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- The public is encouraged to comment via email to pced@cityofanacortes.org, via written comment addressed to PCED, P.O. Box 547, Anacortes, WA 98221. Public comments received 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.
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Anacortes Planning Commission
Municipal Building - Council Chambers
904 6th Street

October 2, 2024
6:00 PM

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

1. **Roll Call**
2. **Minutes**
 - a. Minutes of 06/26/2024 were submitted for approval.
3. **Public Comment**
4. **Public Hearings**
5. **Other Business**
 - a. Revised Skagit County 2045 Allocations of Population, Housing and Employment and Anacortes Land Capacity Analysis (2025 Comprehensive Plan Update)
 - b. Land Use & Housing Element Goals & Policies - continued discussion (2025 Comprehensive Plan Update)
 - c. Housing Action Plan (HAP) Recommended Development Regulation Changes - continued discussion (2025 Comprehensive Plan Update)
6. **Planning Department Update**
7. **Adjournment**

**Citizens wishing to comment on items not on the agenda may do so under Public Comment. Citizens wishing to comment during a public hearing may do so as those items are considered by the Planning Commission 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.

Anacortes Planning Commission Minutes - June 26, 2024

Roll Call

Chairperson Linda Martin called to order the Anacortes Planning Commission meeting of June 26, 2024 at 6:00 p.m. Commissioners Jim Stoneman, Frank Jeretzky, Paul Ryan, Luke Currier, and Mike Mills were present. Commissioner William McCombs was absent.

Minutes

There were no minutes submitted for review.

Public Comment

Patrick Galligar, Anacortes, referenced the Shoreline Master Plan stating that the report talks about development effects on the shoreline, but there's more that needs to be considered. He gave examples of people cutting down trees, building temporary docks, etc. The State documents point out that procedural violations can occur when people don't get permits. He wants that language included in our SMP. He asked if the Planning Department deals with other activities within the shoreline.

Libby Grage clarified that any use, activity or development that occurs within shoreline jurisdiction is required to comply with the SMP whether or not a permit is required. We do have a permit process for tree removal in those areas to make sure it's compliant with the SMP. We track and monitor all activity in the shoreline areas whenever possible.

Public Hearings

Other Business

Anacortes Shoreline Permit Monitoring Project

Libby Grage said in 2022 the City of Anacortes received a grant for a shoreline permit monitoring project to make sure that development was consistent with the Shoreline Master Plan (SMP). The City contracted with Facet to complete this work. City staff and Facet coordinated with Carolyn Chase, project manager with Department of Ecology. She introduced Alex Capron with Facet.

Alex Capron commented that the SMP regulates Shorelines of the State. The City completed the SMP update in 2010 and the periodic update is ongoing. The purpose of the monitoring database is to allow the City to better document no-net loss of shoreline ecological function. As development comes in, there's mitigation for the impacts. Restoration plans allow for a "lift" in ecological function. We took a sampling of shoreline permits to review and analyze. We looked for mitigation sequencing and whether a mitigation plan was provided. The database is not required by Department of Ecology, but the City is doing this to better track projects. Staff inputs the project data into the database, which includes the monitoring requirements. If the applicant doesn't submit the as-builts then the monitoring tracking can be difficult. As projects trigger mitigation, they will trigger the need for the as-built and, in-turn, the monitoring. Reminders can be automatically sent to staff to do the monitoring.

Mr. Capron reviewed the recommendations: clearly define no-net loss; refine the shoreline permit submittal requirements; consider establishing a clear nonconforming definition to degraded vegetation conservation areas; and consider requiring mitigation performance bonds, as needed, which can help ensure that the applicant submits the as-builts. There are aspects where the City of Anacortes code can be strengthened. They also recommend clarifying when a critical areas report is required.

Jim Stoneman asked how staff will use the recommendations.

Libby Grage stated staff is super excited. There are quite a few recommendations that can be implemented right now; such as the submittal checklist and updating the permit software to capture some of the

information we need to track. Other items are more long term goals.

Mike Mills asked if staff has to time to manage this.

Ms. Grage clarified this will help make sure each and every project that needs monitoring will get monitored, even when there is staff turnover.

Paul Ryan asked if the applicants are the homeowners or contractors. He wondered what the follow-up process is and if staff will be going out to the site.

Libby Grage said when resources allow, staff will go out to sites. This will help us to plan what is needed. Things fall through the cracks with our current system.

Mr. Ryan wondered if there's enough staff to handle implementing this program.

Libby Grage said we are doing the best we can with what we have right now. She pointed out that they are conducting interviews.

Frank Jeretzky asked what the process is when someone doesn't self-report or is doing work without a permit.

Libby Grage stated the code enforcement officer would determine if there was a violation. The person doing the work and/or homeowner would be contacted and instructed on how to be in compliance. The City can assess fines.

Linda Martin said she's pleased to see that the city is willing to say we can do better and seeking input on how to do this.

Carolyn Chase, Department of Ecology project manager, said she's happy to see this report. They're thrilled with Libby's leadership to do something that is not required just because they want to do the right thing for the shorelines. This is by far the best for project management that she's seen. There are recommendations that are actionable and others that will need more work in the future.

Planning Commission Procedures

Linda Martin stated this is the 3rd review of the procedures. Last time the Commissioners wanted to discuss the mission statement and roles of the Planning Commission. Commissioner Mills added comments that can be found in the report in red. She clarified that the roles were compiled from 3 different documents.

Jim Stoneman said he likes the roles outlined in the packet.

Mike Mills commented he likes the rewrite in this draft.

Linda Martin pointed out that in the procedures, it says we need every member in attendance, so we cannot vote on this tonight. She suggests they review a clean version of the procedures at the next meeting and vote then.

Planning Department Update

John Coleman referenced the City Council meeting last Monday. They discussed and decided to hold a July 15th work session to discuss the Comprehensive Plan and docketing process. The work session will start at 5pm. Staff would like the Commissioners to attend, but not as a joint meeting. The docket items are requests for zoning map changes, specific changes to the comp plan, etc. Makers will be there to answer questions if needed. The intent is to make sure the Commissioners understand the goals for the Comprehensive Plan update. Since this is a work session, there will be no decision made. They will hold a regular City Council meeting the next week because there is a deadline of June 30th for people who want to suggest specific changes to the Comprehensive Plan.

Mike Mills asked for clarification on the July 15th meeting.

John Coleman stated that the Council will be reviewing projects to determine which will be put on the docket in the future. They will discuss how they want to see the Comprehensive Plan process go.

Linda Martin asked if the Commissioners could review the possible docket items prior to the meeting.

John Coleman pointed out that staff is working to get that out to Council and Commissioners earlier than normal. It will also be posted on the City website, so the public will have access as well.

Adjournment

Chairperson Martin adjourned the meeting at 6:55 p.m.



Planning Commission Agenda Bill

Meeting Date: October 2, 2024

Agenda Item: 5.a.

Subject: Revised Skagit County 2045 Allocations of Population, Housing and Employment and Anacortes Land Capacity Analysis (2025 Comprehensive Plan Update)

Staff Contact: John Coleman

Approved for Submittal to Commission by

Libby Grage
John Coleman

Action Type

Presentation

Summary Statement: On February 28, 2024, staff presented to the Planning Commission the Initial 2045 Allocations of Population, Housing and Employment (2045 Allocations) that the Skagit Council of Governments Growth Management Steering Committee approved in December 2023. The 2045 Allocations indicate how many new residents and new jobs are expected in each city and the county between now and 2045. The 2045 Allocations documents projects that 3,145 new jobs and 4,988 new residents are expected to move to Anacortes between now and 2045. The 2045 Allocations also estimate the number of new housing units that are going to be necessary in each city and the county to accommodate the new residents, including a break-down of how many units need to be accommodated in 6 income bands. The housing allocations by income band are based on the Housing for All Planning Tool (HAPT) provided by the state that counties must use. The income bands are based on the area median income (AMI). The 2024 AMI in the Mount Vernon - Anacortes MSA is \$102,800.

Since the time that staff presented the initial 2045 Allocations, the cities and county have been reviewing their land capacity and zoning designations to determine if they are able to accommodate the projected increase in jobs, residents, and the associated amount of new housing - by income band - necessary for those new residents. Also during this time, the State Department of Commerce amended its guidance for how housing for the lower income bands can be allocated in rural areas (more information on Commerce's guidance can be found here: <https://www.commerce.wa.gov/growth-management/housing-planning/housing-guidance/>). The 2045 Allocations initially allocated 146 housing units in the 0-50% AMI housing category to rural Skagit County. Based upon the updated guidance from the Department of Commerce, housing units below 50% AMI should not be allocated to rural areas because those units would consist of multi-family housing which is not allowed in rural areas.

Thus, the 146 housing units in the 0-50% AMI housing category were redistributed from the county to the cities in the revised 2045 Allocations that are being presented

today. As the attached table shows, Anacortes's 0-30% AMI income band allocation increased by 19 units; from 924 to 943 units. The 31-50% AMI band increased by 12 units, from 592 to 604 units. Finally, the Above 120% AMI band decreased commensurately by 31 units; from 577 to 546 units.

No changes to the amount of new jobs, residents or housing units have changed. The difference between the initial 2045 Allocations and the final 2045 Allocations is that Anacortes has been allocated 31 more units in the 0-50% AMI bands, and 31 units less in the Above 120% band. The revised 2045 Allocations are attached.

The revised 2045 Allocations were used to update the Anacortes Land Capacity Analysis that was presented to the Planning Commission on May 22, 2024. The revised, Final Draft Land Capacity Analysis is included with this packet. The analysis did not show that redistributing 31 units from the 120%+ AMI band to the 0-30% AMI band (19 units) and 31-50% AMI band (12 units) had an impact on the city's land capacity.

Background:

Previous Action:

Competing Viewpoints Considered:

Recommended Motion: No Action requested

Alternative Actions:

Attachments (listed in order presented):

1. Revised Skagit County 2045 Allocations of Population summary
2. Anacortes LCA Draft Methodology FINAL DRAFT 2024-09-27

Revised Skagit County 2045 Allocations of Population, Housing and Employment

Final Population Allocations

Urban Growth Areas	2022 Population Estimates	2045 Final Population Allocations	2022-2045 Projected Population Growth		
			Amount	Percent of Total Growth	Percent Growth by Area
Anacortes	17,983	22,971	4,988	16.9%	27.7%
Burlington	12,111	16,930	4,819	16.3%	39.8%
Mount Vernon	37,679	46,460	8,781	29.7%	23.3%
Sedro-Woolley	14,096	18,582	4,486	15.2%	31.8%
Concrete	949	1,130	181	0.6%	19.1%
Hamilton	302	302	0	0.0%	0.0%
La Conner	980	1,191	211	0.7%	21.5%
Lyman	425	425	0	0.0%	0.0%
Bayview Ridge	1,694	1,694	0	0.0%	0.0%
Swinomish	2,565	2,764	199	0.7%	7.8%
UGAs Subtotal	88,784	112,449	23,665	80.0%	N/A
Rural (outside UGAs)	42,465	48,381	5,916	20.0%	13.9%
Grand Total	131,249	160,830	29,581	100.0%	N/A

The Final Population Allocations did not change from Initial Allocations approved in December 2023

Final Housing Allocations

Revised - Housing

	Final Allocation of Net New Housing Needed (2020-2045)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																</
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The differences between the Final 2045 Allocations and the Initial 2045 Allocations approved in December 2023 are shown in red. A total of 31 units were moved from the Above 120% AMI category and dispersed into the 0-30% and 31-50% categories. The 0-30% category increased by 19 units and the 31-50% category increased by 12 units.

Final Employment Allocations

Urban Growth Areas	2022 Employment Estimates	2045 Final Employment Allocations	2022-2045 Projected Employment Growth		
			Amount	Percent of Total Growth	Percent Growth by Area
Anacortes	9,503	12,648	3,145	15.3%	33.1%
Burlington	11,640	17,410	5,770	28.1%	49.6%
Mount Vernon	18,781	23,559	4,778	23.3%	25.4%
Sedro-Woolley	4,640	7,040	2,400	11.7%	51.7%
Concrete	391	506	115	0.6%	29.4%
Hamilton	466	489	23	0.1%	4.9%
La Conner	1,020	1,905	885	4.3%	86.8%
Lyman	56	76	20	0.1%	35.7%
Bayview Ridge	2,962	4,901	1,939	9.4%	65.5%
Swinomish	1,140	1,579	439	2.1%	38.5%
UGAs Subtotal	50,599	70,113	19,514	95.1%	N/A
Rural (outside UGAs)	8,972	9,987	1,015	4.9%	11.3%
Grand Total	59,571	80,100	20,529	100.0%	N/A

Final Employment allocations did not change from Initial Allocations approved in December 2023.

Anacortes Comprehensive Plan

Land Capacity Analysis Methodology **FINAL DRAFT**

September 27, 2024

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Introduction

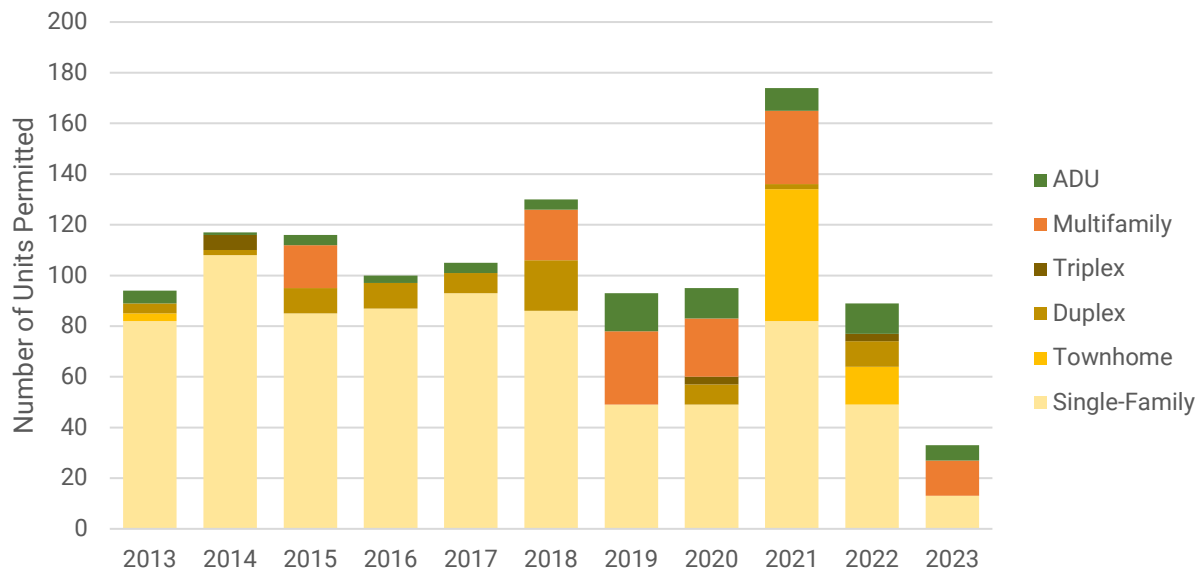
Leland Consulting Group (LCG) was retained as part of a consultant team led by MAKERS Architecture & Urban Design to assist the City of Anacortes in its 2025 Comprehensive Plan update. As part of this work, LCG conducted a Land Capacity Analysis (LCA) to determine potential development capacity for housing and jobs in the city through 2045, including capacity for housing units by income band to comply with recent updates to the GMA resulting from the passage of HB 1220. This report details the methodology and results of this analysis, which was based on the methodologies in the following documents and guidebooks:

- Department of Commerce *2012 UGA Guidebook*
- Department of Commerce *2018 Buildable Lands Guidelines*
- Department of Commerce *2023 Commerce Guidance for Updating Your Housing Element*
 - Note: this guidebook also adds methodology for housing unit capacity analysis by income band to comply with HB 1220
- Anacortes' 2015 Land Capacity Analysis methodology
- Recent Land Capacity Analysis Methodologies used in Snohomish and Whatcom Counties

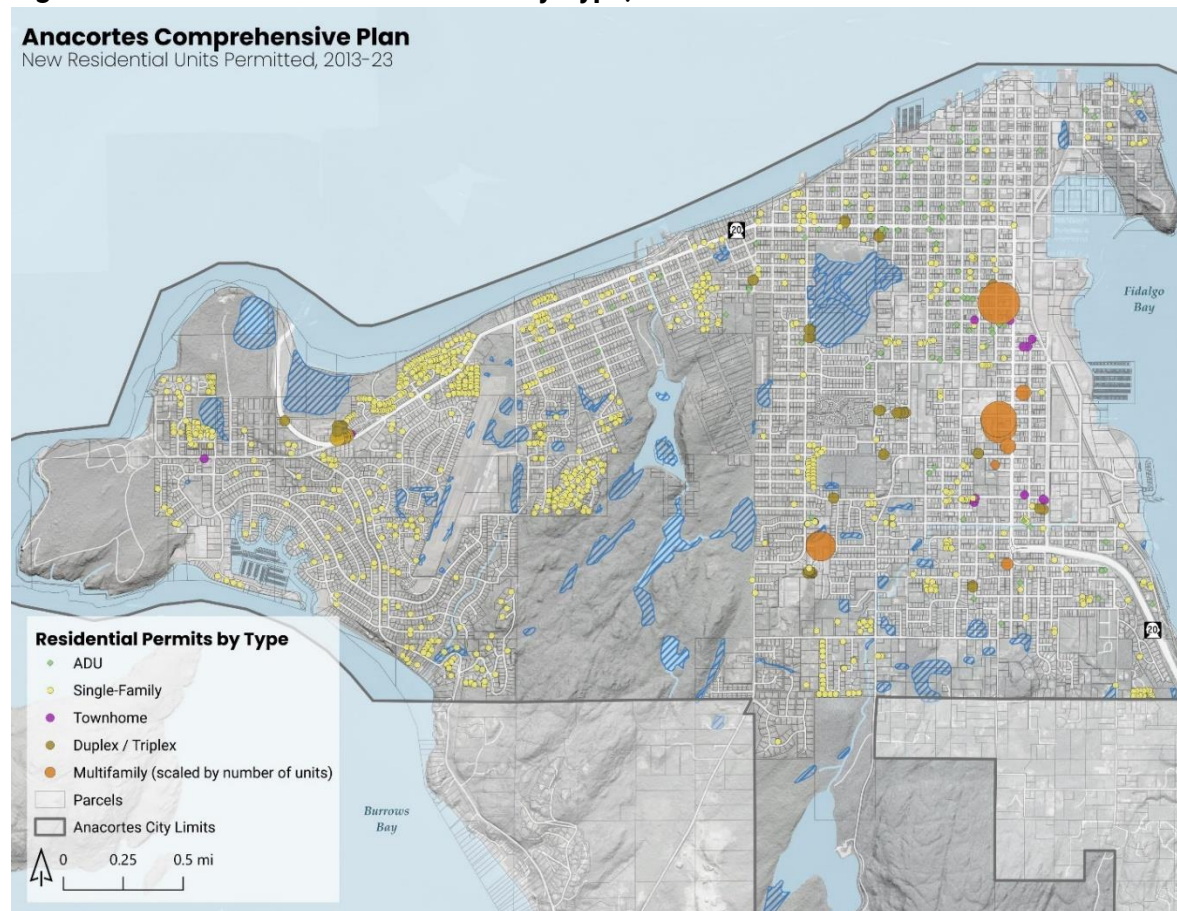
Review of Development Since 2013

Residential development in Anacortes over the past 10 years was analyzed using permit data provided by the city. Overall, a total of **1,146 housing units** have been permitted since 2013. As shown below in Figure 1, there has been an increase in middle housing types (duplexes, triplexes, and townhomes) and accessory dwelling units (ADUs) in recent years. Middle housing types accounted for 14 percent of all permits since 2013, ADUs accounted for 7 percent, and 12 percent of permitted units since 2013 were apartments.

The map below in Figure 2 shows the locations of permitted residential development since 2013. Single-family development has been focused primarily in new subdivisions with some scattered development around the city. Multifamily development has occurred mostly in the R-4 zone.

Figure 1. Housing Units Permitted in Anacortes by Type, 2013-2023

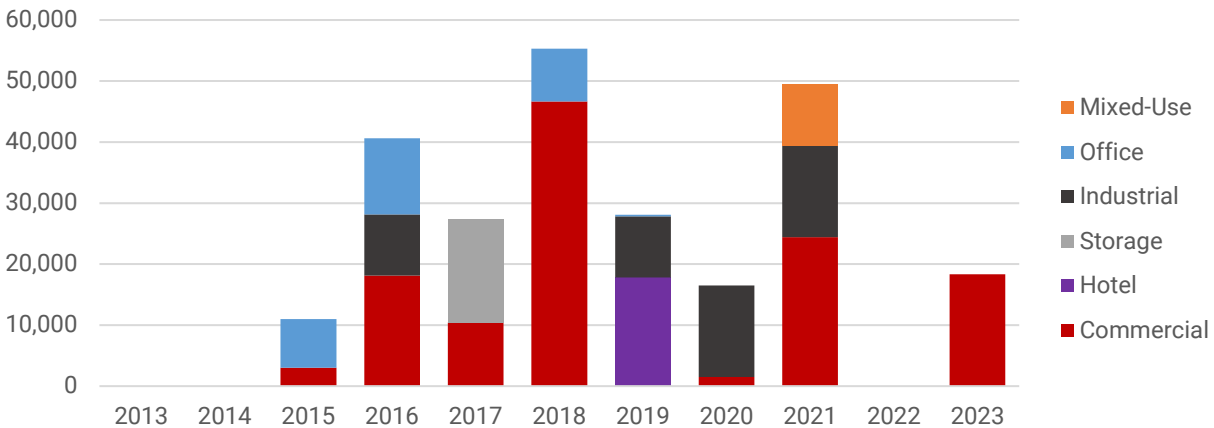
Source: City of Anacortes, Leland Consulting Group

Figure 2. Residential Permit Locations by Type, 2013-2023

Source: City of Anacortes, Leland Consulting Group

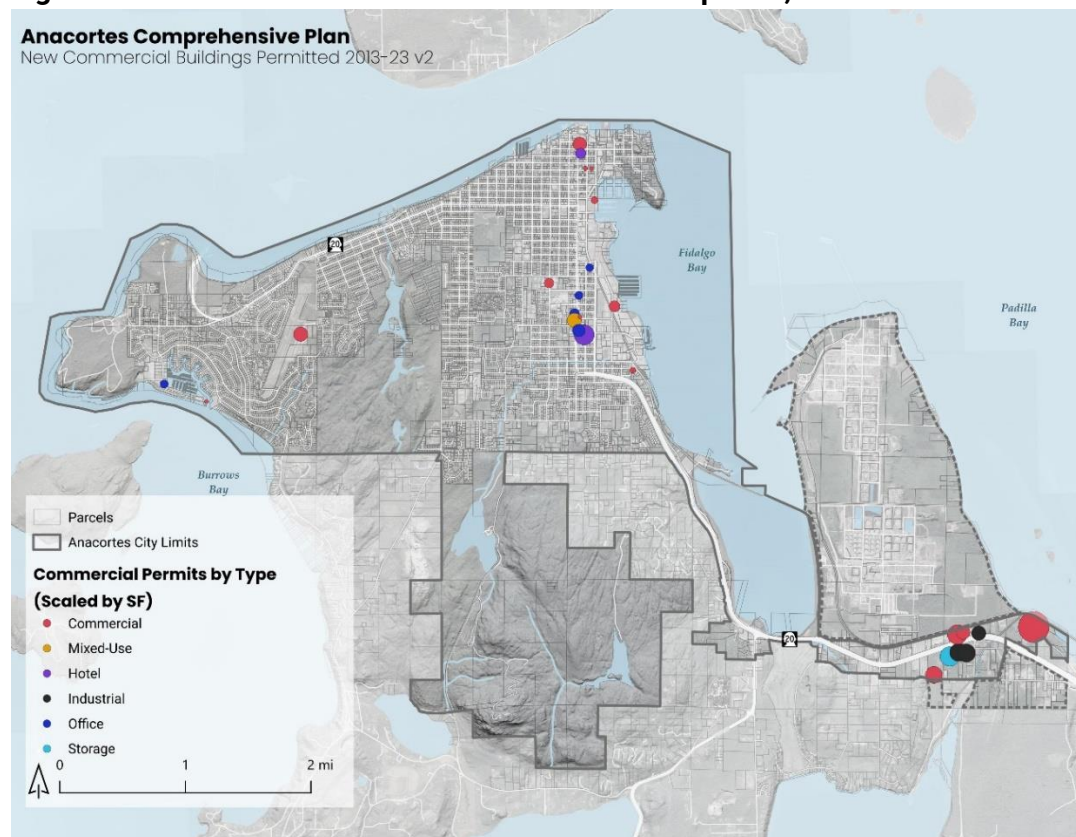
There has also been some commercial development in the past decade, primarily marine, storage, and industrial buildings, along with some office development and a hotel expansion. As shown below in Figure 3, commercial development has slowed down overall since the pandemic. The map in Figure 4 shows the locations of this development, much of which is clustered near the refinery along March Point Road.

