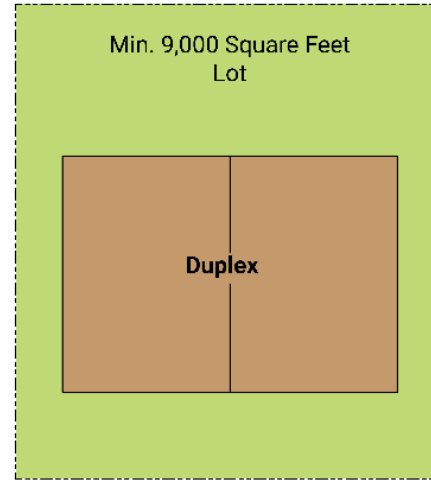


# R2A

## Current Standards



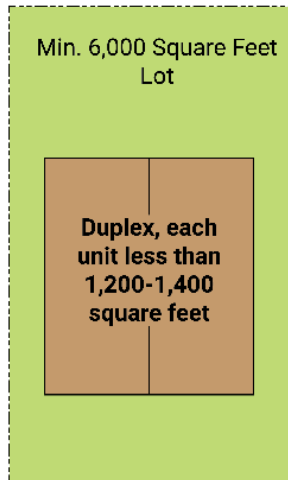
Allowed by-right



Allowed by-right

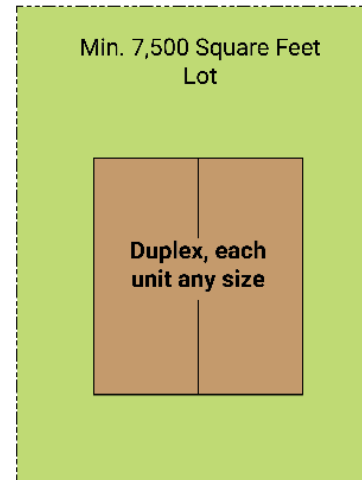
## Lot Size Options

### Option 1



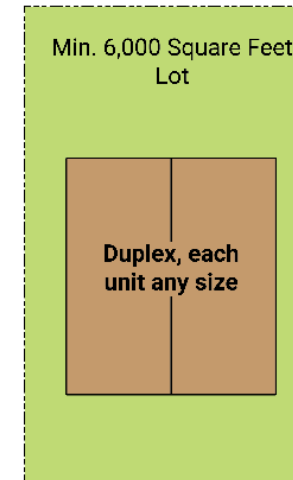
Larger units allowed by-right with min. 9,000 square feet lot