Figure 3. Square Feet of Commercial Development Permitted in Anacortes by Type, 2013-23



Source: City of Anacortes, Leland Consulting Group

Figure 4. Locations of Commercial Permitted Development, 2013-2023



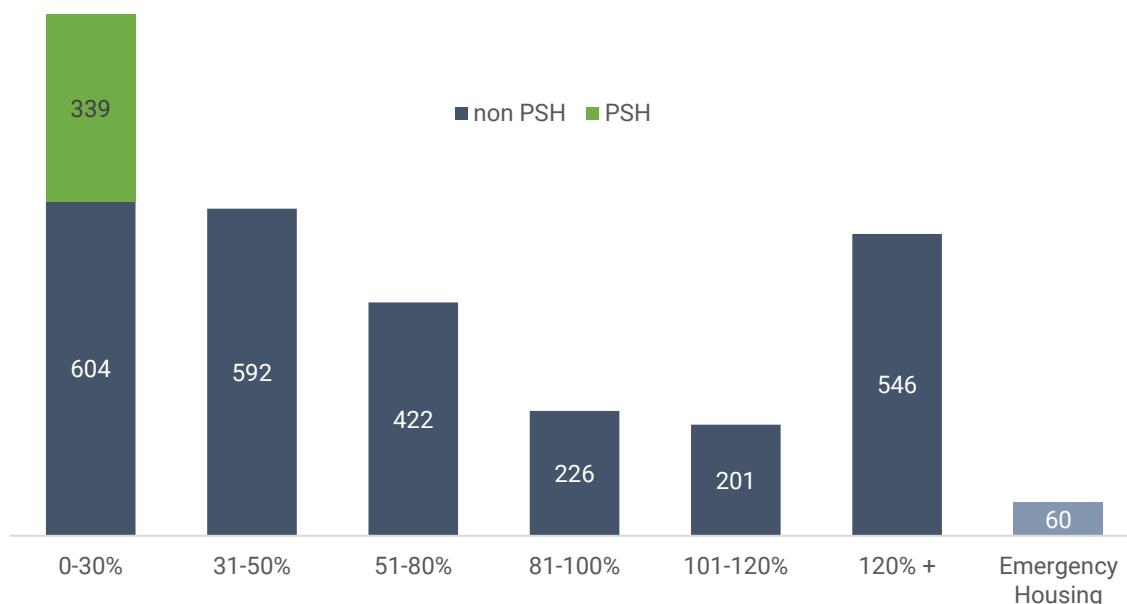
Source: City of Anacortes, Leland Consulting Group

Housing Needs and Employment Projections

In accordance with the GMA, all Skagit County jurisdictions are required to demonstrate that they have sufficient land capacity to accommodate the projected 2045 housing needs and jobs growth based on the Washington Office of Financial Management countywide forecasts as allocated to jurisdictions through the Countywide Planning Policies. As detailed in Skagit County Growth Management Act Steering Committee (GMASC) Resolution 2023-01, Anacortes' projected housing need is **2,942 new Housing Units between 2020 and 2045** and **3,145 new jobs between 2022 and 2045**. Per the GMA, (HB 1220), Anacortes must show capacity to accommodate the projected housing needs and employment growth within the city limits and urban growth area.

The housing unit projections are further broken down by what income band the housing units can serve, expressed as a percentage of the HUD Area Median Income (AMI). For reference, the 2024 AMI for Skagit County used in this analysis was **\$102,800**. The AMI is determined by the U.S. Department of Housing and Urban Development (HUD), and is generally higher than the Census-reported Median Household Income for a given city, since it is a countywide metric and adjusted for household size. The HUD AMI is used to determine eligibility and income limits for subsidized affordable housing units.

The projected housing needs for families earning under 30% AMI are broken down into permanent units (i.e. standard housing units) and permanent supportive housing (PSH), defined in the Department of Commerce guidebook as "subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition." Finally, each jurisdiction received a projection for emergency housing needs, defined as "temporary accommodations for households who are experiencing homelessness or are at imminent risk of becoming homeless." Anacortes' housing baseline and 2045 projections by income band are shown below. Note that housing which has been developed or permitted since 2020 is counted towards meeting these projections, the baseline year for these housing unit projections is set by the Department of Commerce.

Figure 5. Net New Housing Units Needed in Anacortes, 2020-2045

Source: Skagit County Growth Management Act Steering Committee, Revised Targets 9-18-2024

Parcel Classification

To determine developable land capacity in Anacortes, a set of assumptions was used to classify parcels as vacant, partially-used, or redevelopable. Critical area acreage was then deducted to arrive at net buildable parcel acreage by zone. The assumptions and methodology for this process are detailed below.

Parcels Excluded From Analysis

To develop the set of potential vacant, partially-used, and redevelopable parcels, assessment use codes from Skagit County assessor data were used to identify and remove certain parcels which are not considered as potential candidates to accommodate future growth within the next 20 years, based on Commerce guidance and staff input.

Parcels classified with the following assessment use codes were reviewed and excluded, when appropriate:

- (150) Mobile Home Parks
- (430) Aircraft Transportation
- (450) Highway & Street Right-Of-Way
- (480) Utilities
- (490) Other Transport/Community/Utilities
- (680) Education Services (Schools)
- (470) Communications
- (760) Parks
- (770) Cemetery

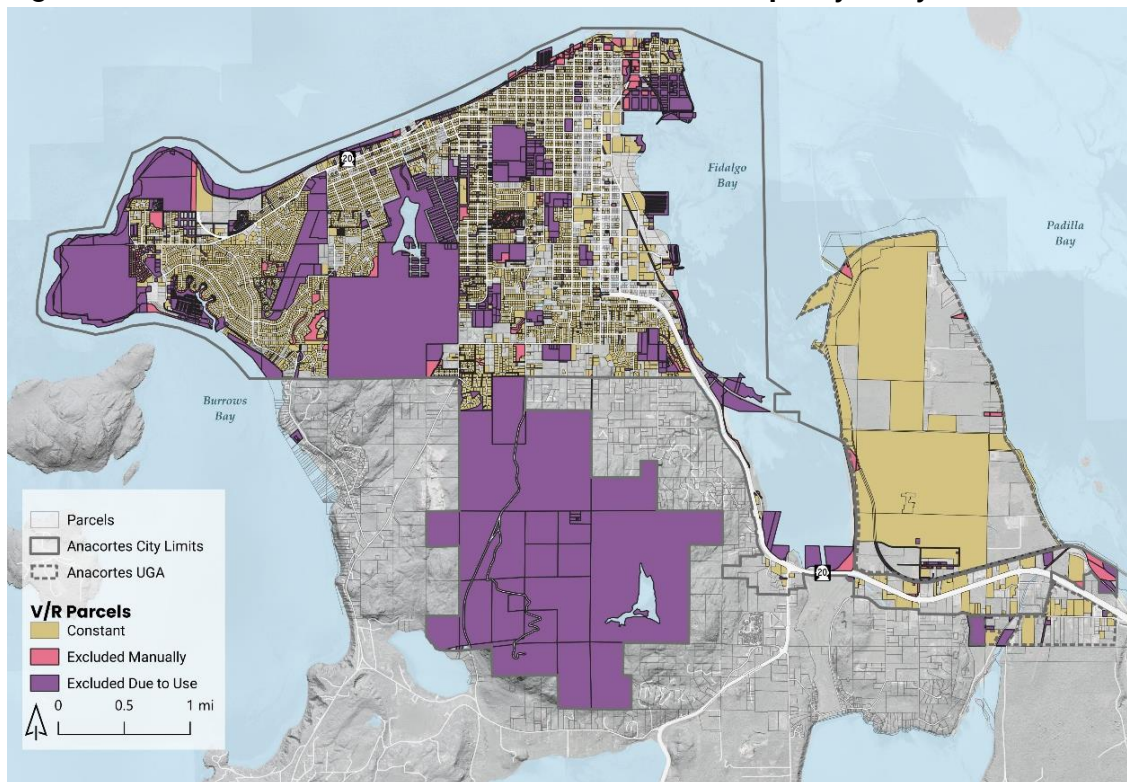
- (830) Current Use Farm and Agriculture
- (860) Reforestation
- (880) Designated/Classified Forest
- (890) Other Resource Protection
- (930) Water Areas
- (9790) Condo Moorage
- (740) Recreational Activities
- Parcels zoned P (Public)

Some parcels were removed manually based on visual inspection and staff input, including:

- Common areas of condominiums
- Small easements and sections of Right-Of-Way
- Parcels along the shoreline which are predominantly water
- Parcels needed for public purposes (such as wastewater treatment plant)

Finally, parcels with recently completed (in the last 10 years) or permitted development were excluded from consideration. The parcels removed from consideration in this land capacity analysis are shown below in Figure 6. This map also shows parcels classified as “Constant,” i.e. parcels which are not expected to redevelop over the planning horizon since they do not fall into any of the classifications discussed below (Vacant, Partially-Used, or Redevelopable).

Figure 6. Parcels Removed from Consideration in Land Capacity Analysis



Next, the remaining parcels in the city were classified as vacant, partially-used, or redevelopable, using the criteria below:

Vacant

Parcels in all zones were classified as **Vacant** if the Skagit County Assessor's improvement (building) value was less than \$10,000, or if the Assessor classified the parcel as "Unimproved Land."

Partially-Used

The **Partially-Used** classification refers to parcels in low- and medium-density residential zones (R1, R2, R2A, R3) which are large enough to be subdivided without rezoning. Parcels listed in Assessor data as a single-family use where the parcel size was greater than 3 times the minimum lot size were classified as Partially-Used. Per Commerce guidance, very high value properties where the improvement (building) value was greater than the 93rd percentile of improvement values in the city (\$772,368) were excluded, since it is unlikely that high-value homes on large properties would subdivide.

Redevelopable

This category applies to parcels which are not in low and medium-density residential zones. Parcels are considered **Redevelopable** if the improvement (building) value is less than the land value, or if the parcel currently shows a single-family use code in a zone that allows multifamily housing or commercial/industrial development. Per staff, some port-owned properties in active waterfront use, boat storage and parking lots are classified as Redevelopable rather than vacant, even though they do not have structures. Additionally, per staff, refinery-adjacent parcels in the HM zone were visually inspected and those without current structures were classified as Redevelopable.

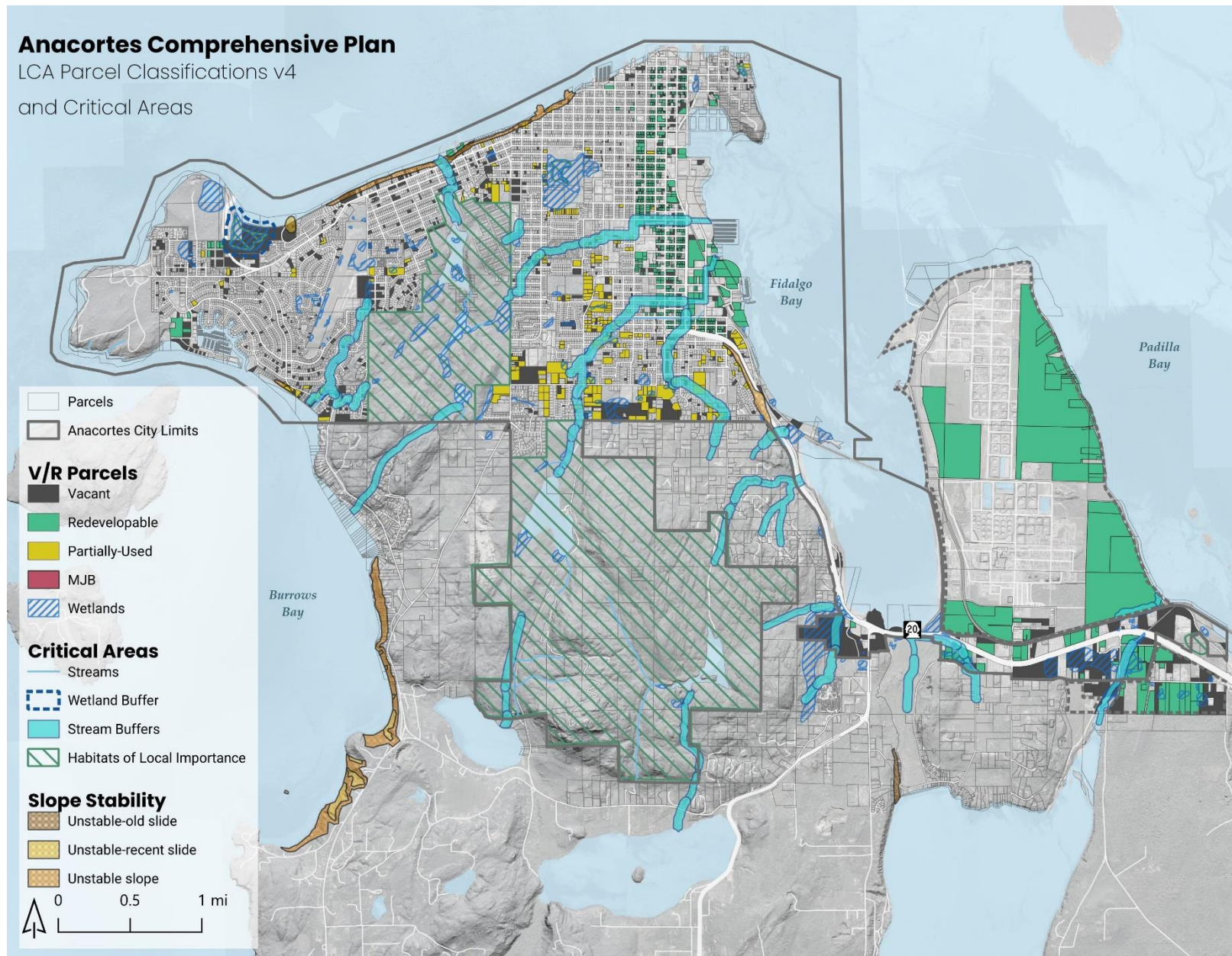
Critical Areas

After determining the set of Vacant, Partially-Used, and Redevelopable parcels, the next step is to remove critical area acreage from the developable acreage of the parcels. For this analysis, mapped **wetlands**, **streams** with RMZ buffers, **habitats of local importance**, and **unstable slopes** were removed from the potentially developable parcel acreage. Note that Ship Harbor Wetland included a buffer of 300 feet per City staff, and for other wetland areas, wetland buffer widths can be highly variable depending on wetland category, functions provided, adjacent development, and other factors. Therefore, buffers were not applied to other wetlands in the analysis. It is assumed that associated buffer deductions for these other wetlands are accounted for in the reduction factors applied later in the analysis.

Total Acreage

The table below shows the Vacant, Partially-Used, and Redevelopable acreage in each zone, after the critical area acreage was removed. The locations of these parcels and of the critical areas are shown in the map below. Note that the MJB site has a separate analysis of potential development discussed later in this report and is therefore shown in its own category.

Zone Name	Abbreviation	Gross Vacant Acres (Less Critical Areas)	Gross Partially Used Acres (Less Structures and Critical Areas)	Gross Redevelopable Acres (Less Critical Areas)
RESIDENTIAL ZONES (AMC 19.40.030)				
Residential Low Density 1	R1	32.2	24.0	0.0
Residential Low Density 2	R2	69.9	5.7	3.4
Residential Low Density 2A	R2A	58.9	13.8	0.0
Residential Medium Density 3	R3	10.1	14.7	0.5
Residential Medium Density 3A	R3A	0.0	0.0	0.0
Old Town	Old Town	0.6	0.1	1.8
Residential High Density 4	R4	20.1	0.0	53.7
Residential High Density 4A	R4A	1.0	0.0	16.4
MIXED-USE ZONES (AMC 19.40.040)				
Central Business District	CBD	5.1	0.0	14.8
Commercial	C	18.3	0.0	29.8
Marine Mixed-Use	MMU	17.5	0.0	9.2
Commercial Marine	CM	5.9	0.0	2.4
Commercial Marine 2	CM2	0.4	0.0	15.0
Public Use	P	0.8	0.0	0.0
INDUSTRIAL ZONES (AMC 19.40.050)				
Light Manufacturing	LM	9.8	0.0	2.3
Light Manufacturing 1	LM1	100.0	0.0	98.6
Manufacturing and Shipping	MS	0.7	0.0	0.4
Heavy Manufacturing	HM	42.4	0.0	667.4
Industrial	I	3.9	0.0	37.0
Aeronautical Zone	AZ	0.0	0.0	0.0



Reduction Factor

Commerce’s HB 1220 guidance indicates that jurisdictions should reduce the amount of vacant and redevelopable acreage by a reasonable amount to account for land which may not be available for redevelopment due to the need for new **right-of-way, public space, stormwater facilities, or other dedications**, as well as a reasonable estimate of the amount of land that will remain **unavailable due to the market**. The Department of Commerce suggests a minimum reduction of 15% for vacant parcels and 25% for redevelopable parcels. Using these as minimum reductions, LCG extrapolated development trends from the past decade in each zone to see what share of Vacant/Partially-Used/Redevelopable acreage would develop if those trends continued. Based on this assessment, the reduction factor was increased for zones with comparatively less development and a larger amount of developable land. Following guidance in Commerce’s 2018 *Buildable Lands Guidelines*, reduction factors for vacant parcels were up to 50 percent in residential zones and up to 20 percent in commercial zones. Reduction factors for partially-used or redevelopable parcels were up to 60 percent in residential zones and up to 40 percent in commercial zones. One exception was the HM zone, where reduction factors were increased to 60 percent for vacant and 90 percent for redevelopable due to uncertainty over the potential for refinery expansion. Final reduction factors for Anacortes are shown below.

Figure 7. Reduction Factors Used in Anacortes Land Capacity Analysis

Zone Name	Vacant Reduction Factor	Redevelopable / Partially-Used Reduction Factor
RESIDENTIAL ZONES (AMC 19.40.030)		
R1	28%	31%
R2	15%	25%
R2A	15%	25%
R3	18%	25%
R3A	100%	100%
OT	15%	25%
R4	50%	60%
R4A	15%	25%
MIXED-USE ZONES (AMC 19.40.040)		
CBD	20%	40%
C	20%	40%
MMU	20%	40%
CM	20%	40%
CM2	15%	25%
P	20%	40%
INDUSTRIAL ZONES (AMC 19.40.050)		
LM	20%	40%
LM1	20%	40%
MS	20%	40%
HM	60%	90%
I	20%	40%
AZ	20%	40%

Housing and Job Density Assumptions

Having established the amount of available developable acreage, the next step in the analysis is to determine the share of this acreage which will redevelop as residential and nonresidential uses in each zone. As shown below, **Residential** zones are assumed to redevelop with 100% residential uses, and **Commercial Marine, Public, and Industrial** zones are not expected to see any residential development.

For the remaining mixed-use zones, recent development and policy trends were analyzed to develop assumptions for the residential/commercial mix. In 2019, the City updated development standards in the CBD and C zones to encourage more residential development. Since then, about 60 percent of development or permitted development acreage in the **C zone** has been residential. Given that the previous LCA assumed only 20 percent residential in this zone, an assumption of 50 percent was selected. In the **CBD zone**, less than 5 percent of development has been residential in recent years. However, given the changes in development regulations and the overall strong housing market in Anacortes and the region, this was increased to an assumption of 20 percent for this analysis.

One portion of the Marine Mixed Use zone contains the proposed **MJB** development, which was analyzed separately and is discussed later in this report. For the remainder of the MMU zone acreage in the western part of the city, a mix of condominiums and marine uses have been developed over the past decade, so an even split of commercial and residential was assumed.

Figure 8. Assumed Residential/Commercial Share for Anacortes Land Capacity Analysis

Zone		% Residential
RESIDENTIAL ZONES (AMC 19.40.030)		
Residential Low Density 1	R1	100%
Residential Low Density 2	R2	100%
Residential Low Density 2A	R2A	100%
Residential Medium Density 3	R3	100%
Residential Medium Density 3A	R3A	100%
Old Town	OT	100%
Residential High Density 4	R4	100%
Residential High Density 4A	R4A	100%
MIXED-USE ZONES (AMC 19.40.040)		
Central Business District	CBD	20%
Commercial	C	50%
Marine Mixed-Use	MMU	50%
Commercial Marine	CM	0%
Commercial Marine 2	CM2	0%
Public Use	P	0%
INDUSTRIAL ZONES (AMC 19.40.050)		
Light Manufacturing	LM	0%
Light Manufacturing 1	LM1	0%
Manufacturing and Shipping	MS	0%
Heavy Manufacturing	HM	0%
Industrial	I	0%

Residential Density

The next step was to estimate the density at which the resulting residential acreage could redevelop. Because Anacortes measures density in low- and medium-density residential zones by gross acreage (including one-half the width of the adjacent right-of-way) rather than net parcel acreage, and since allowed units based on site acreage are rounded up to the nearest whole number for fractions of 0.5 or higher per AMC 19.42.100(C), calculating density based on the zoning code is complex. Because of these provisions, the achieved densities in low- and medium-density zones (R1, R2, R3, and Old Town) can exceed the stated maximum density in the zoning code. In order to estimate future densities in these zones, different density calculations were developed for Partially-Used parcels and for Vacant parcels, since the Partially-Used category represents parcels which are large enough to be subdivided. For **Partially-Used** parcels, density assumptions were based on the minimum number of lots which could be achieved per acre, assuming one unit per lot, even if this exceeded the stated minimum density (due to the “rounding-up” provision discussed above). For **Vacant** parcels, assumed future density was based on the achieved density over the past 10 years or the maximum allowed density in the zoning code, whichever was greater.