### Option 2



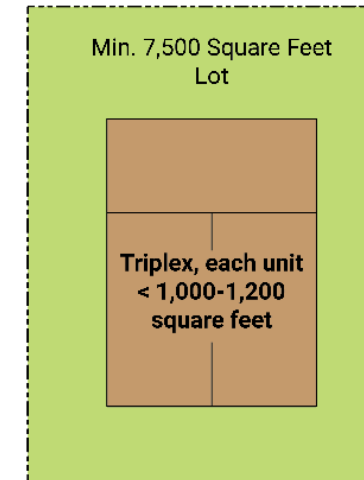
Allowed by-right

### Option 3



Allowed by-right

### Option 4



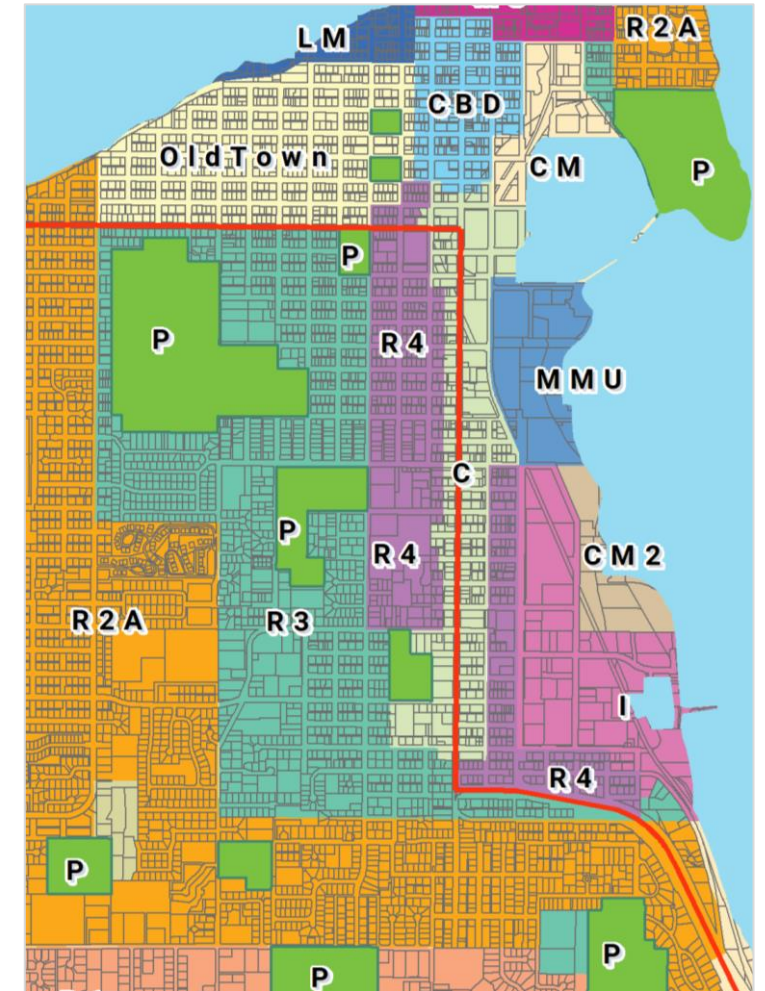
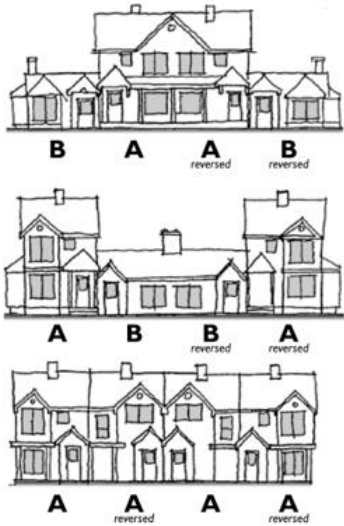
Allowed by-right

### Option 5

Remove specific minimum lot size provisions for duplexes and other multi-unit structures in favor of form-based provisions (such as maximum building floor area or width)

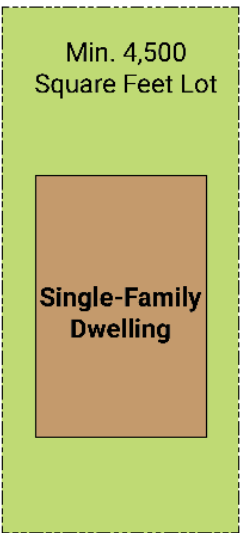
# R3 Zone Considerations

- Make it easier to build **duplexes, triplexes, fourplexes, townhouses** – all of which are subject to design standards
- Change middle housing from conditional to permitted outright