In high-density residential zones (R4 and R4A), density assumptions were based on assumed **future development trends**. Given the changes in development standards intended to spur more multifamily development in the R4, it was assumed that 20 percent of future development would be multifamily residential, 10 percent would be duplexes or other middle housing, and the remaining 70 percent would be single-family. Given multifamily densities between 60-100 units per acre, seen in recent projects in the zone, this results in an assumed overall density of 20 units per acre. Assumed density in the R4A is assumed to be the maximum allowed under the zoning code. The table below shows the assumed residential density in each zone:

Figure 9. Assumed Densities for Anacortes Land Capacity Analysis

Zone	Minimum Lot Size	Minimum Density (du/ac)	Maximum Density (du/ac)	Minimum Lots per Acre	10 Years Achieved Residential Density (du/ac)	Assumed Density (du/ac) (Partially Used)	Assumed Density (du/ac) (Vacant/ Redevelopable)
R1	15,000		2	2.9	2.2	2.9	2.2
R2	7,500		4	5.8	4.5	5.8	4.5
R2A	6,000		6	7.3	4.2	7.3	6.0
R3	4,500			9.7	6.8	9.7	6.8
R3A	3,000			14.5		14.5	14.5
OldTown	6,000		9	7.3	7.9	7.3	7.9
R4	3,000			14.5	15.1		20.0
R4A	3,000		18	14.5	10.0		18
CBD		15					40.0
C		15			20.6		28.0
MMU		15			4.5		15.0

Employment Density

To determine density of employment capacity on the nonresidential acreage in Anacortes, a job density assumption was developed for each zone measured in jobs per acre, following a similar methodology as the previous Land Capacity Analysis. In the **C** and **CBD** zones, achieved job density over the past decade was calculated using permit data and those averages were used to develop assumptions for future jobs per acre. Absent recent permit data in **CM** and **CM2** zones, job density assumptions were used from the previous LCA. In the **MMU** and **Industrial** zones, the previous LCA assumption of 7.8 jobs per acre was used, since it fits within documented EPA average job density for industrial and warehousing uses, and there was not a sufficient sample size of data to calculate averages of recent development. In the **HM** zone, this was decreased to 5.0 jobs per acre to reflect uncertainty over the employment density of potential future refinery areas.

Figure 10. Job Density Assumptions Used for Anacortes Land Capacity Analysis

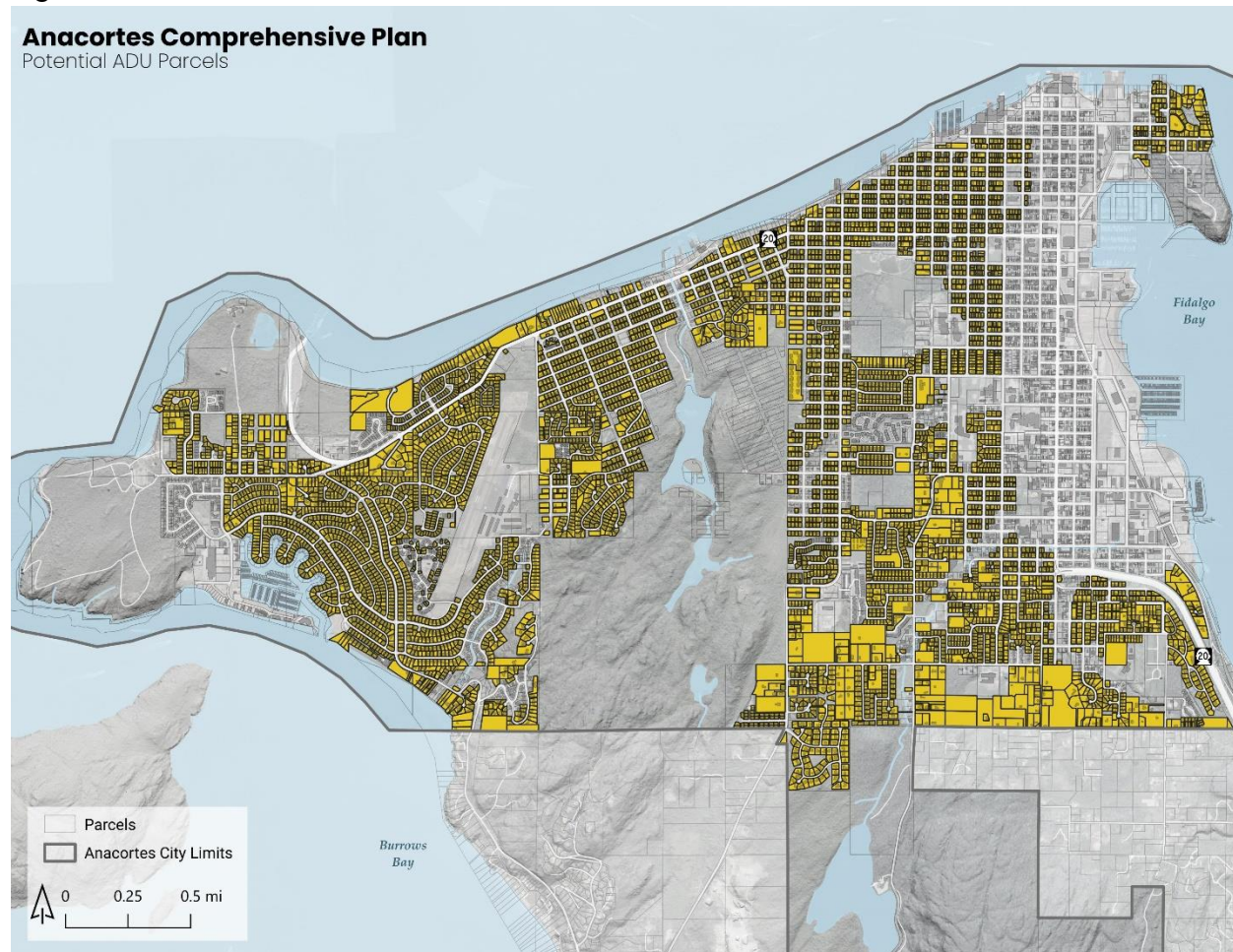
Zone Name	Abbreviation	10 years Achieved Jobs per Acre	Previous LCA Jobs/Acre	Assumed Jobs/Acre
MIXED-USE ZONES (AMC 19.40.040)				
CBD	CBD	37.0	21.8	37.0
C	C	45.0	21.8	45.0
MMU	MMU			7.8
CM	CM		15.0	15.0
CM2	CM2		15.0	15.0
P	P			
INDUSTRIAL ZONES (AMC 19.40.050)				
LM	LM		7.8	7.8
LM1	LM1		7.8	7.8
MS	MS		7.8	7.8
HM	HM		7.8	5.0
I	I		7.8	7.8
AZ	AZ			7.8

Additional ADU Capacity

HB 1337, passed by the legislature in 2023, requires that cities allow two ADUs, detached or attached, on all parcels currently zoned for low-density residential (i.e. single-family). As part of this capacity analysis, LCG considered the additional housing capacity that this new legislation could create in Anacortes. Parcels in the existing low- and moderate-density zones (R1, R2, R2A, R3, Old Town) were considered for this analysis. The built square footage was first removed from the parcel acreage, and then the remaining acreage within the allowed lot coverage ratio (per the zoning code) was calculated. Assuming at least 1,000 square feet would be required to construct an ADU, this resulted in a total of **5,952 parcels** which have sufficient space for an

ADU, as shown below on the map in Figure 11. Based on Commerce guidance and regional trends, LCG assumed that **five percent** of homeowners might choose to develop an ADU over the planning horizon. Assuming that a small share of those might also choose to construct 2 ADUs given new legislation, averaging **1.2 ADUs per lot**, this would result in an ADU capacity of **357 units**. This would average out to about **18 ADUs per year**, compared to **10.8 ADUs per year** which have been permitted on average yearly since 2019, according to city data.

Figure 11. Potential ADU Parcels in Anacortes



Source: City of Anacortes, LCG, Department of Commerce

MJB Site

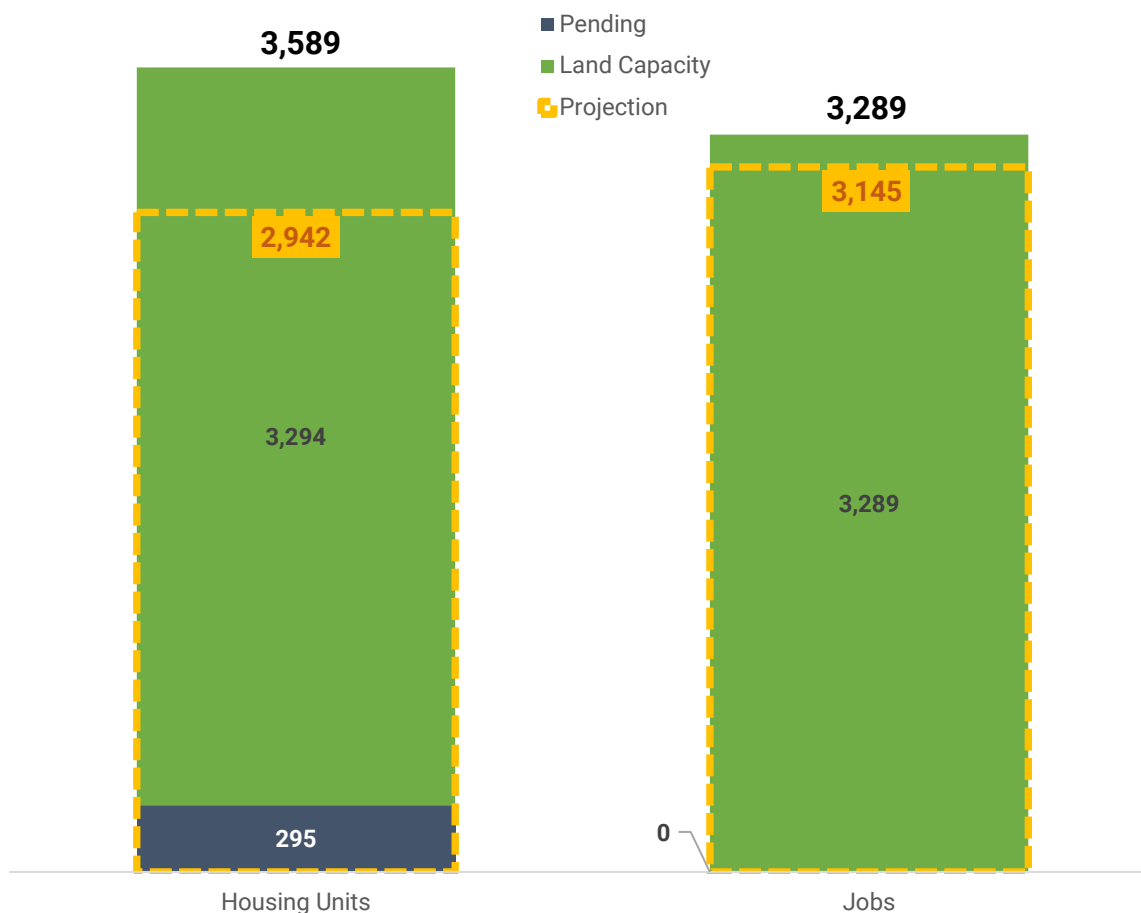
There are several parcels in the MMU zone in the east of the city that are owned by **MJB Properties LLC** and have been discussed as a potential master planned redevelopment site for several years, shown in red on the map on page 8. Because of existing planning efforts and studies involving this site, these parcels were excluded from the LCA acreage and assigned an estimated capacity of 414 units and 53 jobs, based on the developer's 2023 Traffic Impact Analysis for the site.

Results

Overall Results

Figure 12 below shows the overall results of the housing and jobs capacity analysis. Pending units developed since the baseline and/or permitted but not yet constructed are shown in dark blue, and additional zoned capacity for housing and jobs calculated as detailed above is shown in green. The targets are shown in dashed yellow boxes. Overall, **Anacortes has sufficient capacity to accommodate both housing and jobs projections.** The residential/commercial split in mixed-use zones described above, which assumes a higher share of housing than the previous LCA based on 2019 changes to development regulations, still provides sufficient jobs capacity, particularly when combined with additional industrial capacity in the refinery and other industrial/manufacturing zones.

Figure 12. Anacortes Housing Unit and Jobs Projections and Capacity Through 2045



The table below in Figure 13 shows the breakdown of total unit and job capacity by zone, after applying the densities discussed above to the net acreage (less critical areas and after market and infrastructure deductions) and subtracting units which would be lost to redevelopment.

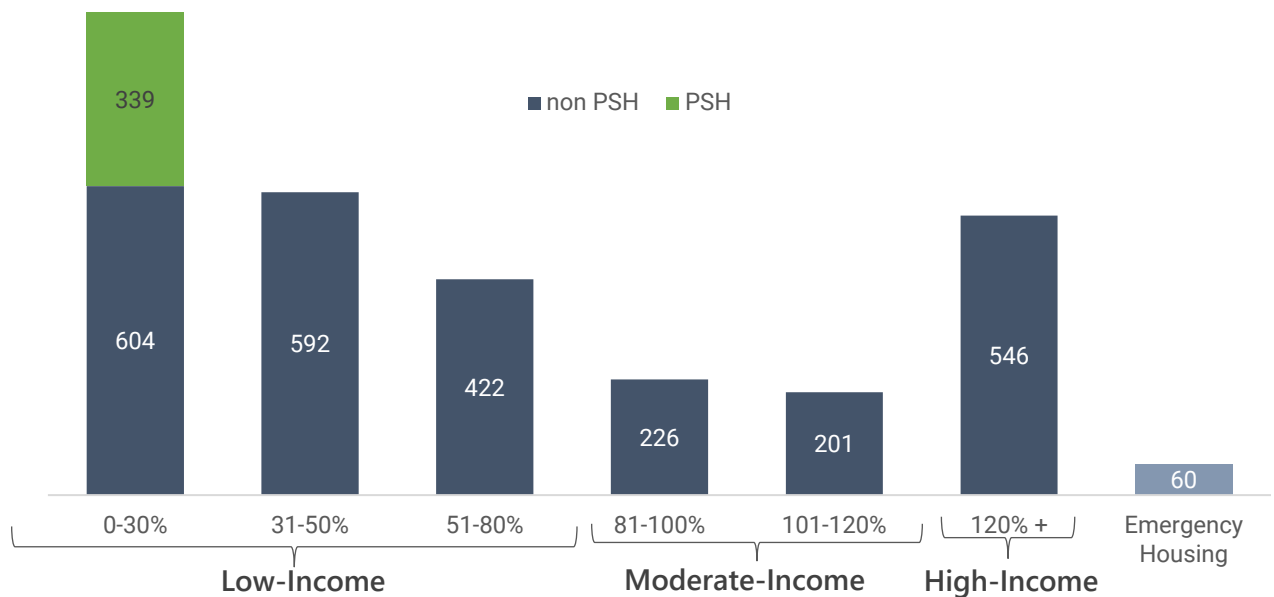
Figure 13. Housing Unit and Job Capacity by Zone in Anacortes, 2023-2045

Zone	Zone Abb	Net Housing Unit Capacity	Net Job Capacity
RESIDENTIAL ZONES (AMC 19.40.030)			
Residential Low Density 1	R1	99	0
Residential Low Density 2	R2	307	0
Residential Low Density 2A	R2A	376	0
Residential Medium Density 3	R3	166	0
Residential Medium Density 3A	R3A	0	0
Old Town	OT	14	0
Residential High Density 4	R4	457	0
Residential High Density 4A	R4A	15	0
MIXED-USE ZONES (AMC 19.40.040)			
Central Business District	CBD	197	385
Commercial	C	641	731
Marine Mixed-Use	MMU	251	76
Commercial Marine	CM	0	92
Commercial Marine 2	CM2	0	174
Public Use	P	0	0
INDUSTRIAL ZONES (AMC 19.40.050)			
Light Manufacturing	LM	0	71
Light Manufacturing 1	LM1	0	1,085
Manufacturing and Shipping	MS	0	6
Heavy Manufacturing	HM	0	419
Industrial	I	0	197
Aeronautical Zone	AZ	0	0
SPECIAL			
MJB Site		414	53
Additional ADUs		357	0
Pending		295	0

Housing Needs by Income Band

HB 1220 requires jurisdictions to analyze their housing capacity by what household income level the new units can serve. Each county establishes income-based projections for each city within the county, and the cities must then demonstrate that they have sufficient land capacity for the number of units allocated in each income band, as well as capacity for emergency housing unit projected needs. Anacortes' existing and projected housing unit needs for the 2020-2045 period are shown below in Figure 14.

Figure 14. Anacortes Projected Housing Needs by Income Band, 2020-2045



Source: Skagit County Growth Management Act Steering Committee Revised Targets 9-18-2024

Pending Units by Income Band

The first step in this analysis is to break down the units which have been built since 2020, are proposed, or are under construction based on the income level that they will serve. LCG analyzed existing average rents by zone and by unit size based on data from CoStar and corroborated with data from the Washington Center for Real Estate Research at the University of Washington. Average ownership housing prices from Zillow and Redfin were also analyzed. These rents and housing prices were then compared to the HUD Area Median Income (AMI) for the appropriate household size to determine what income levels (as a percentage of the AMI) could afford to rent or purchase housing in Anacortes without being cost-burdened (defined as spending more than 30 percent of household income on housing costs). This analysis showed that on average, apartments in the city are renting for **60-80% AMI**, condominiums are selling for around **120% AMI**, and single-family homes are selling for around **160-170% AMI**. Therefore, pending multifamily units were assigned to the low-income (0-80% AMI) category, middle housing such

Income Categories

This analysis uses three main income categories:

Low-Income (Households earning under 80% AMI)

Moderate-Income (Households earning 80-120% AMI)

High-Income (Households earning more than 120% AMI)

as duplexes, triplexes, and townhomes was assigned to the middle-income (100-120% AMI) category, and single-family housing assigned to the high-income (120% AMI+) category.

Land Capacity by Income Band

The next step in this analysis is to break down the land capacity for future units into income bands that those units could serve. Following Department of Commerce guidance, this is accomplished by grouping zones into **zone categories** based on the housing types that are allowed. This classification is shown below, along with the net unit capacity by zone:

Zone	HB 1220 Zone Category	Net Unit Capacity
R1	Low Density	99
R2	Low Density	307
R2A	Low Density	376
R3	Moderate Density	166
R3A	Moderate Density	0
OT	Moderate Density	14
R4	Low-Rise	457
R4A	Low-Rise	159
CBD	Mid-Rise	315
C	Mid-Rise	1,159
MMU	Mid-Rise	251
CM	Low-Rise	0
CM2	Low-Rise	0
MJB Site	Mid-Rise	414

Following this classification, the zone categories are then aggregated and future capacity assigned to various income bands based on the zone category. This breakdown is shown below, with pending units by zone category also shown:

HB 1220 Zone Category	Housing Types Allowed	Pending Units	Additional Unit Capacity	Assumed Affordability Level for Capacity Analysis
Low Density	Detached single-family homes	144	781	120% + AMI
Moderate Density	Townhomes, duplex, triplex, quadplex	109	180	80-120% AMI
Low-Rise	Walk-up apartments, condominiums (2-3 stories)	43	616	0-80% AMI
Mid-Rise	Apartments, condominiums		2,139	0-80% AMI
ADU	Accessory Dwelling Units		357	80-120% AMI

Finally, the housing targets by income band are compared with the above capacity breakdown by income band. The results are shown below in Figure 15. Figure 15. Anacortes Housing Targets and Capacity by Income Band

Figure 15. Anacortes Housing Targets and Capacity by Income Band

Income Band	Housing Needs	Aggregated Housing Needs	Pipeline Units	Remaining Housing Needs	Total Capacity	Surplus/ Deficit
0-30 PSH	339	1,957	43	1,914	1,975	61
0-30 Non PSH	604					
30-50	592					
50-80	422					
80-100	226	427	109	318	538	220
100-120	201					
120+	546	546	143	403	781	378
Total	2,930	2,990	295	2,635	3,294	659

Source: Washington Department of Commerce, Leland Consulting Group

This analysis shows that Anacortes has sufficient zoned capacity to meet both its overall housing target as well as its housing targets for low-, moderate-, and high-income households.

Land Capacity for Emergency Housing

RCW 36.70A.070(2)(c) requires that, in addition to land capacity for permanent housing, jurisdictions also show sufficient land capacity for their allocations of emergency housing as part of their comprehensive plan updates. This section outlines the methodology and results of this analysis, which is based on the Emergency Housing Land Capacity Analysis Option B (assumed density method) as outlined on pp. 44-48 of the WA Department of Commerce’s “Guidance for Updating Your Housing Element” (August 2023).¹

Anacortes does not currently explicitly allow emergency housing or emergency shelter in its use tables. The 2021 Housing Action Plan recommended allowing these uses in the CBD, C, MMU, and CM zones. The majority of services in the city currently are in the C zone. As part of this Comprehensive Plan update, the City will be amending its code to allow these uses at least in the C zone. Therefore, this analysis was conducted on vacant and redevelopable acreage outside of critical areas in the C zone, using data from the citywide land capacity analysis as detailed above. In the C zone, this totals 32.5 acres of unconstrained vacant and redevelopable land.

This acreage is then multiplied by a density assumption for potential emergency shelters, measured in beds per acre. The density assumption is based on a combination of prototypes drawn from the Commerce guidebook which most closely match staff expectations for the types of potential emergency housing that could be developed in Anacortes under current zoning. Details and densities on the prototypes used and the percentage of each prototype used in generating the average density assumption of 29 beds per acre are shown below.

Figure 16. Density Prototypes for Anacortes Emergency Shelter Land Capacity Analysis

Name	Location	Context	Zoning	Details	Beds	Acre	Density (beds/acre)	Percentage
Tri-City Union Gospel Mission	Pasco	Urban	Light Industrial	1 story, parking, open space	162	6.30	25	50%
Serenity of House of Clallam County	Port Angeles	Suburban	Residential Moderate Density	Clustered 2 story buildings, parking, open space	70	1.89	37	0%
Benedict House	Bremerton	Suburban	R-10	2 story SF home conversion	24	0.21	128	10%
House of Charity	Spokane	Urban	Downtown General	2 stories, small, parking for staff, open space	108	0.71	152	40%
Average Density for LCA:							86	100%

Source: WA Department of Commerce, City of Anacortes, Leland Consulting Group

Applying this density assumption to the available acreage by zone results in a capacity for 2,738 beds on vacant and redevelopable parcels in the C zone. Anacortes’ target for emergency housing is 60 beds, as shown in the target allocations above in Figure. **Therefore, the city has a surplus capacity of 2,738 shelter beds for the 2020-2045 planning period, as shown below in Figure 17.**

¹ <https://deptofcommerce.box.com/s/1d9d5l7g509r389f0mjpowh8isjpirlh>

Figure 17. Emergency Shelter Capacity and Target in Port Orchard, 2020-2044

Total Emergency Shelter Need (Beds)	Total Emergency Shelter Capacity (Beds)	Surplus/ Deficit
60	2,798	2,738

Source: WA Department of Commerce, City of Anacortes, Leland Consulting Group

Adequate Provisions

This portion of the HB 1220 analysis requires cities to conduct an analysis of potential barriers to the construction of these units outside of land capacity, including development regulations, funding barriers, and permitting or process obstacles, using several “Adequate Provisions” checklists provided by the Department of Commerce. The table below show Anacortes’ projected housing needs compared with average annual unit production from city permit data. As shown, the city is on track to produce sufficient moderate-income housing to meet its targets, but not housing types serving low-income residents.

Figure 18. Anacortes Housing Targets and Historical Unit Production

Income Band	Housing Needs	Aggregated Housing Needs	Annual Unit Production Needed	Historical Average Annual Unit Production	Barrier Exists?
0-30 PSH	332				
0-30 Non PSH	592	1,938	78	13	Yes
30-50	592				
50-80	422				
80-100	226	427	17	23	No
100-120	201				
120+	577	577	23	78	No

Therefore, per Commerce’s “Guidance for Updating Your Housing Element,” the city should complete the Low-Rise/Mid-Rise housing barrier review checklist and Supplementary barrier review checklist for PSH and emergency housing. These are found in **Appendix xxxx**.



Planning Commission Agenda Bill

Meeting Date: October 2, 2024

Agenda Item: 5.b.

Subject: Land Use & Housing Element Goals & Policies - continued discussion (2025 Comprehensive Plan Update)

Staff Contact: John Coleman, LIBBY GRAGE

Approved for Submittal to Commission by

Libby Grage
John Coleman

Action Type

Discussion

Summary Statement: At the last PC meeting on 9/25/24, Markus Johnson (MAKERS) presented preliminary proposed amendments to the Land Use and Housing Element goals and policies, including changes to the Future Land Use Map. After some discussion, the Planning Commission decided to continue discussing the Land Use and Housing Elements at tonight's special meeting.

Background: See 9/20/24 Staff Memo to PC.

Previous Action: N/A

Competing Viewpoints Considered: Public comments may be sent to CompPlan@anacorteswa.gov any time. A public hearing is tentatively scheduled for November 13, 2024.

Recommended Motion: N/A - discussion only

Alternative Actions: N/A

Attachments (listed in order presented):

1. 9/20/24 Staff Memo & Attachments (same docs provided at 9/25/24 meeting)
2. 9/25/24 Presentation Slides



Date: September 20, 2024

To: Planning Commission

From: Planning, Community & Economic Development Department (PCED)

Re: Staff Memo - 2025 Comprehensive Plan & Development Regulations Update
Land Use Element & Housing Element Goals and Policies
Preliminary amendment proposals

Introduction

At their September 25, 2024 meeting, the Planning Commission will begin review of preliminary amendment proposals for the goals and policies of the Comprehensive Plan Land Use and Housing Elements. The draft amendments were prepared by Makers Architecture and Urban Design in collaboration with city staff. These drafts have been released well in advance of the 2025 Comprehensive Plan adoption timeframe (in late 2025) to provide an opportunity for community members to help guide the direction of the plan updates at the earliest possible stage in the update process.

The City plans a 2-phase public review process:

1. Phase 1: Preliminary draft amendment proposals for each Comprehensive Plan Element will be released separately over the next 5-6 months. Staff will introduce each draft element at a Planning Commission meeting and publish notices advertising written public comment periods and public hearings. The feedback gathered over this time will inform the development of a cohesive draft updated Comprehensive Plan that includes required updates to all elements, integration of climate goals and policies, and associated supporting background and environmental information (“2nd Draft”).
2. Phase 2: Once completed, the 2nd Draft will undergo environmental review and be published for public review and comment. The Planning Commission will conduct a public hearing or hearings, deliberations, and make a recommendation to City Council. City Council will conduct its review and adoption process.

This memo was prepared in advance of the September 25, 2024 Planning Commission meeting to provide background information meant to aid the Planning Commission and

community members in reviewing and commenting on the proposed changes. The city will continue to collect public comments throughout the review and update process.

Background

Comprehensive Plan Update Overview

The City of Anacortes is currently engaged in a 10-year periodic review and update of its Comprehensive Plan and development regulations, as required under the Washington State Growth Management Act (GMA). The City's update process began in January 2024 and must be completed by December 31, 2025.

The periodic review and update includes, but is not limited to, the following:

- Incorporation of updated 20-year growth projections and review of the urban growth area
- Updates to comply with recent changes in state law, including:
 - HB 1220 (2021) related to planning for and accommodating housing needs by income level and addressing racially disparate impacts; and
 - HB 1181 (2023) related to climate planning and environmental justice
- Consideration of the proposals docketed by City Council in Resolution 3161. Resolution 3161 assigns a legislative file number to each docketed item – the format is LEG-2024-XX (this numbering referenced later in this document)
- Actions to implement the 2023 Anacortes Housing Action Plan
- Updates to development regulations, including critical areas regulations

Development of the Preliminary Amendment Proposals

Starting in early 2024, city staff and consultants began gathering information, analyzing data, and auditing the 2016 Comprehensive Plan to identify changes needed to comply with requirements for periodic updates. Throughout the spring and summer of 2024, city staff conducted outreach and engagement efforts to gather community feedback and raise awareness about the update process.

In late summer 2024, the City Council held a public hearing, docketed multiple amendment requests (Res. 3161), and provided direction on which Housing Action Plan (HAP) recommendations to consider during the 2025 update process.

The following documents and activities helped to inform the development of the 1st phase preliminary amendment proposals:

- [Periodic Update Checklist for Fully-Planning Cities, WA State Department of Commerce](#)
- [2016 Plan Audit - Land Use, Housing, Economic Development Elements](#)
- [2023 Anacortes Housing Action Plan](#)
- [Resolution 3161 Establishing a Docket for the 2025 Comp Plan and Development Regulations Periodic Update](#)
- [Land Capacity Analysis](#)
- [Racially Disparate Impacts Analysis](#)
- Adequate Provisions Analysis
- June 5, 2024 Community Open House #1 ([Summary](#) and [board feedback](#))
- Conversations and comments provided during community events

Land Use Element

This section describes the statutory requirements for the Land Use Element, summarizes the 2016 Land Use Element’s goals, provides information about the Future Land Use Map and Official Zoning Map, and summarizes preliminary draft amendment proposals. The full text of proposed changes can be found in **Attachment A** and **Attachment B**.

Overview

The Growth Management Act outlines requirements for the Land Use Element in RCW 36.70A.070(1). The Land Use Element is central to all other Elements by providing for the distribution of land uses meeting Anacortes’ needs for residential, employment, recreational, public facilities, and other land uses. This Element also describes development patterns that support the City’s vision for the future.

The requirement for a Land Use Element in comprehensive plans is one of the key components of the GMA. The GMA requires cities to show how they will be able to accommodate 20 years of growth through sufficient buildable land that is zoned appropriately. In addition to managing growth, the Land Use Element also sets out goals and policies to shape the land use patterns of city.

Goals and Policies - Current

The Comprehensive Plan Land Use Element has 11 goals, each with its own set of supporting policies. For the 2025 update, we intend to amend the policies under each of these goals and make any necessary additions/amendments to the goals as determined through the public process.

These are the existing Land Use Element goals:

- **Goal LU-1. Land use pattern.** Establish a development pattern consistent with the community's vision.
- **Goal LU-2. Community design.** Promote compatible pedestrian-oriented development that respects Anacortes' historic character and small-town scale while strengthening its unique marine identity.
- **Goal LU-3. Historic preservation.** Protect, preserve, and celebrate Anacortes' historic, cultural, and archeological resources.
- **Goal LU-4. Resource protection and sustainable design.** Maintain and enhance Anacortes' robust environmental stewardship.
- **Goal LU-5. Community gathering space.** Preserve and develop inviting and distinctive gathering spaces, with the greatest emphasis in Downtown and commercial areas.
- **Goal LU-6. Residential uses.** Preserve and enhance the quality, character, and function of Anacortes' residential neighborhoods.
- **Goal LU-7. Downtown and South Commercial Avenue.** Enhance the character and economic vitality of Downtown and the South Commercial Avenue corridor.
- **Goal LU-8. Fidalgo Bay and Guemes Channel Waterfronts.** Maintain and enhance Anacortes' waterfront as a unique and irreplaceable environmental, economic, and recreational amenity for the city.
- **Goal LU-9. Industrial and manufacturing areas.** Maintain and promote active use of industrial lands.
- **Goal LU-10. Healthy communities.** Promote land use and community design that encourages healthy living and good connectivity between compatible uses.
- **Goal LU-11. Growth management and regional coordination.** Emphasize compact growth to minimize sprawl and protect Anacortes' Community Forest Lands.

Future Land Use Map & Land Use Designations - Current

The 2016 Land Use Element divides the City into 15 future land use designations, as depicted on the Future Land Use Map (FLUM) (**Attachment D**) and described within Table LU-1 of the 2016 Comprehensive Plan. The FLUM designates the proposed general distribution and general location and extent of uses of land intended for the City within the 20-year planning period. It is a depiction of the long-term vision for how and where the City will grow and change to accommodate expected population and job growth.

Each future land use designation includes one or more implementing zoning designations. The Official Zoning Map (**Attachment E**) depicts the zoning designations for all areas of the city. The FLUM is different from the Anacortes' Official Zoning Map in that the FLUM is

about what is planned in the future, and the Zoning Map is about what is allowed today. Zones are more specific than the future land use designations shown in the FLUM, and zones come with a set of rules (within the City's Zoning Code /development regulations) that clarify what uses are allowed (e.g., residences, businesses, etc.) and how buildings may be developed or changed (e.g., maximum heights, required setbacks, etc.). The Comprehensive Plan is not intended to include detailed land use regulations, instead, decisions about the Comprehensive Plan provide guidance for later decisions about zoning.

Preliminary Draft Amendment Proposals

Attachments A and B of this document include the draft amendment proposals for Land Use goals and policies (**Attachment A**), and the Future Land Use Map and Land Use Designations (**Attachment B**). The appendices present the existing goals and policies as currently written, a strike-through/underline version showing proposed changes, and the rationale for the proposed changes.

Goals & Policies

The following summarizes the preliminary draft amendment proposals for the Land Use Element (see **Attachment A** for the specific proposed text changes):

- Changes to the purpose, principal uses, and density descriptions of various land use designations
- Consolidation of overlapping policies, when applicable, to improve readability and clarity
- Updates to increase specificity in policies to make them easier to implement
- A new policy directing the annual review of zoning regulations to ensure continued compliance with changes in state law
- Language updates to reflect the status of policies that have been implemented since 2016
- A new historic preservation policy addressing 'demolition by neglect'
- Updates to natural resource protection policies to improve direction for implementation, including support for developing an adaptive management program
- Updates to incorporate recommendations of the Racially Disparate Impacts analysis
- Updates to industrial and manufacturing policies to clarify types of complementary non-industrial uses that may be appropriate in such areas
- Strengthening policies that promote use of nonmotorized transportation options
- New policy to explore partial pedestrianizing of certain downtown streets

We plan to revisit the Land Use Element when the Climate Element work has been completed in early 2025 so that climate-focused goals and policies can be integrated into the Land Use element. That work will address requirements under HB 1181 (Climate):

- Planning approaches that reduce per capita miles traveled w/out increasing GHG emissions elsewhere in state
- Special consideration to achieving environmental justice
- Reduce and mitigate the risk to lives and property posed by wildfire
- Explore integrating the Environment & Conservation Element goals and policies into the Land Use and Climate Elements

Future Land Use Map and Land Use Designations

Attachment B includes all docketed Future Land Use Map amendment requests from property owners. It also includes MAKERS and staff suggestions/ideas for changes to help implement priority policies. These suggestions are intended to be refined based on Planning Commission discussion and feedback.

The following FLUM amendment proposals are depicted with corresponding numbers in Appendix B (2025 Future Land Use Map Options, page I-4):

1. Change certain parcels in the area surrounding the neighborhood grocery at 37th and Commercial Ave. from Residential Low Density-2 (RLD-2) to Residential Medium Density (RMD) to create potential for more housing options in a high opportunity area of the City. This change also supports H-1.7 (*provide for development of multifamily housing in areas close to shopping, employment, services and public transportation*) and Item #LEG-2024-08 (*provide more opportunities through zoning for more local services to be accessible within walking distance of residences*), as a neighborhood grocery store is in the center of the area, as well as a couple of vacant or partially used sites
2. Two potential amendment options are provided to encourage neighborhood gathering places. These potential changes are intended to provide options for implementing current land use policy LU-6.5 – “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.”
 - Option 1 – would add features to the Future Land Use Map (FLUM). Like other overlays symbolized on the current FLUM, more “neighborhood commercial” overlays would be placed on the FLUM indicating areas with special allowances for small commercial uses. Currently allowed uses on these properties would continue to be allowed.

- Option 2 – does not add any other overlays to the FLUM and instead updates the allowed use chart in the zoning code to allow for more neighborhood-scale commercial uses.
3. Port of Anacortes - Requested land use designation change for 3 parcels near the airport from Aeronautical Zone (AZ) to Light Manufacturing (LM). (Res. 3161, LEG-2024-13).
 4. Fidalgo Pool & Recreation District - Requested land use designation change for multiple parcels near the Fidalgo Pool from Residential Medium Density (RMD) to Public (P). (Res. 3161, LEG-2024-12).
 5. Tom Skillings - Requested land use designation change of a portion of a parcel from Industrial to Residential Medium Density (RMD). (Res. 3161, 2021 Docket).
 6. Port of Anacortes - Requested land use designation change of one parcel west of the terminus of 2nd St. from Light Manufacturing (LM) to Manufacturing and Shipping (MS). (Res. 3161, LEG-2024-15).
 7. Port of Anacortes - Requested land use designation change of multiple parcels associated with the Cap Sante Marina from Commercial (C) and Marine Mixed Use (MMU) to Commercial Marine (CM). (Res. 3161, LEG-2024-14).
 8. Add all unincorporated Anacortes Community Forest Land (ACFL) parcels to the UGA. (Res. 3161, LEG-2024-05).
 9. Expand the UGA to include Signal Hill properties. (Res. 3161, LEG-2024-11).

More detail and analysis on the FLUM change proposals will be provided at subsequent Planning Commission meeting(s).

Housing Element

This section describes the statutory requirements for the Housing Element, summarizes the 2016 Housing Element's goals, and summarizes preliminary draft amendment proposals. The full text of proposed changes can be found in **Attachment C**.

Overview

The Growth Management Act outlines requirements for the Housing Element in RCW 36.70A.070(2). The Housing Element shows how the city will accommodate anticipated growth, provide a variety of housing types at a variety of densities, provide opportunities for affordable housing for all economic segments of the community, and ensure the vitality of established residential neighborhoods.

New requirements under HB 1220 (2021) require Housing Elements to:

- Include an inventory and analysis of existing and projected housing needs for moderate, low, very low, and extremely low-income households; emergency housing, emergency shelters, and permanent supportive housing
- Identify sufficient capacity of land to accommodate projected housing needs by income level
- Adequate provisions to address existing and projected needs at all income levels, including documenting programs and actions needed to achieve housing availability
- Identify and implement policies to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions
- Establish antidisplacement policies

Goals and Policies - Existing

The 2016 Comprehensive Plan Housing Element goals and policies are below. For the 2025 update, we intend to amend the policies under each of these goals to address HB 1220 (2021) and make any necessary additions/amendments to the goals as determined through the public process.

- **Goal H-1. Housing supply and variety.** Provide for a sufficient quantity and variety of housing to meet community needs.
- **Goal H-2. Neighborhood character.** Promote the stability and vitality of residential and mixed-use neighborhoods.
- **Goal H-3. Housing affordability.** Provide for a range of housing opportunities to address the needs of all economic segments of the community.
- **Goal H-4. Special needs.** Provide housing options for special needs populations, including independent living for seniors, assisted living, memory care, drug and alcohol rehab and mental health facilities.
- **Goal H-5. Regional collaboration on housing needs.** Actively participate and coordinate with other agencies in efforts to meet regional housing needs.
- **Goal H-6. Monitoring.** Implement Housing Element goals in a manner that is efficient and transparent.

Preliminary Draft Amendment Proposals

The following summarizes the preliminary draft amendment proposals for the Housing Element (see **Attachment C** for the specific proposed text changes):

- Updates to integrate HB 1220 requirements

- Updates to language recommended by the Racially Disparate Impacts analysis, especially around the term “character”
- New policy to support development regulations that permit allowed residential uses by right and avoids conditional uses
- Updated goal and supporting policies to allow organic change of neighborhoods over time to meet community needs, while preventing neighborhoods from experiencing extreme changes in a short period of time.
- Support for development of a Multi-Family Tax Exemption and link to specific considerations in the HAP
- Update to add specific examples of metrics for measuring housing goal progress

What’s Next

Below is a tentative schedule for upcoming Planning Commission meetings:

Date	Meeting Type	Topic
October 2, 2024	Planning Commission SPECIAL MEETING	Revised Growth Projections Land Use and Housing, Cont. HAP strategies
October 9, 2024	Planning Commission REGULAR MEETING	Transportation Element
October 16, 2024	Planning Commission SPECIAL MEETING	Housing Action Plan strategies Land Use, Housing, Transp., cont., if needed
October 23, 2024	OPEN HOUSE #2	OPEN HOUSE #2
November 6, 2024	Planning Commission SPECIAL MEETING	Transportation Element, cont. Economic Development
November 13, 2024	Planning Commission PUBLIC HEARING	PUBLIC HEARING: Land Use, Housing, Transportation, Economic Development

Anacortes Comprehensive Plan Update

Land Use Goals and Policies Tracker

DRAFT September 18, 2024

9/25/24 Planning Commission Discussion Version

Introduction

This goals and policies tracker reviews the Land Use element of the 2016 Anacortes Comprehensive Plan in support of the 2025 periodic update. MAKERS is providing comments, considerations, and recommendations for updating goals and policies. Further updates and additions will be added to the Land Use element to meet climate element requirements and better connect policies that are both land use and climate related.

Some frequent abbreviations used in this audit:

- AMC = Anacortes Municipal Code
- GMA = Growth Management Act
- HAP = [Housing Action Plan](#)
- RDI = Racially disparate impacts
- SMP = Shoreline Management Program

Land Use Element

Goals and Policies

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Goal LU-1	1	Land Use Pattern. Establish a development pattern consistent with the community’s vision.		
Policy LU-1.1	1	Designate the general distribution, location and extent of the uses of land for housing, commerce, recreation, open spaces, public utilities and facilities, and other land uses.	Designate the general distribution, location and extent of the uses of land for housing, commerce, recreation, open spaces, green spaces, urban and community forests , public utilities and facilities, and other land uses	Updates to the Growth Management Act (GMA) under HB 1181 (passed in 2023) updates the requirements for types of lands cities must designate in their comprehensive plan. See RCW 36.70A.070(1) .
Policy LU-1.2	1	Establish land use designations, densities and intensities as shown in Table LU-1.		
Policy LU-1.3	1	Manage and maintain the City’s Official Zoning Map to ensure continued consistency with the Future Land Use Map (see Figure LU-1).		
Policy LU-1.4	1	Implement land use designations through a clear regulatory process that ensures transparency, fairness and predictability in the land development process.		
Policy LU-1.5	1	Review and reconcile the inconsistencies between zoning, shoreline designation and actual land uses along the Guemes Channel shoreline between Lovric’s marina and Old Town area, as well as possible re-use of existing historic overwater structures in that area in a manner that minimizes impacts on the adjoining residential area on the uplands.	[Move under Goal LU-8]	This is a very specific policy compared to the general nature of other policies under Goal LU-1. This can better fit under Goal LU-8 which provides waterfront policies. The policy could potentially be removed when the Anacortes Shoreline Master Program (SMP) is updated.
N/A			New Policy: Annually review zoning regulations to ensure continued compliance with changes in state law, including but not limited to the Growth Management Act and the State Environmental Policy Act.	The Legislature has shown an interest in frequent GMA amendments, particularly affecting housing.
Goal LU-2	9	Community Design. Promote compatible pedestrian-oriented development that respects Anacortes’s historic character and small town scale while strengthening its unique marine identity.	Community Design. Promote compatible pedestrian-oriented development that respects Anacortes’s historic qualitiescharacter and small town scale while strengthening its unique marine identity.	The Racially Disparate Impact (RDI) analysis and Department of Commerce guidance recommend moving away from the term “character” when possible, as it is a vague term that historically has been used to exclude people of color from certain neighborhoods and cities.
Policy LU-2.1	9	Adopt and administer user-friendly design standards and guidelines for commercial and multifamily development that emphasize the concepts below. Evaluate the effectiveness of adopted standards and guidelines over time and make adjustments as necessary to achieve community design goals and policies. A. Employ site and building design techniques that promote safe and inviting pedestrian access and connections, particularly public access to and along the waterfront.	Maintain Adopt and administer user-friendly and objective design standards and guidelines for commercial and multifamily development that emphasize the concepts below. Periodically E evaluate the effectiveness of adopted standards in response to built outcomes and community feedback and guidelines over time and make adjustments as necessary to achieve community design goals and policies. A. Employ site and building design techniques that promote safe and inviting pedestrian access and connections, particularly public access to and along the waterfront.	Much of this policy was implemented in the 2019 development regulations update. Updated to emphasize design standards should be maintained, take out the reference “guidelines” which are not used, and reference “objective” design standards under new state law RCW 36.70A.630 . Also limit the use of “character,” as recommended by the RDI analysis.

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
		B. Provide building massing standards that respect the character and scale of Anacortes’s business districts and residential neighborhoods. C. Place an emphasis on human-scaled design details that contribute to the City’s character and identity. D. Promote the use of high quality durable materials that respect the site’s historic context and enhance the City’s maritime character. E. Promote design that takes advantage of special vistas, particularly marine views from public spaces. F. Encourage the use of landscaping elements as a defining feature of Anacortes’s character. G. Develop special standards and guidelines for large site development that incorporate open space and landscaping as a unifying element, provide a connected system of pathways, integrate safe internal vehicular circulation, demonstrate sensitivity to the surrounding context, and take advantage of special on-site and nearby features. E. Integrate opportunities for flexibility in the design guidelines by allowing multiple ways of achieving standards and allowing strategic design departures provided the project meets the design intent.	B. Provide building massing standards that are compatible with respect the character and scale of Anacortes’s business districts and residential neighborhoods. C. Place an emphasis on human-scaled design details that contribute to the City’s character and identity. D. Promote the use of high quality durable materials that respect the site’s historic context and enhance the City’s maritime character. E. Promote design that takes advantage of special vistas, particularly marine views from public spaces. F. Encourage the use of landscaping elements for visual buffering, wildlife habitat, stormwater management, and other benefits, as a defining feature of Anacortes’s character. G. Develop <u>Provide</u> special standards and guidelines for large site development that incorporate open space and landscaping as a unifying element, provide a connected system of pathways, integrate safe internal vehicular circulation, demonstrate sensitivity to the surrounding context, and take advantage of special on-site and nearby features. E. Integrate opportunities for flexibility in the design guidelines by allowing multiple ways of achieving standards and allowing strategic design departures provided the project meets the design intent.	
Policy LU-2.2	9	Design public facilities to support and strengthen Anacortes’s community character and identity. A. Recognize that the character of public rights-of-way play a role in determining community character. Wherever feasible, promote complete streets and incorporate streetscape improvements, such as wayfinding signs, lighting, public art, enhanced landscaping and street furniture, to enhance community character. B. Recognize, maintain, and enhance community entry and gateway sites to enhance Anacortes’s distinct maritime character and setting. C. Design public facilities to serve as a model of architectural and site design for private development in the city through use of quality building materials, human scale detailing, design character, and landscape materials. D. Locate and design public spaces that reflect and enhance Anacortes’s character and function as welcoming formal and informal gathering spaces.	Design public facilities to support and strengthen Anacortes’s community character and identity. A. Recognize that the character of public rights-of-way play a role in determining community character, showcasing community design and civic pride. Wherever feasible, promote complete streets and incorporate streetscape improvements, such as wayfinding signs, lighting, public art, enhanced landscaping and street furniture, to enhance community character. <u>B. Incorporate consideration of physical health and well-being into the location and design of public facilities</u> B.C. Recognize, maintain, and enhance community entry and gateway sites to enhance Anacortes’s distinct maritime character and setting. <u>D.C.</u> Design public facilities to serve as a model of architectural and site design for private development in the city through use of quality building materials, human scale detailing, <u>sustainable building</u> design character, and landscape materials. E.D. Locate and design public spaces that reflect and enhance <u>the public experience of</u> Anacortes’s character and function as welcoming formal and informal gathering spaces.	Updated to limit the use of “character,” as recommended by the RDI analysis. New sub-policy B, and edited sub-policy D, is relocated from Policy LU-4.5.
Goal LU-3.	10	Historic Preservation. Protect, preserve, and celebrate Anacortes’s historic, cultural, and archeological resources.		
Policy LU-3.1	10	Support continued efforts by the Anacortes Historic Preservation Board (AHPB) in administering the City’s historic preservation program. This includes identifying, evaluating, protecting, and enhancing historic properties.		