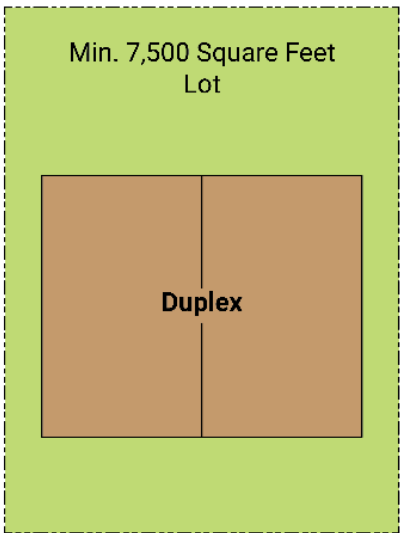


# R3

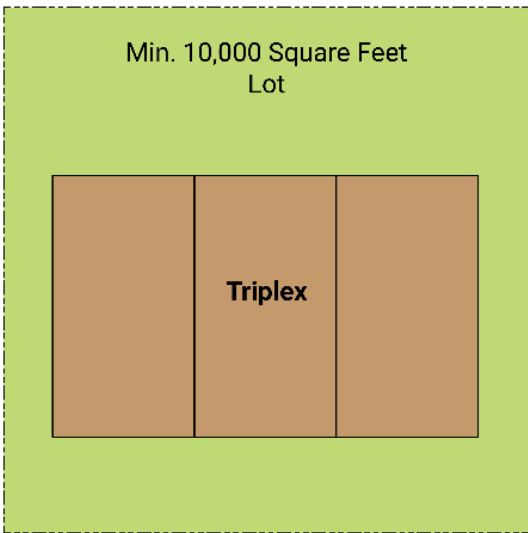
## Current Standards



Allowed by-right



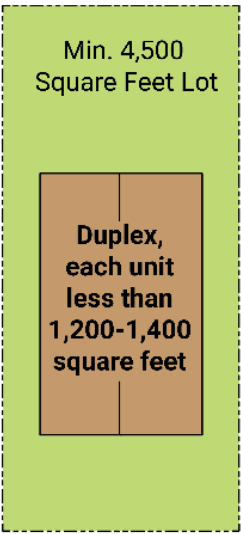
Allowed by-right



Triplexes are a conditional use

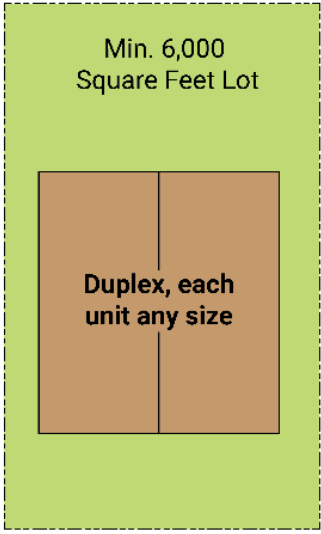
## Lot Size Options

### Option 1



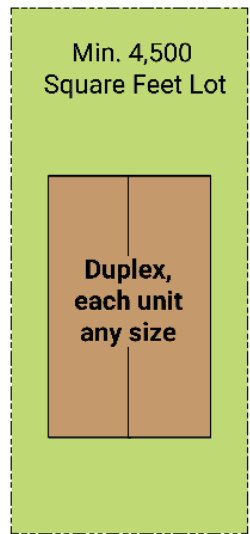
Larger units allowed by-right with min. 7,500 square feet lot

### Option 2



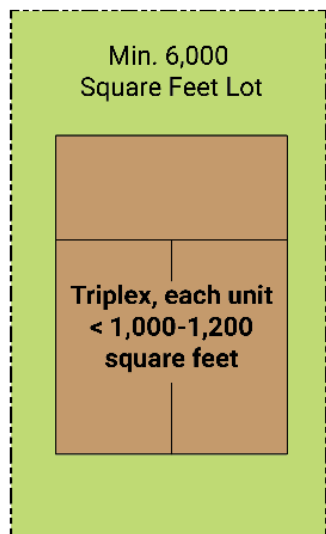
Allow additional units for every 1,500 square feet (rather than every 2,500 square feet)

### Option 3



Allowed by-right

### Option 4



Allowed by-right

### Option 5

Remove specific minimum lot size provisions for duplexes and other multi-unit structures in favor of form-based provisions (such as maximum building floor area or width)

# Implementation

# Implementation Matrix & Priorities

| #                                   | Description                               | Priority | Lead Department                                     | Time         | Method                                                                                                                                 |
|-------------------------------------|-------------------------------------------|----------|-----------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory Strategies</b>        |                                           |          |                                                     |              |                                                                                                                                        |
| 2.1                                 | Allow more housing types in more zones    | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.2                                 | Map the R3A zone and update its standards | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.3                                 | Streamline ADU regulations                | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.4                                 | Adjust form and intensity standards       | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.5                                 | Adjust definitions and design standards   | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.6                                 | Adjust parking standards                  | High     | Planning Services                                   | 0-6 months   | Development regulations ordinances                                                                                                     |
| 2.7                                 | Building code amendments                  | Medium   | Planning Services (with Building Services and Fire) | 6-12 months  | Building code ordinance                                                                                                                |
| <b>Programmatic Strategies</b>      |                                           |          |                                                     |              |                                                                                                                                        |
| 3.1                                 | Short-term rental regulations             | Medium   | Planning Services                                   | 0-6 months   | Code update ordinance with future amendments as needed                                                                                 |
| 3.2                                 | Anti-displacement strategies              | Medium   | City Council                                        | Ongoing      | Tenant Protection Ordinance and future amendments as needed<br><br>Other strategies: Further study, City budget, and future ordinances |
| 3.3                                 | Homelessness strategies                   | High     | City Council                                        | Ongoing      | Intermediate actions<br><br>Other actions: Further study and City budget                                                               |
| <b>Citywide Planning Strategies</b> |                                           |          |                                                     |              |                                                                                                                                        |
| 4.1                                 | Hire a housing coordinator                | High     | City Council                                        | 0-6 months   | City budget                                                                                                                            |
| 4.2                                 | Housing Element updates                   | Medium   | Planning Services                                   | 12-24 months | Comprehensive Plan annual amendment and major periodic update                                                                          |