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Policy LU-3.2	10	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 integrate incentives and/or site design flexibility for preservation and/or reuse of historic structures.	Craft and maintain Maintain zoning regulations to balance the need to accommodate anticipated growth while preserving the City's historic resources and character . Consider techniques to integrate incentives and/or site design flexibility for preservation and/or reuse of historic structures.	The 2019 development regulations update included design standards that partially implemented this, so the recommendation is to adjust language to maintain because such regulations have been crafted. Other ideas could be inserted into this policy such as air rights swaps, density bonuses for structure or façade preservation, etc.
Policy LU-3.3	10	Adopt design standards and guidelines that provide guidance on preserving, rehabilitating, reconstructing, or adding to designated historic and other older structures within the Central Business District, Old Town, and other applicable areas. The standards and guidelines should also provide guidance to the design of new construction in historical settings so that such buildings are respectful of the historic context while discouraging designs that promote a false sense of historicism.	Adopt design standards and guidelines that provide guidance on preserving, rehabilitating, reconstructing, or adding to designated historic and other older structures within the Central Business District, Old Town, and other applicable areas. The standards and guidelines should also provide guidance to the design of new construction in historical settings so that such buildings are respectful of the historic context while discouraging designs that promote a false sense of historicism.	Removing this policy because the policy has not been implemented and there appears to be limited staff and budget capacity to do so. Anacortes can continue relying upon the new commercial and residential design standards (such as Chapters 19.43 and 19.63 AMC) which address issues that touch upon historic design features such as residential porches, location of parking, commercial storefronts and building materials, etc. The local Historic Preservation Board and the Washington State Department of Archaeology and Historic Preservation also provide guidance on design for historic buildings.
Policy LU-3.4	10	Participate in regional efforts to identify and preserve historic and cultural sites.	Participate in State and Tribal government regional efforts to identify and preserve historic and cultural sites.	This policy is vague, as there is no known effort for this occurring at the regional (county) scale. It should refer to State and tribal government efforts instead.
Policy LU-3.5	10	Acquire historical or cultural resources when feasible. Consider cost sharing for acquisition, lease, or maintenance with other public or private agencies or governments.	The city of Anacortes A acquires historical or cultural resources when feasible. Consider cost sharing for acquisition, lease, or maintenance with other public or private agencies or governments.	Update is meant to clarify that the City government should acquire such resources.
Policy LU-3.6	10	Incorporate interpretive signage, historic street names and features reflecting original historic designs into park projects, transportation projects, and buildings when feasible, as a means of commemorating past events, persons of note, and City history.		
Policy LU-3.7	10	Provide assistance to developers, landowners, and interested citizens in obtaining grants and tax incentives for the reuse and rehabilitation of designated historic sites and buildings.	Provide assistance to developers, landowners, and interested citizens in obtaining grants and tax incentives for the reuse and rehabilitation of designated historic sites and buildings, through the use of resources like the Anacortes Museum, the local Historic Preservation Board, and the Downtown Anacortes Alliance .	Update is meant to note that the Anacortes Museum, the local Historic Preservation Board, and the new Downtown Anacortes Alliance are good resources.
			New Policy: Adopt enforceable development regulations which designate heritage buildings and prohibit demolition by neglect.	Directed by City Council Resolution 3161, item A-10 LEG-2024-10 .
Goal LU-4	10	Resource protection & sustainable design. Maintain and enhance Anacortes's robust environmental stewardship.		Note: - This goal and policies have some overlap with the goals/policies in the Environment and Conservation Element. These will be reviewed again for consistency and opportunities to consolidate at a future date.
Policy LU-4.1	10	Maintain and strengthen regulations to protect sensitive natural areas and pursue strategies/actions to restore degraded natural areas.		

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Policy LU-4.2	10	Update development regulations to emphasize sustainable design in new developments, including forms of Low Impact Development.	Update development regulations to emphasize sustainable design <u>of buildings, landscapes, streets, stormwater systems, and other elements</u> in <u>of</u> new developments. <u>This can include, including,</u> forms of Low Impact Development, <u>green building rating systems, renewable energy, and multimodal transportation.</u>	Low Impact Development (LID) is stated as the city's preferred approach in the stormwater regulations under AMC 19.76.010, and it is encouraged for street design under AMC 19.52.010. This policy can be updated to be more specific about landscaping and building design, which do not have as much reference in the code.
Policy LU-4.3	10	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.	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, <u>reduce indoor and outdoor water use, reduce untreated stormwater runoff, and support multimodal transportation.</u>	This policy adds examples of other types of outcomes that can be explored.
Policy LU-4.4	11	Develop policies and prescriptive designs to encourage property owners to landscape unimproved right-of-way with functional Low Impact Development features (e.g., bioswale, raingarden) or for use as private food gardens.		
Policy LU-4.5	11	Emphasize sustainable design/practice in public improvements and in the design/use of public facilities and events. Key elements: - Update public works standards, as necessary, to emphasize best practice sustainable design/practice. - Incorporate consideration of physical health and well-being into the location and design of public facilities	Emphasize sustainable design/practice in public improvements and in the design/use of public facilities and events. Key elements: Update public works standards, as necessary, to emphasize best practice sustainable design/practice. Incorporate consideration of physical health and well-being into the location and design of public facilities.	Removal suggested because it is an opportunity to combine/consolidate with Policy LU-2.2 above.
Policy LU-4.6	11	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.	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 <u>historic properties, environmentally sensitive areas, rural resource lands, or toward some other public benefit.</u> property owners in sensitive natural/rural areas or toward some other public benefit.	Transfer of development (TDR) rights programs for natural/rural areas protection have proved to be largely infeasible, especially in smaller markets outside of major metropolitan regions. However, this policy seems to contemplate something different or additional to TDR programs. Some more specificity is also suggested.
Policy LU-4.7	11	Establish resource protection and sustainability goals, monitor development to track success in meeting those goals, and refine the implementation strategy as needed to help meet goals.	Establish resource protection and sustainability goals <u>a monitoring and adaptive management program to increase fairness, transparency, and improved ecological outcomes for critical areas protection.</u> , monitor development to track success in meeting those goals, and refine the implementation strategy as needed to help meet goals.	Updated to provide more specific direction. Monitoring and adaptive management is encouraged in WAC 365-195-905(6) to improve implementation of critical areas regulations.
Goal LU-5	11	Community Gathering Space. Preserve and develop inviting and distinctive gathering spaces, with the greatest emphasis in Downtown and commercial areas.		
Policy LU-5.1	11	Maintain and extend the Guemes Channel Trail and waterfront esplanades integrating community gathering spots at strategic locations along the trail corridor.	Maintain and extend the Guemes Channel Trail and waterfront esplanades integrating community gathering spots at strategic locations along the trail corridor. <u>Require development adjacent to the trail to help</u>	<u>This project is still in progress.</u> The City is working toward obtaining easements, and plans to conduct an environmental impact statement for the remaining portion of trail planning/construction. The policy should be updated to make the nexus to Land Use more apparent.

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			complete the trail (such as with improvement dedications, easements, or fee-in-lieu) and provide public access to the water.	
Policy LU-5.2	11	Adopt development regulations that encourage the integration of usable public open space in commercial and mixed-use areas.	Maintain Adopt development regulations that encourage the integration of usable public open space in commercial and mixed-use areas.	This policy was achieved in the 2019 development regulations update. Suggest updating to say “maintain.”
Policy LU-5.3	11	Maintain and enhance streetscape design standards that enable safe access for all users and enhance character and identity of the City.	Maintain and enhance streetscape design standards that enable safe access for all users and enhance public experience character and identity of the City.	This policy was achieved in the 2019 development regulations update, primarily Title 19 Article 5. Updated to limit the use of “character,” as recommended by the RDI analysis.
Policy LU-5.4	11	Pursue strategic public/private partnerships with large developments to leverage high quality public space integrated with new development.		
Policy LU-5.5	11	Continue to encourage public participation in the design of public spaces throughout the City.		
Goal LU-6	11	Residential uses. Preserve and enhance the quality, character and function of Anacortes’s residential neighborhoods.	Residential uses. Preserve and enhance the quality, character and function of Anacortes’s residential neighborhoods.	Updated to limit the use of “character,” as recommended by the RDI analysis.
Policy LU-6.1	12	Provide for a wide variety of housing types within the city to meet the full range of housing needs for Anacortes’s evolving population.		
	12	A. Accessory dwelling units (ADU). Allow for attached and detached ADU’s in all residential districts provided size, design, and other provisions are included to promote compatibility with surrounding uses.	A. Accessory dwelling units (ADU). Allow for attached and detached ADU’s on all lots that allow for single-family homes, in all residential districts. Provide provided size, design, and other provisions standards which are compliant with state law, included to promote compatibility with surrounding uses.	Revised to de-emphasize “compatibility” given new state law (RCW 36.70A.681) that restricts the types of design standards and other regulations that may be imposed on ADUs.
	12	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.	B. Small lot single family. Allow for small lot single family development (lots smaller than 5,000 square feet) in the medium density residential zones. Maintain design standards. R3 zone provided design provisions that emphasize a pedestrian-oriented design and the inclusion of usable open space are included.	This R3-specific policy was achieved in the 2019 development regulation update. Suggest updating to say “maintain.” Other rewording for ease of reading.
	12	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.	C. Cottage housing. Encourage the development of cottage housing (a cluster of small homes around a common open space), including attached cottages , in most residential zones single-family zones as an increasingly popular housing type. Maintain provided special design provisions standards are included to that ensure a pedestrian-oriented design, inclusion of common open space, and strict cottage size limitations.	This policy was generally achieved in the 2019 development regulation update. Suggest updating to say “maintain” and incorporate some 2-2023 HAP recommendations. Other rewording for ease of reading.
	12	D. Duplexes & 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.	D. Duplexes & triplexes. Encourage these housing types in the low and medium density residential zones. R3 and R4 zones. Maintain provided design provisions standards that emphasize a pedestrian-oriented design and the inclusion of usable open space are included.	This policy was generally achieved in the 2019 development regulation update. Suggest updating to say “maintain.” Other rewording for ease of reading. Specific zone references are not strictly necessary, since the Land Use Designations (Table LU-1) already describes allowed uses.

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	12	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.	E. Townhouses. Encourage the development of townhouses in the <u>medium and high density residential zones R-3, R-4</u> and on certain side streets in <u>commercial zones the C and CBD zones</u> as an efficient and popular form of housing for a large demographic of Anacortes’s population. Design <u>Maintain design</u> standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.	This policy was generally achieved in the 2019 development regulation update. Suggest updating to say “maintain” and incorporate some 2023 HAP recommendations. Other rewording for ease of reading. Specific zone references are not strictly necessary, since the Land Use Designations (Table LU-1) already describes allowed uses.
	12	F. Senior and assisted housing. Encourage these housing types in the R-4 zone and under certain circumstances in the 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.	F. Senior and assisted housing. Encourage these housing types in the medium and high density residential zones R-4 zone and under certain circumstances in the R3, and along certain side streets in the commercial zones C, and CBD zones. <u>Apply multifamily and commercial design standards to these uses.</u> Design standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.	Progress was made on this policy in the 2019 development regulations update for assisted living and nursing homes, along with subsequent code amendments made to implement recommendations from the 2023 HAP. Specific zone references are not strictly necessary, since the Land Use Designations (Table LU-1) already describes allowed uses. Senior and assisted housing is typically in a multifamily form and does not need special design standards different from the city’s current multifamily and commercial design standards.
	12	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.	G. Walk up apartments and stacked flats. Encourage these housing types in the medium and high density residential zones and in commercial R-4 zone and in the C and CBD zones above shops and on side streets. <u>Maintain D</u> design standards emphasizing pedestrian-oriented design, façade articulation, and usable open space are particularly important.	This policy was generally achieved in the 2019 development regulation update. Suggest updating to say “maintain.” Other rewording for ease of reading. Specific zone references are not strictly necessary, since the Land Use Designations (Table LU-1) already describes allowed uses.
	12	H. Live-work units. Promote opportunities to combine live and work spaces in the C and CBD zones and within Live-Work Overlay zones.	H. Live-work units. Promote opportunities to combine live and work spaces in the commercial zones C and CBD zones and within Live-Work Overlay zones.	The development regulations also allows this use in the MMU zone; the description of land use designations covers allowed uses and the zone-specific reference could possibly be removed.
Policy LU-6.2	12	Protect the character of single family neighborhoods by focusing higher intensity land uses close to commercial and community services and transit.	Protect the character of single family neighborhoods by focusing higher intensity land uses close to commercial and community services and transit.	The Racially Disparate Impact (RDI) analysis and Department of Commerce guidance recommend moving away from the term “character” when possible, as it is a vague term that historically has been used to exclude people of color from certain neighborhoods and cities. The Housing Action Plan also found a need and community interest in diversifying the housing options available in most neighborhoods. Focusing growth in certain areas is still a valid approach, but there are already other policies that call for it in both the Land Use and Housing elements.
Policy LU-6.3	12	Adopt design standards for small lot single family development to gracefully integrate these uses into existing neighborhoods in ways that maintain general neighborhood scale and character. Key concepts to consider in the design standards: - A covered entry facing the street. - Minimize the impacts of garages and driveways on the streetscape. - Provide usable open space on all single family lots. - Maximum floor area ratio to better ensure that homes are proportional to lot sizes. - Minimum amount of façade transparency to promote more “eyes on the street” for safety and to create a welcoming streetscape.	<u>Maintain the following</u> Adopt design standards <u>for small lot development to promote neighborhood compatibility and enhance the livability of new housing for small lot single family development to gracefully integrate these uses into existing neighborhoods in ways that maintain general neighborhood scale and character.</u> Key concepts to consider in the <u>for</u> design standards: - A covered entry facing the street. - Minimize the impacts of garages and driveways on the streetscape. - Provide usable open space on all single family lots.	This policy was achieved in the 2019 development regulations update; however, the HAP recommends de-emphasizing this housing type. Suggest updating to say “maintain.” Also, updated to limit the use of “character,” as recommended by the RDI analysis. The floor area ratio concept is suggested to be removed because City staff and decision-makers report the current types of development standards (height, lot coverage, landscape, etc.) are working adequately.

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			- Maximum floor area ratio to better ensure that homes are proportional to lot sizes. - Minimum amount of façade transparency to promote more “eyes on the street” for safety and to create a welcoming streetscape.	
Policy LU-6.4	13	Adopt design standards for new multifamily development to promote neighborhood compatibility, enhance the livability of new housing, and enhance the character of residential and mixed-use areas. Key concepts to emphasize in the design standards: - Emphasize pedestrian oriented building frontages. - Emphasize façade articulation consistent with neighborhood scale. - Integrate high quality durable building materials and human scaled detailing. - Provide for usable open space for residents. - Provide compatible site edges and sensitive service area design. - Provide for vehicular access and storage while minimizing visual and safety impacts of vehicles. - Integrate landscaping elements to soften building elevations, enhance neighborhood compatibility, and improve the setting for residents.	Maintain the following Adopt design standards for new multifamily development to promote neighborhood compatibility <u>and</u> ,enhance the livability of new housing, and enhance the character of residential and mixed-use areas. Key concepts to emphasize in the <u>for</u> design standards: - Emphasize pedestrian oriented building frontages. - Emphasize façade articulation consistent with neighborhood scale. - Integrate high quality durable building materials and human scaled detailing. - Provide for usable open space for residents. - Provide compatible site edges and sensitive service area design. - Provide for vehicular access and storage while minimizing visual and safety impacts of vehicles. - Integrate landscaping elements to soften building elevations, enhance neighborhood compatibility, and improve the setting for residents.	This policy was achieved in the 2019 development regulations update.
Policy LU-6.5	14	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.	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 <u>and other civic uses</u> , and day care centers. Maintain standards in the zoning code for locating and designing these uses in a manner that <u>is compatible with</u> respects the character and scale of the neighborhood.	Neighborhood grocery stores were permitted in the 2019 development regulations update. Updated to limit the use of “character,” as recommended by the RDI analysis.
Policy LU-6.6	14	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.		
Goal LU-7	14	Downtown and South Commercial Avenue. Enhance the character and economic vitality of Downtown and the South Commercial Avenue corridor.	Downtown and South Commercial Avenue. Enhance the <u>public experience</u> character and economic vitality of Downtown and the South Commercial Avenue corridor.	Suggest using the term “public experience” instead of “character” because the term gets closer to the describing the intent of the goal.
Policy LU-7.1	14	Maintain and strengthen downtown as the center for civic, retail, cultural, dining and entertainment activity in Anacortes. A. Encourage a mixture of uses downtown, including restaurants and taverns, retail, office, civic, cultural, lodging, and residential uses to support day and evening activities for all ages.		

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	14	B. Facilitate more opportunities for people to live downtown through regulatory changes and proactive communication with property owners and the development community. Key concepts: - Integrate zoning flexibility to allow single purpose multifamily residential on most side streets. - Consider increasing flexibility for minimum parking requirements.	B. Facilitate more opportunities for people to live downtown through regulatory changes and proactive communication with property owners and the development community. Key concepts: - Integrate <u>Maintain</u> zoning flexibility to allow single purpose multifamily residential on most side streets. - Consider increasing <u>Increase the</u> flexibility for <u>of</u> minimum parking requirements.	This policy was generally achieved in the 2019 development regulations update. Retain this policy to emphasize “maintaining” the standards.
	14	C. Craft and apply form-based design standards for downtown: Key concepts to emphasize in the design standards: - Reinforce the historic storefront pattern on Commercial Avenue. - Accommodate a variety of pedestrian-friendly building frontages on side streets. - Promote the continued preservation and restoration/rehabilitation of historic and contributing buildings. - Promote façade massing and articulation that complements historical context. - Integrate high quality durable building materials and human scaled detailing. - Provide compatible site edges and sensitive rooftop and service area design. - Locate and design off-street parking to minimize impacts to the retail and pedestrian environment.	C. Craft and <u>Apply</u> form-based design standards for downtown: Key concepts to emphasize in the <u>for</u> design standards: - Reinforce the historic storefront pattern on Commercial Avenue. - Accommodate a variety of pedestrian-friendly building frontages on side streets. - Promote the continued preservation and restoration/rehabilitation of historic and contributing buildings. - Promote façade massing and articulation that complements historical context. - Integrate high quality durable building materials and human scaled detailing. - Provide compatible site edges and sensitive rooftop and service area design. - Locate and design off-street parking to minimize impacts to the retail and pedestrian environment.	This policy was generally achieved in the 2019 development regulations update. Retain this policy to emphasize “maintaining” the standards.
	14	D. Emphasize downtown as the primary gathering place for Anacortes: - Explore the development of a centralized public plaza space downtown. - Continue to promote festivals and other special events downtown. - Encourage the integration of public space and amenities associated with non-residential uses. - Enhance the streetscape downtown to provide opportunities for outdoor dining, interaction, public art, and people watching.		
	14	E. Explore opportunities to build a new City Hall and promote adaptive re-use of the existing City Hall with uses complementary to other downtown uses.		
	14	F. Craft and maintain zoning and design provisions that emphasize a graceful transition between downtown and adjacent residential neighborhoods.	F. Craft and maintain <u>Maintain</u> zoning and design provisions that emphasize a graceful transition between downtown and adjacent residential neighborhoods.	This policy was generally achieved in the 2019 development regulations update. Retain this policy to emphasize “maintaining” the standards.
	14	G. Encourage multi-story construction with underground or structured parking that facilitates transit-friendly densities and vibrant pedestrian-oriented streetscapes.		
			New Policy: <u>Explore full or partial pedestrianizing of streets in Downtown to enhance public experience and economic vitality.</u>	Recommend new policy based on public feedback and city council interest. Directed by City Council Resolution 3161, item A-9.

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	14	H. Identify and improve walking and biking routes to downtown as a pedestrian and biking-friendly destination. Provide safe methods such as textured crosswalk paths and bulb-outs where people can cross major streets at regular and convenient intervals.		
	14	I. Prioritize and implement recommendations in the Anacortes Parking Study, which identifies short and long-term strategies and alternatives for providing additional and better management of downtown public parking.		
Policy LU-7.2	15	Strengthen the visual appearance and economic vitality of South Commercial Avenue.		
	15	A. Maintain and strengthen the function of the corridor for retail, commercial, and service uses.		
	15	B. Encourage residential development on side streets and in the form of mixed-use buildings (housing over shops) complementary to retail/service uses.		
	15	C. Craft and apply form-based design standards for South Commercial Avenue. Key concepts to emphasize in the design standards: - Provide for pedestrian-friendly building frontages. - Promote façade massing and articulation that reinforces Anacortes’s character and scale. - Integrate high quality durable building materials and human scaled detailing. - Encourage the integration of public space and amenities associated with non-residential uses. - Emphasize landscaping elements as a major character defining feature of the corridor. - Provide compatible site edges and sensitive service area design. - Locate and design off-street parking to minimize visual impacts to South Commercial Avenue.	C. Craft and apply Maintain form-based design standards for South Commercial Avenue. Key concepts to emphasize in the design standards: - Provide for pedestrian-friendly building frontages. - Promote façade massing and articulation that reinforces Anacortes’s scale and community design character and scale . - Integrate high quality durable building materials and human scaled detailing. - Encourage the integration of public space and amenities associated with non-residential uses. - Emphasize landscaping elements as a major character defining feature of the corridor. - Provide compatible site edges and sensitive service area design. - Locate and design off-street parking to minimize visual impacts to South Commercial Avenue.	This policy was generally achieved in the 2019 development regulations update. Retain this policy to emphasize “maintaining” the standards. Suggest using the term “community design” instead of “character” because the term gets closer to the describing the intent of the goal.
	16	D. Design, implement, and maintain streetscape improvements to: - Enhance the visual appearance of the corridor and character/identity of the city. - Promote private investment in the corridor. - Enhance and promote non-motorized access and transit use.		
Goal LU-8	16	Fidalgo Bay and Guemes Channel Waterfronts. Maintain and enhance Anacortes’s waterfront as a unique and irreplaceable environmental, economic, and recreational amenity for the city.		
Policy LU-8.1	16	Enhance physical and visual access to the water. A. Maintain and extend the Guemes Channel Trail and waterfront esplanade along the entire waterfront consistent with the goals and policies of the Shoreline Master Program.		

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		B. Enhance the pedestrian connections between downtown and Fidalgo Bay waterfront. Key considerations: - Improve pedestrian crossings on Q/R Avenue near Cap Sante Marina. - Consider options to re-establish logical connection between Q and Commercial Avenue near 12th Street. C. Explore improved transit connections to the Fidalgo Bay waterfront. D. Adopt design standards that promote site and building design that enhance physical and visual access to the water from streets, parks and other publicly accessible spaces. E. In partnership with other organizations, such as the Port of Anacortes, consider options for a public boat ramp on Fidalgo Bay.		
Policy LU-8.2	16	Encourage public/private partnerships to facilitate coordinated development that balances economic, public amenity, environmental, and historical/cultural preservation goals. Example concepts: - Infrastructure agreements. - Public space provisions. - Provisions to encourage special/active waterfront uses – including lodging/conference facilities, recreational/cultural facilities.		
Policy LU-8.3	18	Capitalize on maritime industry by making full use of sites already tailored to marine uses. A. Preserve Industrial-zoned land south of 22nd Street for future industrial businesses and potential for green industries. B. Encourage preservation of industrial waterfront at 22nd Street to provide for manufacturing access to water. C. Encourage the preservation of access to the dredged channel near 22nd Street. D. Encourage the development of a modern haul-out for vessels up to 150 feet to increase opportunities for local businesses and a work yard open to business and the general public. E. Consider improvements and upgrades to the existing city haul-out facilities. F. Retain open industrial space for large-scale manufacturing.		
Policy LU-8.4	18	Adopt form-based design standards for the central Fidalgo Bay waterfront that promote coordinated development that enhances Anacortes’s unique marine character. A. Provide for physical and visual access to the water. B. Create a coordinated network of internal roadways and walkways that serves the envisioned mix of uses and creates a distinctive setting and identity for the district. C. Provide for pedestrian-friendly building frontages. D. Encourage building layout, orientation, modulation, and articulation to reduce the perceived scale of large buildings, add visual interest, and establish a distinct design character for the district. Emphasize human scaled design components and details that add interest to facades and entries.	Adopt <u>Maintain</u> form-based design standards for the central Fidalgo Bay waterfront that promote coordinated development that enhances Anacortes’s unique marine character. A. Provide for physical and visual access to the water. B. Create a coordinated network of internal roadways and walkways that serves the envisioned mix of uses and creates a distinctive setting and identity for the district. C. Provide for pedestrian-friendly building frontages. D. Encourage building layout, orientation, modulation, and articulation to reduce the perceived scale of large buildings, add visual interest, and establish a distinct design character for the district. Emphasize human scaled design components and details that add interest to facades and entries. E. Provide for building heights up to four stories with the ability to go to six-stories via incentives for public amenities, desired mix of uses, and/or integration of special design features.	Such design standards were adopted in 2019 – but suggest updating to say “Maintain” while keeping all of the sub-policy details as these are all still important.

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		E. Provide for building heights up to four stories with the ability to go to six-stories via incentives for public amenities, desired mix of uses, and/or integration of special design features. F. Encourage the integration of public space and amenities associated with non-residential uses. H. Emphasize landscaping elements as a major character defining feature. I. Include design provisions that seek to minimize potential negative conflicts between different uses. For example, provide compatible site edges and sensitive service area design. J. Locate and design off-street parking to minimize negative visual impacts to pedestrian areas and uses.	F. Encourage the integration of public space and amenities associated with non-residential uses. H. Emphasize landscaping elements as a major character defining feature. I. Include design provisions that seek to minimize potential negative conflicts between different uses. For example, provide compatible site edges and sensitive service area design. J. Locate and design off-street parking to minimize negative visual impacts to pedestrian areas and uses.	
Policy LU-8.5	18	Plans and regulations should take into account sea-level rise, tsunamis and other natural hazards.		
Goal LU-9	19	Industrial & Manufacturing Areas. Maintain and promote active use of industrial lands.		
Policy LU-9.1	19	Heavy manufacturing development should be contained in those general areas presently designated for Heavy Manufacturing (on March Point).		
Policy LU-9.2	19	In shoreline areas with deep water access encourage and support water dependent and water related uses such as manufacturing, shipping, moorage, navigation, cargo handling and storage, fish processing, and ship/boat construction and repair.		
Policy LU-9.3	19	Encourage multiple business manufacturing development, providing a more stable economic base through diversity, as opposed to a single large manufacturing business.	Encourage development of multiple types of manufacturing businesses manufacturing development , providing a more stable economic base through diversity, as opposed to a single large manufacturing business.	Edits for clarification.
Policy LU-9.4	19	Limit non-industrial uses to those that are complementary to industrial activities in terms of access and circulation, public safety, hours of operation, and other land use activities.	Limit non-industrial uses to those that are complementary to industrial activities in terms of access and circulation, public safety, hours of operation, and other land use activities. For example, ground-floor retail, indoor recreation, and daycare to serve industrial employees and/or located within walking distance of commercial and high density residential zones can be complementary when appropriately sized and designed.	Edit suggested to support City Council Resolution 3161, item LEG-2024-18 and LEG-2024-21
Policy LU-9.5	19	Protect industrial and manufacturing lands from encroachment by other land uses, which would reduce the economic viability of industrial lands.		
Policy LU-9.6	19	Develop industrial and manufacturing lands to minimize impacts on surrounding land uses, especially residential land uses.		
Policy LU-9.7	19	New or additional industrial and manufacturing development should comply with the following criteria: A. Sewer, water, and communications services should be available or planned for the industrial site area. B. New sites designated for industrial use should have convenient access to existing or planned highways or major arterials. C. Consistent with the Environment and Conservation Element of the Comprehensive Plan.		

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Goal LU-10	19	Healthy Communities. Promote land use and community design that encourages healthy living and good connectivity between compatible uses.		
Policy LU-10.1	19	Adopt development regulations that facilitate a complementary mix of uses within mixed-use centers that encourage more walking and bicycling between uses.	Adopt development regulations and design provisions that facilitate a complementary mix of uses within neighborhoods mixed-use centers and provide for safe and attractive non-motorized connectivity between uses and amenities. to hat encourage more walking and bicycling between uses.	Recommended updates are based on public feedback and interest in making walking and biking more prominent in policies. Additionally, there are co-benefits to addressing climate change.
Policy LU-10.2	19	Adopt design provisions that provide for safe and attractive non-motorized connectivity between uses and amenities, with the frequency of connections commensurate with the envisioned intensity of land uses (e.g., housing, employment, community services, and amenities).	Adopt design provisions that provide for safe and attractive non-motorized connectivity between uses and amenities, with the frequency of connections commensurate with the envisioned intensity of land uses (e.g., housing, employment, community services, and amenities).	Anacortes generally has a good street grid already with small block sizes. This mostly applies to large sites like the MMU zone, which has regulations in place to implement this type of policy. This has enough overlap with Policy LU-10.1 above that it could be deleted or merged.
Policy LU-10.3	19	Adopt development regulations that encourage the integration of recreational space with multifamily development.	Maintain Adopt development regulations that encourage the integration of recreational space with multifamily development.	Suggest updating to say “maintain” due to already having development regulations that do this.
Policy LU-10.4	19	Integrate public recreational amenities accessible to all Anacortes residents, workers, and visitors, with highest priority on locations, facilities, and activities that best serve the community.	Integrate Increase access to public recreational amenities and activities accessible to for all Anacortes residents, workers, and visitors, including at public facilities which are located to serve the general public. , with highest priority on locations, facilities, and activities that best serve the community.	The meaning of this policy was not entirely clear. It has been updated to emphasize public projects.
Policy LU-10.5	20	Increase access to health foods by encouraging the location of fresh food markets and community food gardens in close proximity to multifamily uses and transit facilities through zoning regulations.		
Goal LU-11	20	Growth management & regional coordination. Emphasize compact growth to minimize sprawl and protect Anacortes’s Community Forestlands.		
Policy LU-11.1	20	Plan for accommodating anticipated growth within the City to protect surrounding forest and parklands, and minimizing sprawl, while strengthening Anacortes’s unique marine character and identity. A. Provide for residential infill development opportunities throughout the city, but focus the highest intensity residential uses close to commercial and community services and transit. B. Provide for an adequate supply of land zoned for employment uses to support 20-year employment allocations as required by Skagit County County-Wide Planning Policies. C. Monitor and report growth as directed in Skagit County County-Wide Planning Policies.	Plan for accommodating anticipated growth within the City to protect surrounding forest and parklands, and minimizing sprawl, while strengthening Anacortes’s unique marine character and identity. A. Provide for residential infill development opportunities throughout the city, but focus the highest intensity residential uses close to commercial and community services and transit. B. Provide for an adequate supply of land zoned for residential and commercial employment uses to support 20-year population and employment allocations as required by Skagit County County-Wide Planning Policies. C. Monitor and report growth as directed in Skagit County County-Wide Planning Policies.	The City must also provide an adequate supply of land for housing.
Policy LU-11.2	20	Adopt user-friendly and coordinated development regulations that facilitate Anacortes’s preferred land use pattern (e.g., allowed density, uses, and site provisions). A. Refine the land use code on an ongoing basis to make it easier to use by employing simple language, easy to read charts, and illustrative graphics.	Maintain Adopt user-friendly and coordinated development regulations that facilitate Anacortes’s preferred land use pattern (e.g., allowed density, uses, and site provisions). A. Refine the land use code on an ongoing basis to make it easier to use by employing simple language, easy to read charts, and illustrative graphics. B. Monitor and refine the land use code as needed to facilitate the preferred land use pattern and development character.	Add “maintain” since from time-to-time development regulations needed to be amended.

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
		B. Monitor and refine the land use code as needed to facilitate the preferred land use pattern and development character. C. Integrate an appropriate balance of predictability and flexibility when updating development regulations that allow ease of administration and interpretation and offer optional ways of meeting requirements when possible.	C. Integrate an appropriate balance of predictability and flexibility when updating development regulations that allow ease of administration and interpretation and offer optional ways of meeting requirements when possible.	
Policy LU-11.3	20	Allow new development only where adequate public services can be provided.		
Policy LU-11.4	20	Work with other jurisdictions and agencies, educational and other organizations, and the business community to develop and carry out a coordinated, regional approach for meeting the various needs of Skagit County communities, including housing, human services, economic vitality, public safety, utilities, infrastructure, parks and recreation, transportation, and environmental protection.		
	New subheading: Climate focused goals and policies			
TBD	TBD	TBD	TBD	TBD

Land Use Element

Future Land Use Map and Land Use Designation Updates

DRAFT September 18, 2024

9/25/24 Planning Commission Discussion Version

ANACORTES
Comprehensive Plan 2016

Future Land Use Map

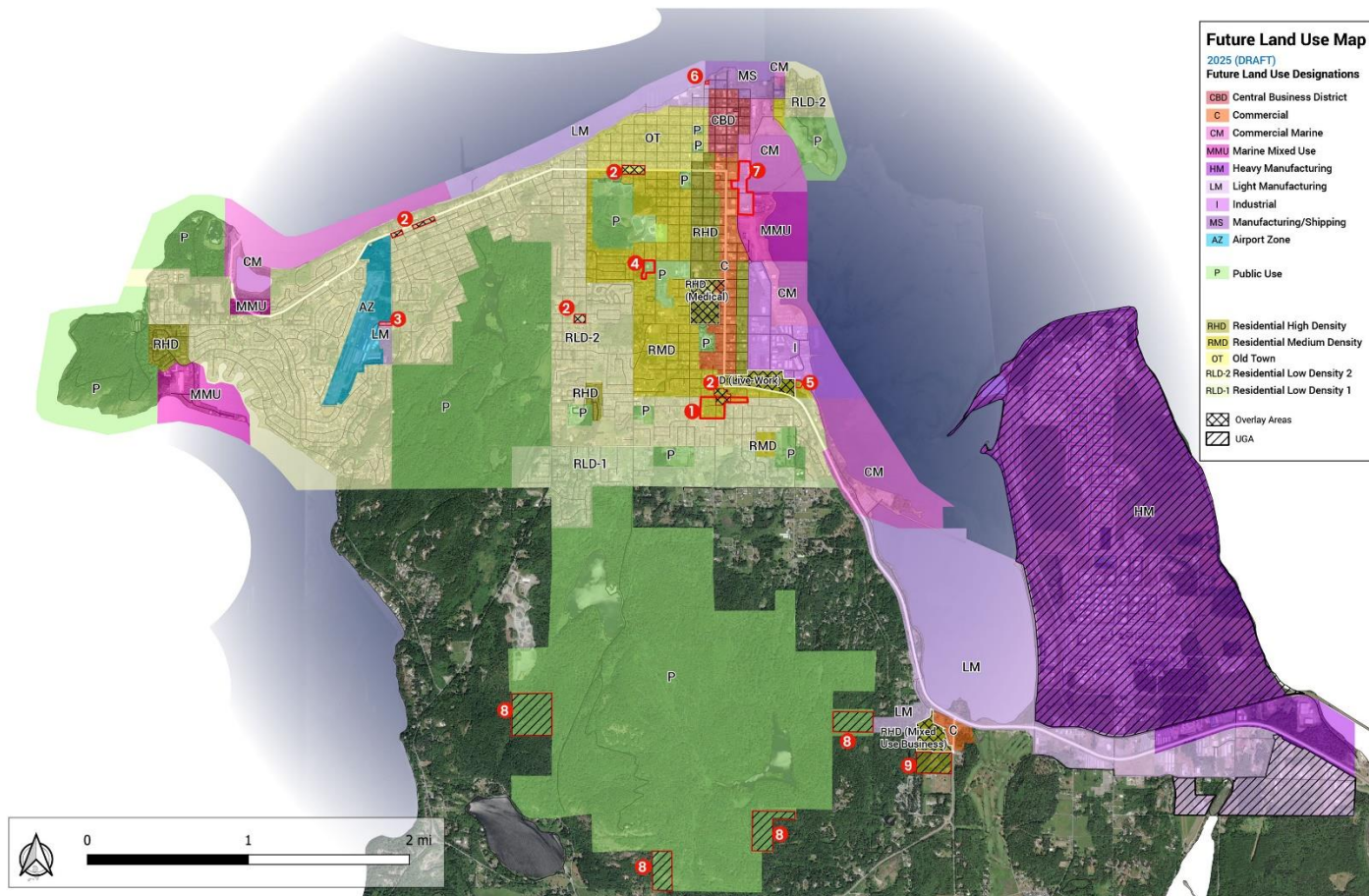
Land Use Designation

- CRD** Central Business District
- C** Commercial
- CM** Commercial Marine
- MMU** Marine Mixed Use
- AZ** Airport Zone
- HM** Heavy Manufacturing
- I** Industrial
- LM** Light Manufacturing
- MTS** Manufacturing/Shipping
- P** Public Use
- RHD** Residential High Density
- RMD** Residential Medium Density
- OT** Old Town
- RLD-2** Residential Low Density 2
- RLD-1** Residential Low Density 1
- Overlay Area**
- City Limit**
- UGA**

MARCH POINT INSET

The map displays the future land use designations for Anacortes, Washington. The map is color-coded according to the legend, showing various zones such as Central Business District (CRD), Commercial (C), Commercial Marine (CM), Marine Mixed Use (MMU), Airport Zone (AZ), Heavy Manufacturing (HM), Industrial (I), Light Manufacturing (LM), Manufacturing/Shipping (MTS), Public Use (P), Residential High Density (RHD), Residential Medium Density (RMD), Old Town (OT), Residential Low Density 2 (RLD-2), and Residential Low Density 1 (RLD-1). The map also shows the City Limit and the Unincorporated Growth Area (UGA). The inset map shows the March Point area, which is currently designated as Light Manufacturing (LM) and is being re-zoned to Marine Mixed Use (MMU) and Commercial Marine (CM).

2025 Future Land Use Map Options



1. Change from RLD-2 to RMD
2. Option 1 - neighborhood commercial overlay areas
Option 2 - update use chart to allow more commercial uses
3. Parcel change from AZ to LM
4. Several parcels change from RMD to P

5. Several parcels change from I to RMD
6. Parcel change from LM to MS
7. Several parcels change from C and MMU, to CM
8. Add all unincorporated ACFL parcels to the UGA
9. Expand UGA to include Signal Hill properties

Descriptions of Future Land Use Map Options

The following numbered descriptions correspond to the numbers on the map on the previous page (page 1-3).

1. Change from Residential Low Density-2 (RLD-2) to Residential Medium Density (RMD) to create more housing options in a high opportunity area of the City. This change also supports H-1.7 (*provide for development of multifamily housing in areas close to shopping, employment, services and public transportation*) and Item #LEG-2024-08 (*provide more opportunities through zoning for more local services to be accessible within walking distance of residences*), as a neighborhood grocery store is in the center of the area, as well as a couple of vacant or partially used sites
2. These potential changes are intended to provide options for implementing current land use policy LU-6.5 – “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.”
 - Option 1 – would add features to the Future Land Use Map (FLUM). Similar to other overlays symbolized on the current FLUM, additional “neighborhood commercial” overlays would be placed on the FLUM indicating areas with special allowances for small commercial uses. Uses that are currently allowed on these properties would continue to be allowed.
 - Option 2 – does not add any additional overlays to the FLUM and instead updates the allowed use chart in the zoning code to allow for more neighborhood-scale commercial uses.
3. Port of Anacortes - Requested land use designation change for 3 parcels near the airport from Aeronautical Zone (AZ) to Light Manufacturing (LM). (Res. 3161, LEG-2024-13).
4. Fidalgo Pool & Recreation District - Requested land use designation change for multiple parcels near the Fidalgo Pool from Residential Medium Density (RMD) to Public (P). (Res. 3161, LEG-2024-12).
5. Tom Skillings - Requested land use designation change of a portion of a parcel from Industrial to Residential Medium Density (RMD). (Res. 3161, 2021 Docket).
6. Port of Anacortes - Requested land use designation change of one parcel west of the terminus of 2nd St. from Light Manufacturing (LM) to Manufacturing and Shipping (MS). (Res. 3161, LEG-2024-15).
7. Port of Anacortes - Requested land use designation change of multiple parcels associated with the Cap Sante Marina from Commercial (C) and Marine Mixed Use (MMU) to Commercial Marine (CM). (Res. 3161, LEG-2024-14).
8. Add all unincorporated Anacortes Community Forest Land (ACFL) parcels to the UGA. (Res. 3161, LEG-2024-05).
9. Expand the UGA to include Signal Hill properties. (Res. 3161, LEG-2024-11).

Land Use Designation Preliminary Amendment Proposals

Proposed changes are shown in ~~strike-through~~/underline format.

Table LU-1. Land use designations.

The allowed uses and densities noted herein are intended as a summary of key provisions to guide implementing zoning codes, and not as a complete description of all possible uses.

“Special topics to explore” are intended to document future potential considerations that may warrant additional review.

Land Use Designation	Implementing Zoning Designation	Rationale
Residential Low Density 1 <u>Purpose:</u> This designation provides for low density residential development in the southern end of the City that is inappropriate for more intensive urban development due to topography, the frequent presence of wetlands, the high cost and difficulty in extending public facilities, and the desire to create a lower intensity transitional area between the city and the surrounding unincorporated rural pasture, forest and agricultural land. <u>Principal uses & density:</u> Single-family detached dwellings are the predominant dwelling type. Other dwelling types, such as accessory dwellings and cottage housing, may be allowed under certain circumstances. The permitted base density is up to 2 dwelling units per gross acre. Densities up to 4 units per gross acre may be permitted via a special review process.	R1	
Residential Low Density 2 <u>Purpose:</u> This designation provides for low density residential development in mostly established neighborhoods throughout the City. These areas are inappropriate for more intensive urban development due to the established character of the area and/or due to the area’s separation from transit uses and commercial services.	R2, R2a	Updated to reflect changes made in 2019 to allow cottages in this designation. Duplexes in the R2 zone were changed from a conditional use to permitted outright in 2024 (Ord. 4070)

Land Use Designation	Implementing Zoning Designation	Rationale
<u>Principal uses & density:</u> Single-family detached dwellings, accessory dwelling units, duplexes, and cottages are the predominant dwelling types. Other dwelling types, such as duplexes, accessory dwellings and cottage housing may be allowed under certain circumstances. The permitted density is between 4 and 8 dwelling units per gross acre, depending upon the established development pattern and character of the area. <i>Special topics to explore: Accommodate affordable housing and tiny houses (see Housing Element). Explore option for 6,000-sf lots where compatible with existing development (east of Anacopper Mine Rd.).</i>		Density measurement of du/acre would apply to new land divisions and cottages. Standards for calculating minimum and maximum permitted density are in AMC 19.42.100.
Residential Medium Density <u>Purpose:</u> This designation provides for moderate density residential neighborhoods on lands that are suitable for urban development. These areas are conveniently located in relation to traffic routes, public utilities and community facilities. <u>Principal uses & density:</u> Single-family detached dwellings, accessory dwelling units, cottages, duplexes, triplexes, and townhomes are the predominant dwelling types. Other dwelling types, such as fourplexes accessory dwellings, cottage housing, and low density multi-family 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. <i>Special topics to explore: Accommodate tiny houses (see Housing Element), reduce minimum lot size to 4,500-sf, and explore option for 3,000-sf lots where consistent with historic plats. Consider uses that provide neighborhood gathering places.</i>	R3 R3a	Duplexes, triplexes, fourplexes, and townhomes up to 4 units are allowed by right in RMD zones. Density measurement of du/acre would only apply to new land divisions. Standards for calculating minimum and maximum permitted density are in AMC 19.42.100.

Land Use Designation	Implementing Zoning Designation	Rationale
Old Town <u>Purpose:</u> This designation recognizes the unique heritage, <u>and</u> scale, and character of the oldest residential area of the city by establishing standards to maintain the scale and character of the area. <u>Principal uses & density:</u> Single-family detached dwellings, <u>accessory dwelling units, and duplexes</u> are the predominant dwelling type. Other dwelling types such as accessory dwellings and duplexes, <u>cottages, triplexes, and townhomes</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.	OT	The Racially Disparate Impacts (RDI) analysis and Department of Commerce guidance recommend moving away from the term “character” when possible, as it is a vague term that historically has been used to exclude people of color from certain neighborhoods and cities. Duplexes are permitted outright and are subject to special Old Town design standards and the duplex design standards established in 2019. Allowing cottages, triplexes, and townhomes ‘under certain circumstances’ complements new proposed revisions to housing goals and policies to allow for the next increment of housing throughout Anacortes neighborhoods to promote organic change over time.
Residential High Density <u>Purpose:</u> This designation provides for urbanized areas with a mixture of multifamily dwelling units that are within walking distance of public transit and commercial/employment areas and/or community facilities. This designation creates a transition from high intensity uses, such as commercial or industrial development, to lower intensity residential areas. <u>Principal uses & density:</u> A mixture of single and multifamily dwelling units. Some commercial uses may be permitted. <u>A minimum density of 15 du/acre applies to development of all lots 6,000 square feet or more in size</u> There is no prescribed density limit, except in designated areas away from downtown and South Commercial Avenue (up to 18 dwelling units per gross acre). <u>Special topics to explore:</u> Consider adopting density minimums for new development; and consider uses that provide neighborhood gathering places.	R4 R4a	The HAP recommends consideration of prohibiting new large-lot single family uses in Medium and High-Density designations to promote more efficient use of the limited areas zoned for higher density housing types. A minimum density standard for new development of lots exceeding a certain size could accomplish similar results without completely prohibiting new SF development on existing smaller lots. About 25% of the parcels in the R4 zone are less than 6,000 square feet. Therefore, a minimum density that applies to lots 6,000 sf or more is intended to ensure multifamily and townhouse development happen in the majority of RHD zones.