| #                         | Description                         | Priority | Lead Department                                          | Time         | Method                                                                                                       |
|---------------------------|-------------------------------------|----------|----------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------|
| 4.3                       | Land Use Element updates            | Medium   | Planning Services                                        | 12-24 months | Comprehensive Plan annual amendment and major periodic update                                                |
| 4.4                       | Public land for affordable housing  | Medium   | City Council (with Planning Services)                    | Ongoing      | Partnerships, City budget, policy in resolution or Comprehensive Plan, and future ordinances                 |
| <b>Funding Strategies</b> |                                     |          |                                                          |              |                                                                                                              |
| 5.1                       | Multifamily tax exemption program   | High     | Planning Services (with City Treasurer and City Council) | 0-6 months   | MFTE Ordinance                                                                                               |
| 5.2                       | Development fee adjustments         | Low      | Planning Services                                        | 0-6 months   | Fee schedule update                                                                                          |
| 5.3                       | Tax increment financing             | Low      | Planning Services (with City Treasurer)                  | 6-12 months  | Further study and future ordinance                                                                           |
| 5.4                       | Funding for ADU development         | Medium   | Planning Services (with City Treasurer)                  | 6-12 months  | City budget                                                                                                  |
| 5.5                       | Inclusionary zoning and fee-in-lieu | Low      | Planning Services                                        | Long term    | Monitor multifamily housing production for need and feasibility                                              |
| 5.6                       | Transit and sidewalk funding        | Medium   | Planning Services (with Public Works and City Treasurer) | 6-12 months  | Transportation planning, ballot measure, interlocal agreement with Skagit Transit                            |
| 5.7                       | State advocacy                      | Low      | City Council                                             | Ongoing      | Legislative agenda and engagement with American Planning Association WA and Association of Washington Cities |

# Monitoring and Targets

| HAP Objective                                                                            | Performance Metric                                                                                              | Target                                                                                     |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Support the local economy and workforce with more rental homes.                          | Number of duplex, triplex, multifamily, and other rental units permitted                                        |                                                                                            |
|                                                                                          | Vacancy rate                                                                                                    | Rental unit vacancy rates are greater than regional rates                                  |
| Create a greater variety of homeownership opportunities.                                 | Number of small-lot single-family, cottage housing, townhouse, condominium, and other ownership units permitted |                                                                                            |
| Slow down and stabilize the rise in housing prices.                                      | Home price increases                                                                                            | Annual median home price increases are lower than regional, state, or national increases   |
|                                                                                          | Rental price increases                                                                                          | Annual median rental price increases are lower than regional, state, or national increases |
| Refine regulatory standards to reduce barriers to housing development.                   | Housing production                                                                                              | Net increase of 100-150 housing units per year                                             |
|                                                                                          | Housing diversity                                                                                               | 50% or less of new housing units are detached single-family dwellings                      |
|                                                                                          | Number of ADUs permitted                                                                                        |                                                                                            |
|                                                                                          | Number of <u>senior</u> , assisted living, and nursing home units permitted                                     |                                                                                            |
|                                                                                          | Number of permanent support housing and transitional housing units permitted                                    |                                                                                            |
| Adopt new financial tools to support and promote development and maintenance of housing. | Affordable housing for cost-burdened low-income households (80% AMI and below)                                  | Construction or preservation of 20-50 affordable housing units per year                    |
|                                                                                          | MFTE program participation                                                                                      | One development per year                                                                   |

# **Thank You!**

# **Questions?**

## Don Measamer

---

**From:** Sarah Roberts <saraharoberts@gmail.com>  
**Sent:** Wednesday, January 4, 2023 6:53 PM  
**To:** pced; Don Measamer  
**Subject:** Public comment on city housing plan under consideration

\*\*\*\*\* This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. \*\*\*\*\*

Dear Mr Measemar and planning department,

I have been a resident of Anacortes since 2002 and a home owner.

I am encouraged that the planning department is now looking at ways it can incentivise developers and landowners to create more affordable and higher density housing.

These are the points I would like to make are:

Please do not exclude any of the zoning areas from being targets of increased density, including "old town". We need to avoid perpetuating a stratified town in which the elite and wealthy live in certain areas and others don't belong. There is no reason town houses and small apartment buildings could not be located in old town as opportunities arise, even though those in old town might argue otherwise. And lamenting loss in home value is not a good argument against, as that applies anywhere.

The presence of good daylight, landscaping and open space have all been shown to be linked to less crime and happier people. This needs to be kept in mind in the planning of larger housing units especially.

Proximity to shops and transport is critical in planning for higher density. The ability to walk to shops, use public transit are key in mitigating parking and climate change challenges going forward.

Accessory buildings and units should be encouraged, with regulation in place that ensures these accessory units are not used for short term rentals. I know of several, attached and not attached units within the city that are being used as short term rentals when they could be used as long term rentals. Adding more short term rentals does nothing to solve our housing problem. In fact personal experience in other cities has taught me that short term rentals have the effect of raising rental costs overall and reducing the supply of long term rentals.

Thank you for your hard work towards preserving the great quality of life we enjoy while preparing for current and future pressures.

Sincerely  
Sarah Roberts



## City Council Agenda Bill

**Meeting Date:** January 17, **Agenda Item:** 8.a.  
2023

**Agenda Item Title:** Agreement with Anacortes Family Center on Alternative Response Team

**Staff Contact(s):** DARCY SWETNAM

|                                                    |                           |
|----------------------------------------------------|---------------------------|
| <b><u>Approved for Submittal to Council by</u></b> | <b><u>Action Type</u></b> |
| STEVE HOGLUND                                      | Contract Award            |
| DARCY SWETNAM                                      |                           |

**Item Summary:** This agreement between the City and Anacortes Family Center will provide funding for the AFC to provide staffing to support an Alternative Response Team with the Fire and Police Departments.

**Budget Impact:**

**Previous Action:** N/A

**Recommended Motion:** I recommend we authorize the Mayor to execute the Contract between the City of Anacortes and Anacortes Family Center to provide funding for an Alternative Repsonse Team.

**Alternative Actions:** Don't proceed with contract.

**Attachments (listed in order presented):**

1. 230110 Fire - AFC Work Agreement



**AGREEMENT 23-  
Between  
THE CITY OF ANACORTES  
Anacortes Family Center**

This Agreement, hereinafter referred to as "Agreement", made and entered into between the City of Anacortes, hereinafter referred to as the "City", and the Anacortes Family Center, hereinafter referred to as the "AFC", together referred to as "Parties".

**WHEREAS** the City works cooperatively with the AFC to help members of the community in need due to crises involving addiction, violence and mental health; and

**WHEREAS** the City has seen greater success in addressing these issues due to the expertise and case workers provided by the AFC; and

**WHEREAS** the City staff in the Anacortes Fire Department, Anacortes Police Department, Planning Economic and Community Development and Parks and Recreation see a reduction in staff time and call volume in cases where there is collaboration with the AFC; and

**WHEREAS** the City has built a strong working relationship with the AFC staff and rely regularly on the resources the AFC provides to better serve the community; and

**WHEREAS** the City has identified the need to establish a pilot program that creates an Alternative Response Team ("ART") to coordinate mental health services, social worker services, and City services between the Anacortes Fire Department, the Anacortes Police Department and the AFC to better respond to emergency calls; and

**WHEREAS** a pilot program incorporating these ideas over six months would provide an opportunity to evaluate its success in the community;

**NOW, THEREFORE**, the Parties agree as follows:

**1. Scope of Work**

**a. Services**

- i. The AFC will provide a Mental Health Professional for up to seven and a half (7.5) hours per week on average during the term of this Agreement.
- ii. The AFC will provide a Street Outreach Social Worker for up to twenty (20) hours per week on average during the term of this Agreement.

**b. Response**

- i. The AFC will respond to all requests from the City for assistance with individuals in crisis. AFC shall make every reasonable effort to respond to requests from the City within 24 hours.
- ii. The AFC will either provide the necessary response with their in-house staff or contract with certified professionals.
- iii. AFC Staff and consultants will be available 8:30 to 5pm Monday through Friday to respond to requests from the City.

2. **Price and Payment**

- a. Price: The AFC will perform the scope of work above on a time and materials basis with the following not-to-exceed limits, which includes sales tax at a rate of 8.8%.
  - i. Mental Health Professional services shall not exceed \$23,400 during the Term of this Agreement.
  - ii. Street Outreach Social Worker services shall not exceed \$13,000 during the Term of this Agreement.
- b. Payment:
  - i. AFC may add an administrative fee of 10% of the amounts listed above to each invoice.
  - ii. AFC will invoice the City monthly.