Land Use Designation	Implementing Zoning Designation	Rationale
Central Business District <u>Purpose:</u> This designation has been applied to the existing downtown commercial district in Anacortes. The purpose of the district is to reinforce downtown as the center of commercial, civic, and cultural activities within the city. Downtown is expected to accommodate new development while reinforcing and enhancing its historic pedestrian-friendly character and scale. <u>Principal uses & density:</u> A broad mix of commercial, retail, professional office, civic and cultural, and residential uses. Active uses are required on the ground floor along Commercial Avenue and key side streets. Multi-story buildings and a mixture of uses are encouraged. New residential uses must feature transit-supportive densities (at least 15 dwelling units per gross acre). <u>Special topics to explore:</u> Consider concept of a transitional zone or related land use and development standards provisions along the east side of Q Avenue.	CBD	
Commercial <u>Purpose:</u> This designation provides for a wide variety of general service, retail, commercial, and mixed-uses that serves local and regional residents and the traveling public. <u>Principal uses & density:</u> A wide variety of general service, retail commercial, and professional office uses. Multifamily uses are encouraged on upper floors along South Commercial Avenue and are allowed on certain side streets. New residential uses must feature transit-supportive densities (at least 15 dwelling units per gross acre).	C	
Marine Mixed-Use <u>Purpose:</u> This designation provides for a special mix of commercial, cultural, recreational, and residential uses in a high amenity area along the waterfront or with special waterfront relationship. The design of uses is intended to emphasize the	MMU	

Land Use Designation	Implementing Zoning Designation	Rationale
unique marine setting by providing marine access and views from public spaces and establishing/maintaining a pedestrian-friendly character. <u>Principal uses & density:</u> The primary uses are commercial, hospitality, cultural, and recreational uses. Residential uses are encouraged in mixed-use structures and allowed in single purpose structures provided developments include a horizontal mix of uses. Multi-story buildings are encouraged provided they are designed and oriented to provide public marine views and integrate human-scaled design details. New residential uses must feature transit-supportive densities (at least 15 units/acre).		
Commercial Marine <u>Purpose:</u> This designation is established in recognition of the unique and irreplaceable nature of certain marine sites in Anacortes and provides for a marine-oriented uses and commercial and industrial enterprises where orientation to navigable waterways and the tourism trade is of primary importance. <u>Principal uses & density:</u> Marine-oriented commercial, recreational, and industrial uses. Tourism uses building on marine access and views are encouraged. Retail uses are limited to small scale establishments in support of primary uses. Large and multi-story buildings are allowed provided they are designed and oriented to provide public marine views.	CM, CM1, CM2	The CM1 zone was eliminated with the 2019 development regulation updates.
Light Manufacturing <u>Purpose:</u> This designation provides for a mix of industrial structures and uses, service commercial uses and limited retail uses that minimize external visual or physical impacts on adjacent properties and generally do not compete with uses in the CBD and C zones.	LM, LM1	

Land Use Designation	Implementing Zoning Designation	Rationale
<u>Principal uses & density:</u> General service and light industrial uses that can be operated in a relatively clean, quiet, and safe manner compatible with adjoining uses. Retail and office uses are limited in scale or type to avoid competition with uses in the CBD and C zones.		
Manufacturing & Shipping <u>Purpose:</u> This designation provides for manufacturing and shipping uses that can utilize the deep waters of the Guemes Channel. <u>Principal uses & density:</u> Marine oriented manufacturing and shipping uses plus complementary support uses. <u>Special topics to explore:</u> Consider concept of a transitional zone or related land use and development standards provisions for the area between T and U Avenues north of 4th Street.	MS	
Industrial <u>Purpose:</u> This designation provides for manufacturing and closely related uses in areas with existing industrial uses or other areas with suitable land and transportation access that are buffered from residential and other uses that are likely to complain about industrial activities. <u>Principal uses & density:</u> Industrial, research and development, repair, warehouse, shipping terminals that minimize external impacts to adjacent districts, and accessory uses. <u>Special topics to explore:</u> Refine use, design, bulk and dimensional standards to promote desired development.	I	

Land Use Designation	Implementing Zoning Designation	Rationale
Heavy Manufacturing <u>Purpose:</u> This designation provides for heavy manufacturing and closely related uses in the March Point area. <u>Principal uses & density:</u> Industrial, research and development, repair, warehouse, shipping terminals and related uses whose production process creates a potential hazard or nuisance to adjacent uses.	HM	
Public Use <u>Purpose:</u> This designation is to allow for common public uses where the need arises and uses will not create a nuisance or interfere with existing uses. <u>Principal uses & density:</u> Public parks and recreation facilities, open space, public green space , single family residences under certain circumstances, schools, and other public facilities. Green space is defined as an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through promoting physical and mental health, providing relief from urban heat, protecting streams or water supply, or enhancing visual quality along a highway, road, or street. *See note re: Urban and community forests in the right-hand column.	P	GMA requires that the land use element designate the proposed general distribution and location and extent of certain public land uses, including public utilities, public facilities, recreation, and open spaces. HB 1181 added 'green space' and 'urban and community forests' into the list of uses of land that must be designated. Green space is proposed to be included in the Public designation. *Urban and community forests, such as the ACFL, are currently designated Public, but may need to be designated separately. We are researching the GMA requirements to see if this is necessary or if there is an alternative method that might work better for Anacortes.
Aeronautical Zone <u>Purpose:</u> This designation provides for the Anacortes Airport and associated uses. <u>Principal uses & density:</u> Airport and aeronautical related uses.	AZ	

Table LU-2. Overlay designations

Some areas within the city have unique characteristics, special land uses and/or land use objectives that call for an overlay that would apply in addition to the base land use designation.

Special Land Use Overlays	Implementing Zoning Designation	Rationale
Medical Overlay <u>Purpose:</u> This overlay designation provides for coordinated expansion of Island Hospital and growth of medical support uses in the immediate vicinity while minimizing the impacts on surrounding residential uses. <u>Principal uses & density:</u> Hospitals and medical clinics in addition to permitted uses in the underlying zoning district. Uses are subject to height, density and other development standards in the underlying zone, unless modified by the overlay standards. <u>Special topics to explore:</u> Refine overlay boundary, use provisions, and height provisions.	MED-O	
Live/Work Overlay <u>Purpose:</u> This overlay designation provides the opportunity to combine living and working spaces in individual units, provided the scale and impact of such non-residential uses is limited. This designation is appropriate for select R-3 and R-4 zones that are adjacent to commercial or manufacturing zones. <u>Principal uses & density:</u> Small scale retail, commercial, and manufacturing uses are allowed if combined with a permitted use in the base zoning district. Subject non-residential activities shall be conducted indoors and external impacts minimized. Limited outdoor storage and sales may be allowed on a case by case basis provided measures are taken to minimize external impacts.	LW-O	
Mixed-Use Business Overlay <u>Purpose:</u> This overlay designation provides the opportunity to integrate non-residential uses together with residential uses. Such uses shall be limited to those uses that minimize external or physical impacts on residential uses. This designation is appropriate for select R-2, R-3, and R-4 zones that are adjacent to commercial or manufacturing zones.	MUB-O	Looking for ways to support current land use policy LU-6.5 – “Allow some compatible nonresidential uses in

Special Land Use Overlays	Implementing Zoning Designation	Rationale
<u>Principal uses & density:</u> Professional office, institutional, educational, and small scale retail in addition to permitted uses in the underlying district. Non-residential activities shall be conducted indoors and external impacts minimized. <u>Special topics to explore: Refine overlay boundary, use provisions, and height provisions.</u>		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.” The current “mixed-use business overlay” could be adjusted and updated to apply in more areas or new neighborhood commercial overlays.

Anacortes Comprehensive Plan Update

Housing Goals and Policies Tracker

DRAFT September 18, 2024

9/25/24 Planning Commission Discussion Version

Introduction

This goals and policies tracker reviews the Housing Element of the 2016 Anacortes Comprehensive Plan in support of the 2025 periodic update. MAKERS is providing comments, considerations, and recommendations for updating goals and policies. Further updates and additions will be added to the Housing Element to meet climate element requirements and better connect policies that are both housing and climate related.

Some frequent abbreviations used in this audit:

- HAP = [Housing Action Plan](#)
- AMC = Anacortes Municipal Code
- RDI = Racially disparate impacts

Housing Element

Some comments reference the Racially Disparate Impact (RDI) analysis, which is available on the [project webpage](#). See also the 2023 [Anacortes Housing Action Plan](#) (HAP).

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Goal H-1	31	Housing Supply and Variety. Provide for a sufficient quantity and variety of housing to meet community needs.		
Policy H-1.1	31	Provide for an adequate supply of appropriately zoned land to accommodate the city’s housing growth targets.		
Policy H-1.2	31	Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs and respond to changing needs and preferences.	Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs and respond to changing needs and preferences. Promote a variety of housing options that are needed by the different demographic groups and life situations in Anacortes. For example, young families, single parents, seniors, people of color, professionals, and service workers can all have different needs and preferences for housing size, design, location, and prices.	Per the Racially Disparate Impacts (RDI) analysis, amend this policy (or add a similar policy) that that specifically addresses the housing needs and preferences of people of color.
Policy H-1.3	31	Integrate smaller housing types, such as cottages, duplexes, townhouses, and accessory dwelling units, into residential neighborhoods.	Integrate smaller housing types, such as cottages, duplexes, townhouses, and accessory dwelling units, into low and medium density residential zones . residential neighborhoods.	Replace “residential” with a more general reference to zones to avoid implying existing neighborhoods only consist of single-family residences. Note the city has been making progress on this with updated development regulations and is already seeing construction of more diverse housing types in recent years.
Policy H-1.4	31	Consider the potential for development of tiny houses in selected areas of the city.	Consider the potential for development of tiny houses in selected areas throughout of the city.	The RDI analysis cautions that the “selected areas” not be restricted to segregated or higher-density areas of the city. The Housing Action Plan recommendation is consistent with the RDI analysis, as it recommends considering permanent tiny home clusters only in low- and medium density residential zones such as R2, R2A, and R3 in order to preserve the limited land available for denser housing.
Policy H-1.5	31	Encourage infill development on vacant or under-utilized land.		
Policy H-1.6.	31	Evaluate barriers to achieving increased density in multifamily residential and mixed use zones and revise regulations if appropriate.		
Policy H-1.7	31	Provide for development of multifamily housing in areas close to shopping, employment, services and public transportation.	Provide for development of multifamily housing in high-opportunity areas and areas close to shopping, employment, services and public transportation.	The RDI analysis recommends referring to “high opportunity” areas and avoiding the suggestion that new multifamily use must be concentrated in areas that typically have higher exposure to noise and pollution (e.g. arterial streets).
Policy H-1.8	31	Provide for flexibility in subdivision development in order to promote environmental protection, encourage infill development, enhance neighborhood character, employ low impact development techniques, and other similar goals.	Provide for flexibility in subdivision development in order to promote environmental protection, encourage infill development, enhance neighborhood character, employ low impact development techniques, and other similar goals.	Updated to avoid the use of “neighborhood character,” as it is a vague term that can often be employed to the effect of excluding new types of development. Recommendation from the RDI analysis.

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Policy H-1.9	32	Encourage demonstration projects of innovative housing types or programs, such as co-housing, tiny houses, or others.	Encourage more development of innovative housing demonstration projects of innovative housing types or programs and strategies , such as co-housing, co-living, land trusts, sweat equity, co-location of housing with public facilities, tiny houses , or others.	The City has already implemented or seen development of demonstration projects, which the Skagit Co-Housing project is a great example of. Suggesting updating policy language to move towards development of more of these projects, rather than referring to them as demonstration projects. Tiny houses are already mentioned specifically in policy H-1.4. Co-living (single room occupancies) is required to be addressed by cities under new state law RCW 36.70A.535.
Policy H-1.10	32	Permit manufactured homes on individual lots in residential zones in accordance with the provisions of state and federal law.		
			New Policy Maintain development regulations that permit allowed residential uses by right and avoid conditional uses.	City Council expressed interest in such a policy. This policy will help reduce confusion from applicants on what residential uses are allowed and help speed up aspects of the permitting process. (2025 Docket Item - LEG-2024-07).
Goal H-2	32	Neighborhood Character. Promote the stability and vitality of residential and mixed use neighborhoods.	Neighborhood CharacterForm. Promote the stability and vitality of residential and mixed use neighborhoods Allow organic change of neighborhoods over time to meet community needs, while preventing neighborhoods from experiencing extreme changes in a short period of time.	A goal centered on the phrase "neighborhood character," is vague, and can be used to justify leaving higher-income neighborhoods unchanged, based on the RDI analysis recommendations and Department of Commerce guidelines. Instead a new housing goal can be focused on allowing change of housing types over time but in a manner that is more incremental and doesn't have major jumps in housing types for a given neighborhood. City Council expressed interest in this. (2025 Docket Item – LEG-2024-06)
Policy H-2.1	32	Encourage housing types and design that reinforce and enhance the character and scale of established neighborhood development patterns.	Encourage housing types and design that reinforce and enhance the character and scale of established neighborhood development patterns. When necessary to meet housing needs over time, provide zoning changes that allow the next increment of housing throughout any neighborhood in Anacortes.	Replace the current policy with a new policy that better aligns to the new goal suggested above. (2025- Docket Item – LEG-2024-06)
Policy H-2.2	32	Develop design guidelines, standards or other measures to achieve the following benefits: A. Allow growth without sacrificing Anacortes's unique small town character. B. Facilitate compatibility between existing and new housing. C. Integrate and connect multifamily developments with surrounding development to enhance a sense of community in neighborhoods. D. Allow for compatible integration of attached and detached accessory dwelling units in residential neighborhoods.	Maintain Develop design guidelines , standards or other measures to achieve the following benefits: A. Allow growth without sacrificing Anacortes's unique small town character. B. Facilitate compatibility between existing and new housing. C. Integrate and connect multifamily developments with surrounding development to enhance a sense of community in neighborhoods. D. Allow for compatible integration of attached and detached accessory dwelling units in residential neighborhoods.	Updated language to emphasizes the maintenance of design standards, since such standards have already been adopted.
Policy H-2.3	32	Encourage rehabilitation and improvement programs to preserve the character and condition of existing housing.	Encourage rehabilitation and improvement programs to preserve the character and condition of existing housing, especially for homes owned	Updated to avoid the use of "character". The RDI analysis notes that rehabilitation programs can help people stay in their homes, but it mostly benefits existing homeowners and does not help reduce racial

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
			by seniors, low-income people, and people of color who may face mobility and/or financial barriers to home maintenance.	disparities in homeownership. RDI analysis suggests the City work with organizations representing seniors and communities of color to prioritize any potential program funding.
Goal H-3	32	Housing Affordability. Provide for a range of housing opportunities to address the needs of all economic segments of the community.		
Policy H-3.1	32	Encourage preservation, maintenance, and improvements to existing affordable housing.		
Policy H-3.2	32	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.	Develop meaningful-, measurable goals-metrics and strategies that promote the development of affordable workforce -housing to meet local needs and monitor progress toward achieving those strategies. meeting those goals. Metrics should include homeownership rates and housing cost burden for people of color, and other statistics recommended by the Housing Action Plan.	It is a misnomer to have a policy require new goals that are not already listed in the Housing Element, so it is suggested to replace that term. Refer to the HAP Section 6.4 for recommendations on how to monitor housing progress. This updated Housing Element policy also suggests an additional layer of metrics that include a focus on racial equity and addressing historic patterns of segregation, as recommended by the RDI analysis. With the edits, this policy may now fit better under Goal H-6, which relates to implementation and monitoring.
Policy H-3.3	32	Support non-profit agencies and public/private partnerships to preserve or develop additional housing for very low, low and moderate income households.		
Policy H-3.4	32	Support both rental and ownership forms of affordable housing in a variety of types and sizes.		
Policy H-3.5	32	Locate affordable housing throughout the city and especially in areas with good access to transit, employment, education, and shopping.	Locate affordable housing throughout the city and especially in high opportunity areas -with good access to transit, employment, education, and shopping.	The RDI analysis recommends referring to “high opportunity” areas and avoiding concentrating new housing in a single area or areas with higher exposure to noise and pollution (e.g. arterial streets). The use of “high opportunity” areas, widens the scope of appropriate areas for affordable housing while still including transit, employment education, and shopping areas.
Policy H-3.6	32	Consider a housing levy to provide ongoing funding for affordable housing.	Consider - Explore a housing levy to provide ongoing funding for construction and preservation of affordable housing.	More forward language suggested. The RDI analysis finds a levy has the potential to improve racially disparate impacts.

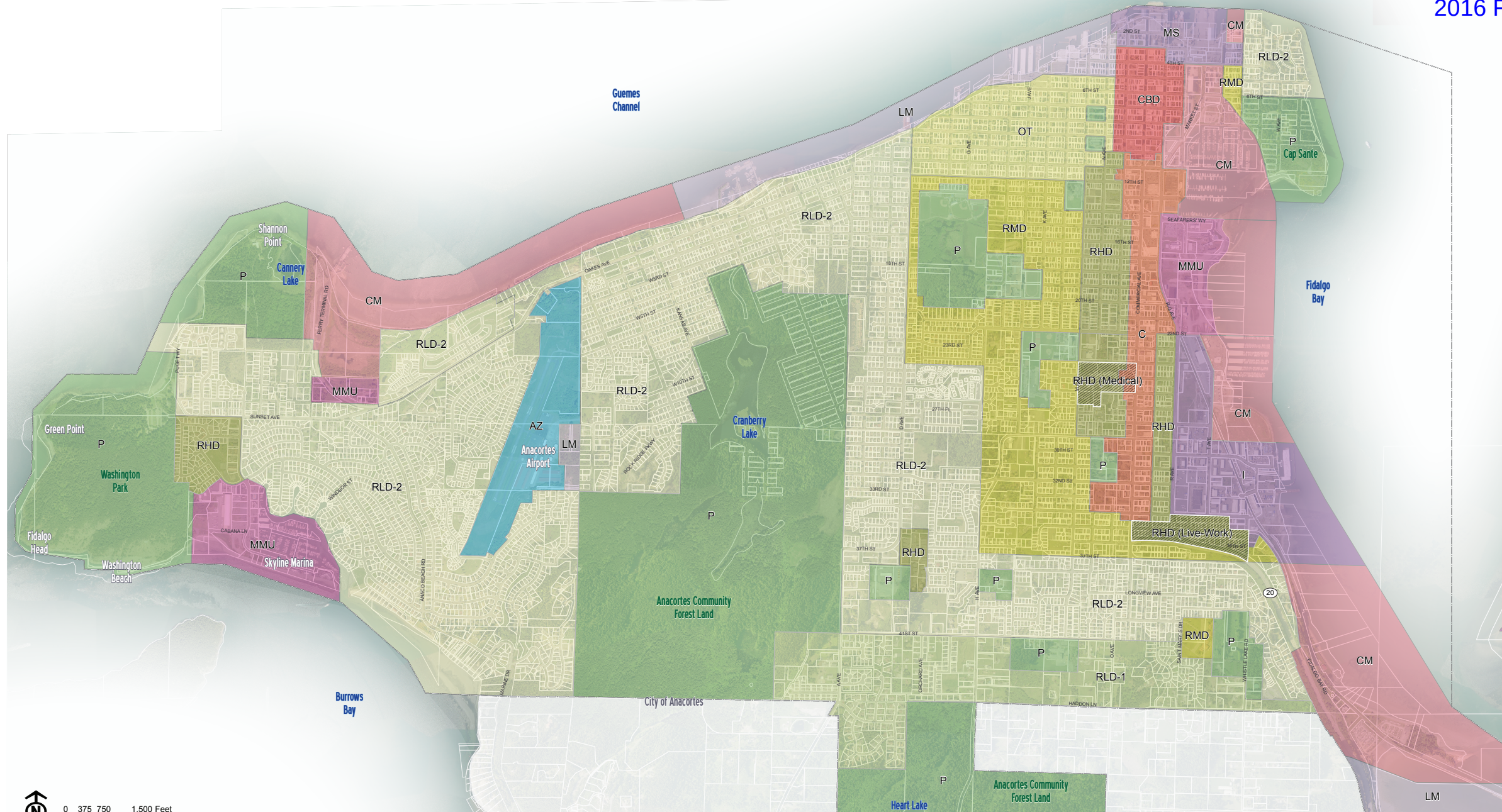
Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Policy H-3.7	32	Consider developing an inclusionary zoning program as a means of increasing the City's affordable housing supply.	Consider developing an inclusionary zoning program Explore the establishment of a <u>Multifamily Tax Exemption (MFTE) program</u> as a means of increasing the City's affordable housing supply. <u>Consider the provisions recommended by the Housing Action Plan on the residential target area, eligible properties, duration, duration, and other standards.</u>	Recommend this policy be removed and replaced with support for implementing a Multifamily Tax Exemption (MFTE) program. Inclusionary zoning (IZ) was considered in the Housing Action Plan (fulfilling this 2016 policy) and it was found that IZ likely 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 MFTE program will likely be more effective at producing affordable housing in Anacortes.
Policy H-3.8	32	Require that affordable housing achieved through public incentives or assistance remains affordable for the longest possible term.		
Policy H-3.9	32	Evaluate land owned by the City and other public entities for use for affordable housing utilizing a community land trust,-or similar, -type model.	Evaluate land owned by the City and other public entities for use for affordable housing utilizing a community land trust,-or similar, -type model. <u>Disposition of City-owned surplus land will prioritize affordable housing developers (especially those serving communities of color) or other community-determined uses, consistent with the allowances of state law.</u>	Recommended by HAP Section 4.4.1 and allowed under new state law, RCW 39.33.015. RDI analysis says city should prioritize working with groups that directly serve communities of color when seeking development partners for projects on public land.
			New Policy <u>Explore opportunities for affordable housing on City-owned and other public land in downtown, including redevelopment of parking lots, co-location of affordable housing with public facilities, and new land acquired by the City for the purpose of developing housing.</u>	Recommended by several strategies in HAP Section 4.4.
Policy H-3.10	33	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.	Develop and implement a <u>Maintain and update the Anacortes Housing Action Plan, with a focus on</u> detailed affordable housing program that identifies specific actions to increase <u>increasing</u> the supply of housing that is affordable to low to middle-income individuals and families <u>and addressing racial disparities and past patterns of segregation and exclusion.</u>	The spirit of this policy was achieved with the Housing Action Plan. However, this policy can be worked to encourage updating the HAP over time. The RDI also recommends the HAP have more information and strategies to address past patterns of segregation and exclusion.
Goal H-4	33	Special Needs. Provide housing options for special needs populations, including independent living for seniors, assisted living, memory care, drug & alcohol rehab and mental health facilities.		
Policy H-4.1	33	Provide accommodation throughout the city for housing for people with special needs and avoid concentrations of such housing.		
Policy H-4.2	33	Encourage the development of senior-friendly housing opportunities, particularly in areas near services and amenities.		