3. **Reporting**

- a. City will identify and prescribe metrics for data collection pursuant to this Agreement and will review and update those metrics throughout the Term of this Agreement based on what data best informs the Parties' assessment of the efficacy of the pilot program. The metrics must include at least numbers of individuals served and data-based assessment of the expanded outreach under this pilot program. Metrics should also include pre-pilot program data so the Parties and public can evaluate program success.
- b. City will present at regular City Council meetings periodic reports on the efficacy of the pilot program no less frequently than quarterly. Such reports will include the full set of data collected pursuant to the metrics identified and prescribed by the City under paragraph 3(a).
- c. The AFC will provide an accounting of hours and/or number of calls taken for evaluation on an annual basis. On calls that are assigned a case number, the AFC will need to provide follow up information to the Anacortes Fire Department for each case on a monthly basis until that case is closed.
- d. The AFC will provide the City data showing numbers of individuals served under this Agreement and work cooperatively with the City to prepare the quarterly reports before Council. AFC will provide data to the City in a format prescribed by the City pursuant to paragraph (3)(a) above.

2 **Term.** The term of this Agreement will be from the date of execution through June 30, 2023.

3 **Indemnification:** The Parties shall defend, indemnify and hold each other and the indemnified party's officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, solely arising out of or solely resulting from the acts, errors or omissions of the indemnifying party in performance of this Agreement.

4 **Insurance.**

- a. **Insurance Term:** AFC shall procure and maintain insurance, as required in this Section, without interruption from commencement of the work through the term of the Agreement, unless otherwise indicated herein.
- b. **No Limitation:** AFC's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the AFC to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.
- c. **Minimum Scope of Insurance:** AFC's required insurance shall be of the types and coverage as stated below:
  - i. Automobile Liability insurance covering all owned, non-owned, hired and leased

vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.

- ii. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. **The City of Anacortes and its officers, elected officials, employees, agents, and volunteers shall be named as an additional insured** under AFC's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage.
  - iii. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- d. **Minimum Amounts of Insurance:** AFC shall maintain the following insurance limits:
- i. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
  - ii. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.
- e. **City Full Availability of Contractor Limits:** If the AFC maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the AFC, irrespective of whether such limits maintained by the AFC are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the AFC.
- f. **Other Insurance Provision:** AFC's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the AFC's insurance and shall not contribute with it.
- g. **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
- h. **Verification of Coverage:** AFC shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the AFC **within 10 days of contract execution and before scheduling of the work**. Upon request by the City, the AFC shall furnish certified copies of all required insurance policies, including endorsements, required in this contract and evidence of all subcontractors' coverage.
- i. **Notice of Cancellation:** AFC shall provide the City and all Additional Insureds for this

work with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

- j. **Failure to Maintain Insurance:** Failure on the part of the AFC to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the AFC to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the AFC from the City.

**5 No Joint Ventures:** The Parties acknowledge that no joint venture or partnership is created by this Agreement. No agent, employee or representative of AFC shall be deemed to be an agent, employee or representative of the City for any purpose. AFC shall be solely responsible for all acts of its agents, employees, representatives and subcontractors.

**6 Effectiveness:** This Agreement shall be effective as of the date this agreement is executed by both parties.

**7 Notices:** Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand delivered to the parties at their addresses as follows:

To the City: City of Anacortes  
Attn: Darcy Swetnam, City Attorney  
PO Box 547  
Anacortes, WA 98221

To the AFC: Anacortes Family Center  
Attn: Dustin Johnson, CFRE  
Executive Director  
2702 Commercial Avenue  
Anacortes, WA 98221

**8 Governing Law; Binding Effect:** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and performed in such state without giving effect to the choice of law principles of such state that would require or permit the application of the laws of another jurisdiction.

**9 Severability:** If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

**10 Counterparts:** This Agreement may be executed in one or more counterparts, including electronic mail counterparts, each of which shall be deemed to be an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same agreement. Delivery of such counterparts by electronic mail (in PDF or.tiff format) shall be deemed effective as manual delivery.

IN WITNESS WHEREOF, the City and AFC have executed this Agreement as of \_\_\_\_\_  
(date).

CITY OF ANACORTES

---

Matt Miller, Mayor

ANACORTES FAMILY CENTER

---

Dustin Johnson, Executive Director



## City Council Agenda Bill

**Meeting Date:** January 17, **Agenda Item:** 8.b.  
2023

**Agenda Item Title:** Resolution 3107 – Declaring an Emergency and Waiving State Competitive Bidding Requirements for the Repair of the 36" Water Transmission Pipeline

**Staff Contact(s):** Henry Hash, BRIAN MCDANIEL

**Approved for Submittal to Council by**    **Action Type**

GREG FRANCIOCH

Resolution

DARCY SWETNAM

STEVE HOGLUND

**Item Summary:** City staff seeks City Council approval of Resolution 3107 to declare an emergency and waive state competitive bidding requirements for the repair of the 36" water transmission pipeline, pursuant to RCW 39.04.280.

**Background:**

- RCW 39.04.280 provides that the City, by resolution, may waive competitive bidding requirements for public works in the event of an emergency. For purposes of RCW 39.04.280, an "emergency" is any unforeseen circumstance beyond the control of the municipality that either (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.
- On January 11, 2023 at approximately 1100 hours, the Water Treatment Plant's 36" water transmission pipeline failed and started leaking at a joint connection immediately adjacent to the main discharge meter.
- The pipeline is one of two redundant pipelines that supply potable water to approximately 56,000 residential, commercial and industrial customers.
- An emergency repair is needed to quickly place the transmission pipeline back in service to be able to serve potable water at full production capacity.
- The failure of the transmission pipeline causes a state of imminent potential for total failure, resulting in the inability to provide potable water, which could cause property damage and become a high risk to human health and life.
- Repair of the 36" water transmission line is "public work" as defined by RCW 39.04.010(4).

**Budget Impact:**

**Previous Action:** N/A

**Recommended Motion:** I move that the Resolution 3107 be approved declaring an emergency and waiving state competitive bidding requirements for the public work project titled 36" Water Transmission Pipeline Emergency Repairs, pursuant to RCW 39.04.280.

**Alternative Actions:**

**Attachments (listed in order presented):**

1. Resolution 3107

## RESOLUTION 3107

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANACORTES, WASHINGTON, declaring an emergency and waiving state competitive bidding requirements for the repair of the 36” water transmission pipeline, pursuant to RCW 39.04.280.**

WHEREAS, RCW 39.04.280 provides that the City, by resolution, may waive competitive bidding requirements for public works in the event of an emergency. For purposes of RCW 39.04.280, an “emergency” is any unforeseen circumstance beyond the control of the municipality that either (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken; and

WHEREAS, on January 11, 2023 at approximately 1100 hours the Water Treatment Plant’s 36” water transmission pipeline failed and started leaking at a joint connection immediately adjacent to the main discharge meter; and

WHEREAS, the pipeline is one of two redundant pipelines that supply potable water to approximately 56,000 residential, commercial and industrial customers; and

WHEREAS, an emergency repair is needed to quickly place the transmission pipeline back in service to be able to serve potable water at full production capacity; and

WHEREAS, the failure of the transmission pipeline causes a state of imminent potential for total failure, resulting in the inability to provide potable water, which could cause property damage and become a high risk to human health and life; and

WHEREAS, repair of the 36” water transmission line is “public work” as defined by RCW 39.04.010(4).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Anacortes, Washington as follows:

Section 1. The City Council of the City of Anacortes, Washington finds that the facts set forth in the recitals of this resolution are true, and hereby declares and certifies that the failure of 36” the water transmission pipeline constitutes an emergency under RCW 39.04.280.

Section 2. The City Council of the City of Anacortes, Washington hereby waives the bidding requirements and authorizes staff to contract without solicitation of bids for the public work project titled 36” Water Transmission Pipeline Emergency Repairs, and to take such actions as necessary to carry out the intent and direction of this Resolution.

Section 3. Any actions of the City or its officers prior to the date hereof and consistent with the terms of this Resolution are ratified and confirmed.

Section 4. This Resolution shall be in full force and effect after its adoption and approval.

The foregoing resolution was ADOPTED by the City Council of the City of Anacortes, Washington, at a regular, open public meeting thereof this 17<sup>th</sup> day of January, 2023.

---

Matt Miller, Mayor

ATTEST:

---

Steven D. Hoglund, City Clerk/Treasurer

APPROVED AS TO FORM:

---

Darcy Swetnam, City Attorney