Goal or Policy	Existing Page Number	Existing Goal or Policy Text	First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Policy H-4.3	33	Promote a range of housing types for seniors; e.g., adult family homes, skilled nursing facilities, assisted living, and independent living communities.		
Policy H-4.4	33	Support ways for older adults and people with disabilities to remain in the community as their housing needs change by encouraging universal design or retrofitting homes for lifetime use.		
Policy H-4.5	33	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.		
Policy H-4.6	33	Support public and private housing and services for people who are homeless.	Support public and private housing and services for people who are homeless <u>and transitioning out of homelessness. Allow the development of emergency shelters, transitional housing, emergency housing, and permanent supportive housing throughout Anacortes and consistent with state law.</u>	Added policy that shows consistency with requirements in HB 1220.
Goal H-5.	33	Regional Collaboration. Actively participate and coordinate with other agencies in efforts to meet regional housing needs		
Policy H-5.1	33	Encourage local and regional affiliations and alliances to provide affordable housing.		
Policy H-5.2	33	Explore local and regional funding options to support development of housing for low- and moderate-income households.		
Policy H-5.3	33	Work with other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.		
Goal H-6	33	Monitoring. Implement Housing Element goals in a manner that is efficient and transparent.		
Policy H-6.1	33	Evaluate and report on how the goals and policies of this Housing Element are being achieved.	Evaluate and report on how the goals and policies of this Housing Element <u>and the Housing Action Plan</u> are being achieved.	More specificity recommended.
Policy H-6.2	33	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.		
Policy H-6.3	33	Monitor local data and routinely reassess and adjust policies, strategies and regulations to improve effectiveness of programs to meet local housing needs.		
	New subheading: Climate focused goals and policies			
TBD	TBD	TBD	TBD	TBD

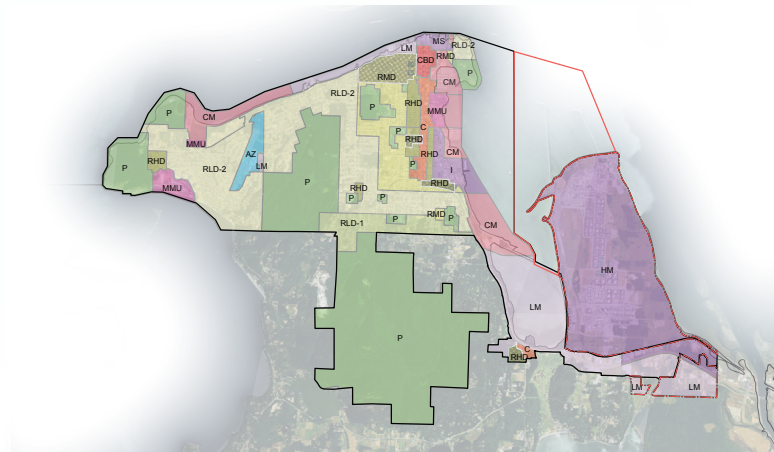
Future Land Use Map

Land Use Designation

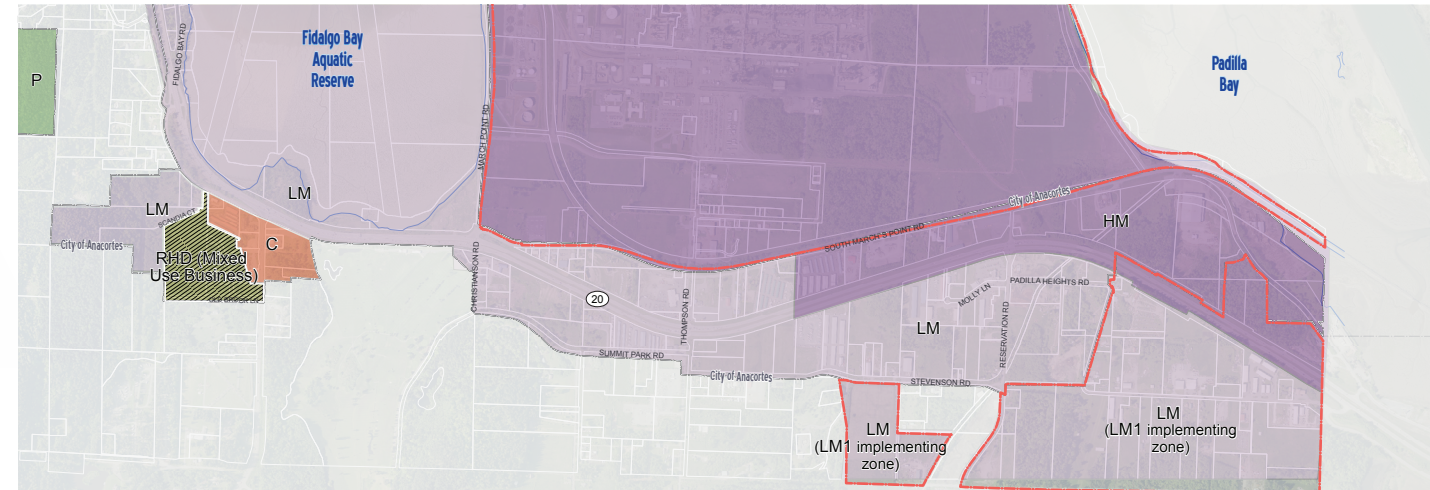
CBD	Central Business District
C	Commercial
CM	Commercial Marine
MMU	Marine Mixed Use
AZ	Airport Zone
HM	Heavy Manufacturing
I	Industrial
LM	Light Manufacturing
MS	Manufacturing/Shipping
P	Public Use
RHD	Residential High Density
RMD	Residential Medium Density
OT	Old Town
RLD-2	Residential Low Density 2
RLD-1	Residential Low Density 1
Overlay Area	Overlay Area
City Limit	City Limit
UGA	UGA

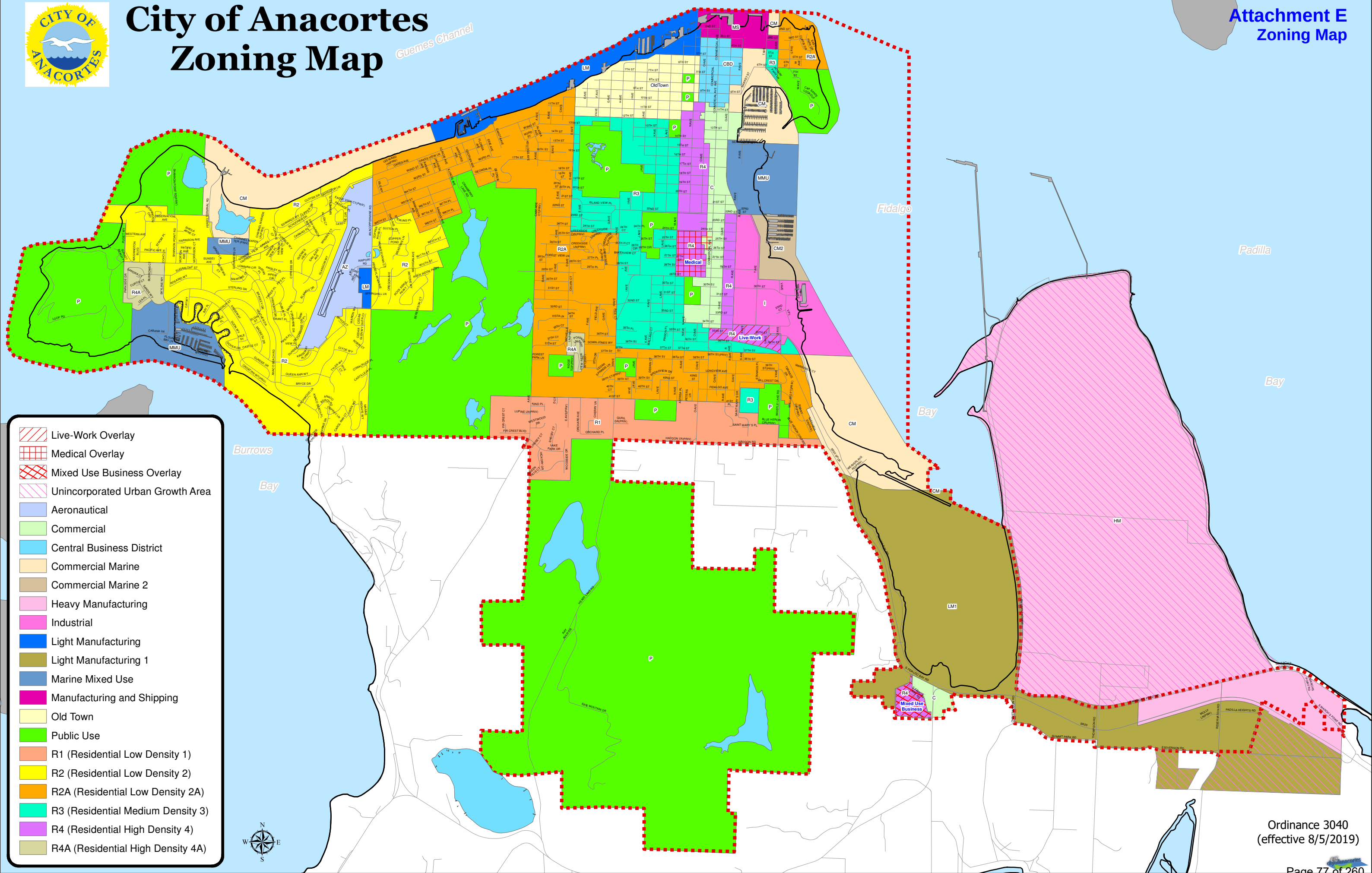


City Limit
UGA



MARCH POINT INSET





ANACORTES

2025 Comprehensive Plan Update

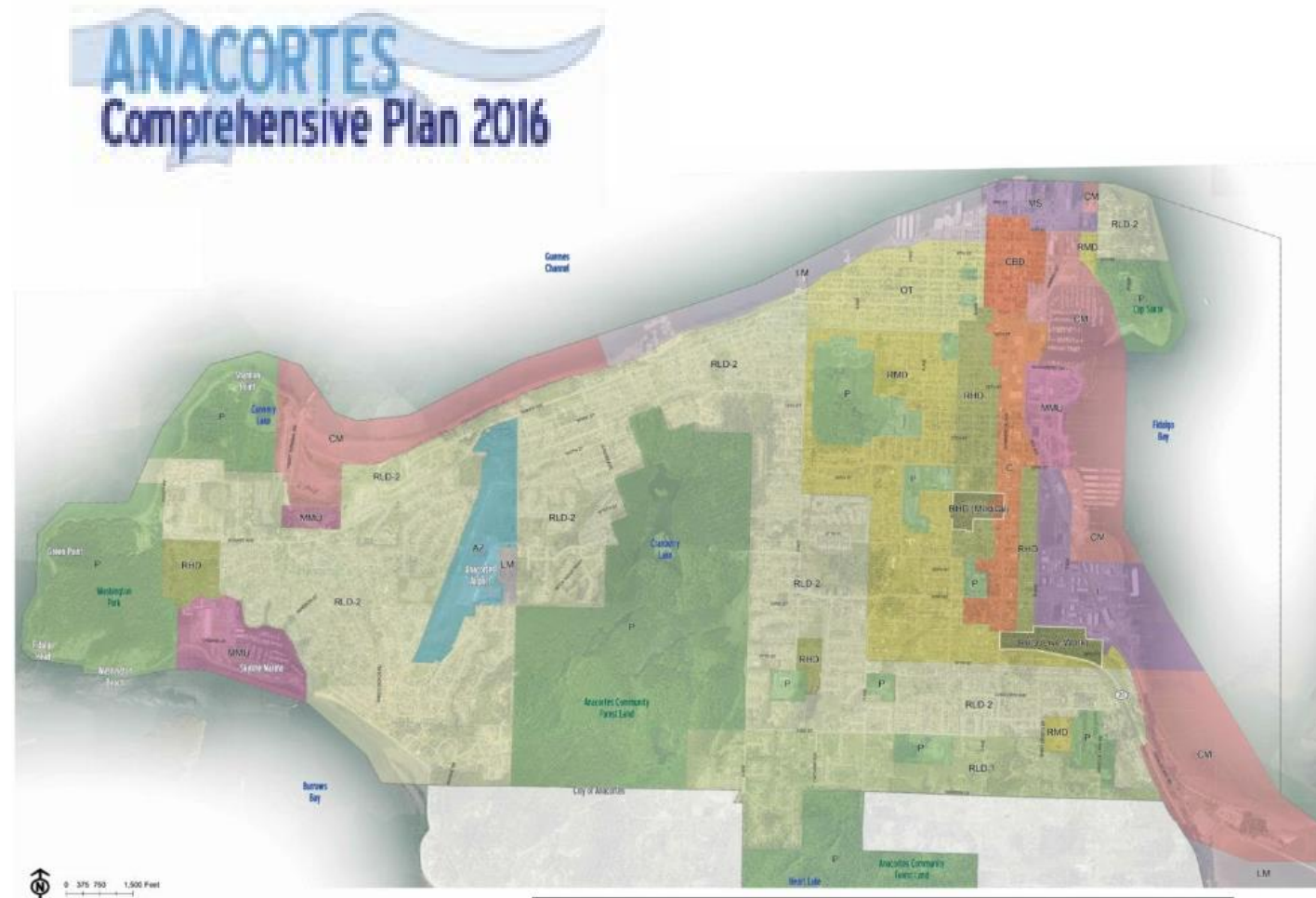
Draft Land Use & Housing Goal & Policy Updates

Planning Commission Meeting, September 25, 2024



DISCUSSION ITEMS

- Future Land Use Map (FLUM) draft 2025 updates
- Draft land use goals and policies
- Draft housing goals and policies

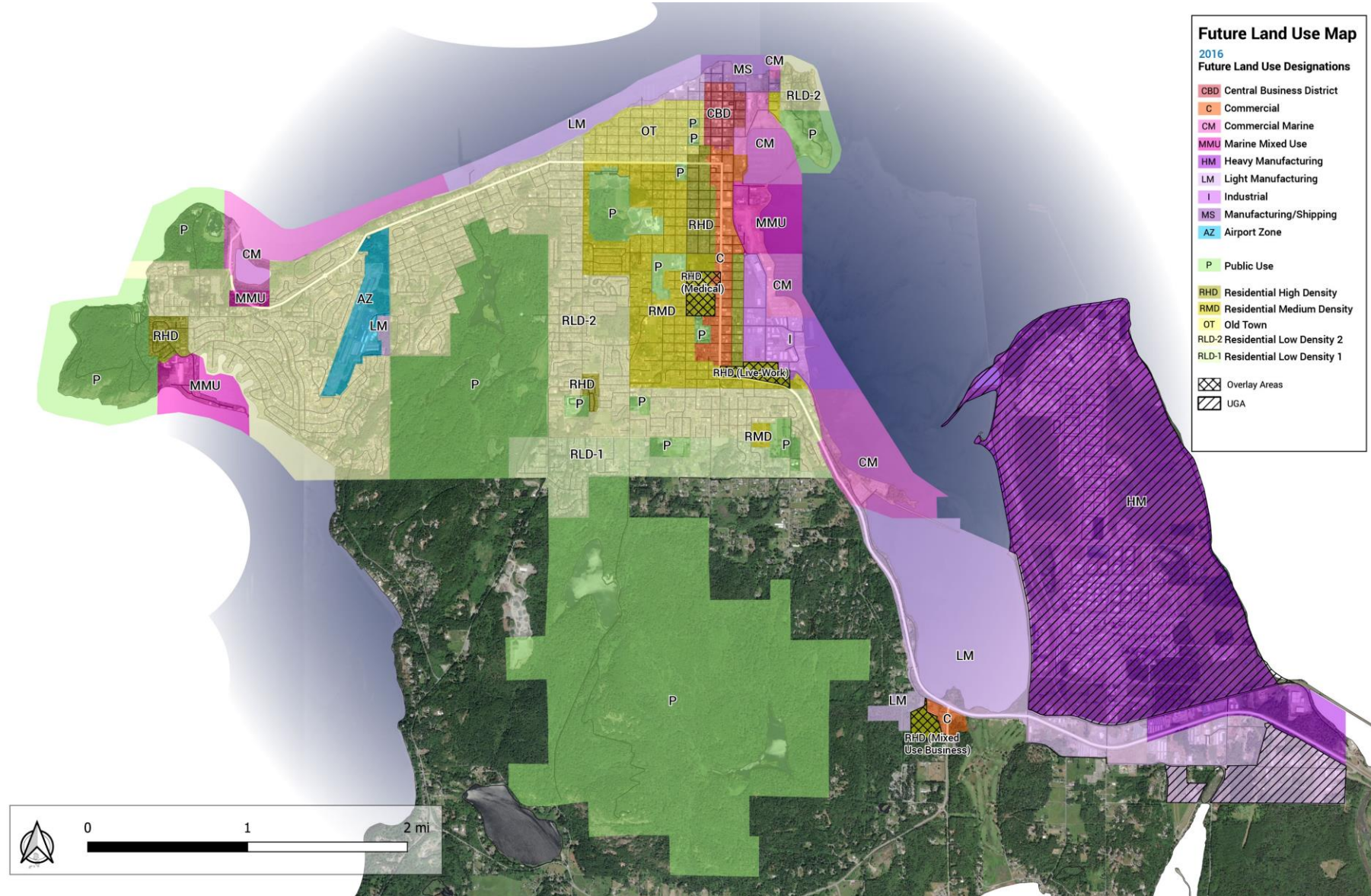


DISCUSSION ITEMS

Further opportunities for updates to the Land Use Element will be informed by Climate Element work, such as:

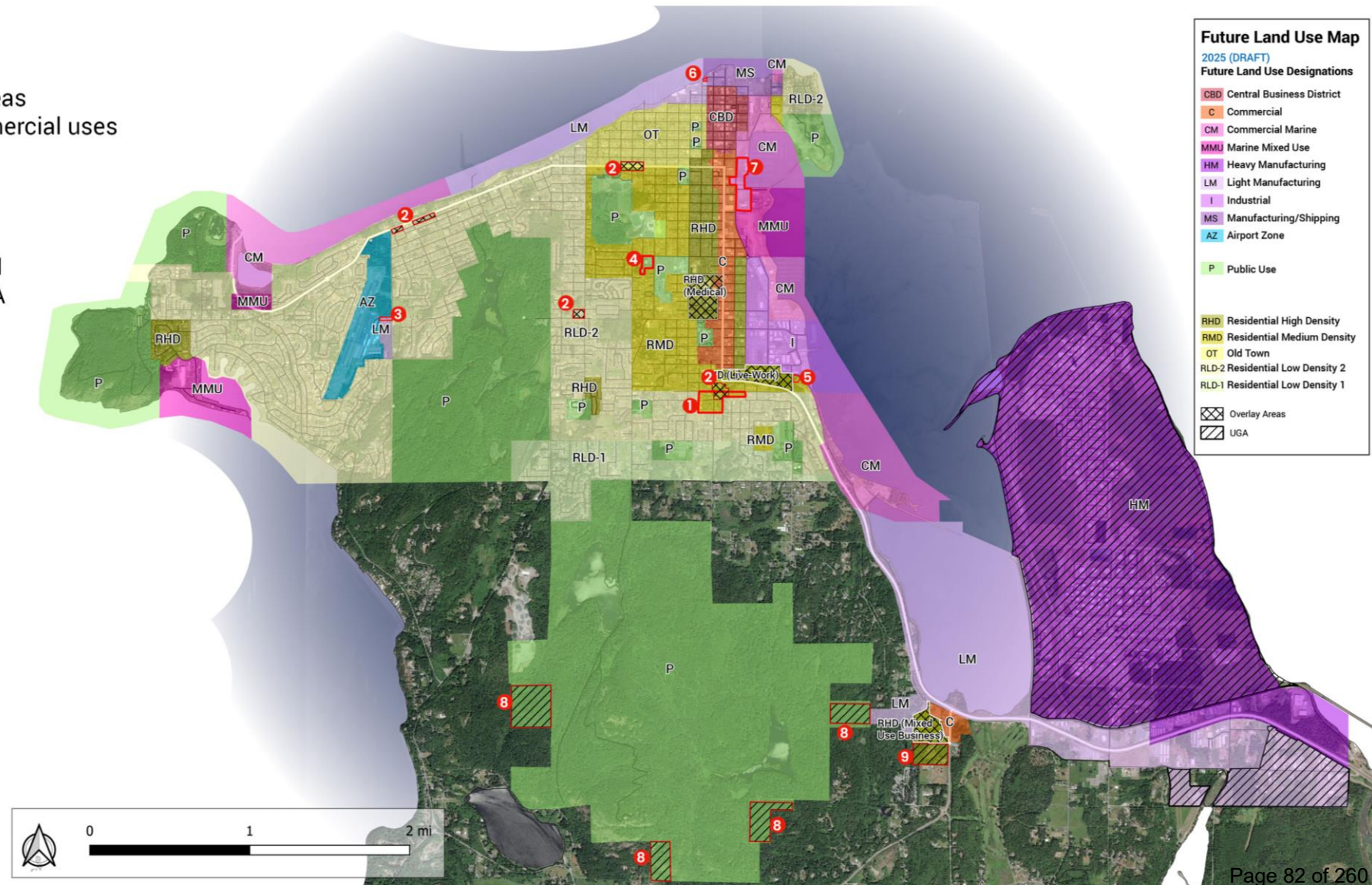
- Land use planning approaches that help reduce greenhouse gas (GHG) emissions
- Special policies to support environmental justice
- Reduce and mitigate risk to lives and property posed by wildfire
- Consistency with relevant Countywide Planning Policies (CPPs)

CURRENT LAND USE MAP



FUTURE LAND USE MAP UPDATES

1. Change from RLD-2 to RMD
2. Option 1 - neighborhood commercial overlay areas
Option 2 - update use chart to allow more commercial uses
3. Parcel change from AZ to LM
4. Several parcels change from RMD to P
5. Several parcels change from I to RMD
6. Parcel change from LM to MS
7. Several parcels change from C and MMU, to CM
8. Add all unincorporated ACFL parcels to the UGA
9. Expand UGA to include Signal Hill properties

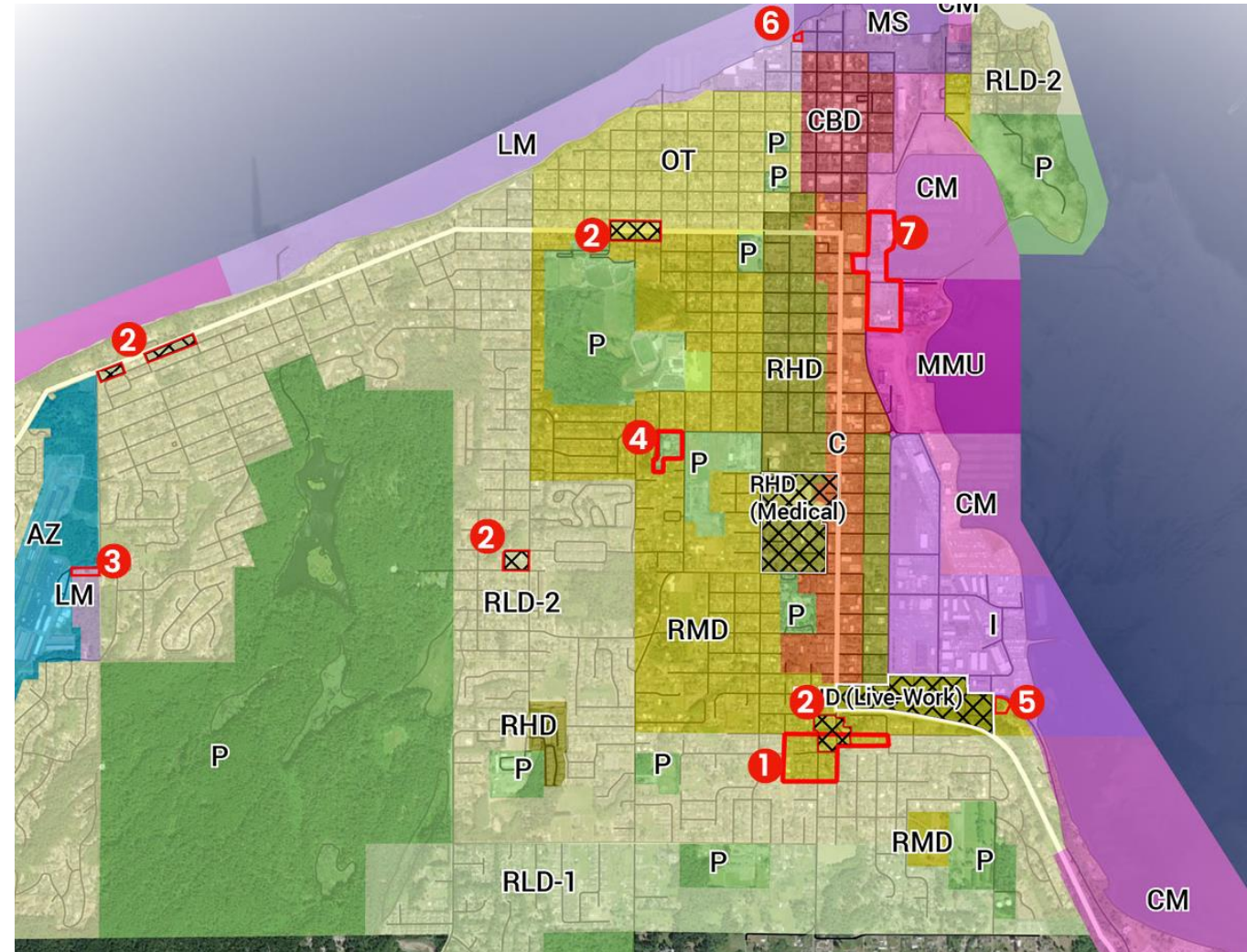


SMALL AREA CHANGE TO RMD

FLUM update 1:

Change from RLD-2 to RMD

- This change supports H-1.7 – *“Provide for development of multifamily housing in areas close to shopping, employment, services and public transportation.”*
- Also supports the concept of new neighborhood commercial areas in the City
- There is an existing grocery store in the area, that could potentially have more customers in walking distance with proposed change
- The eastern portion of the area does have proximity to a stream, which should be taken into account

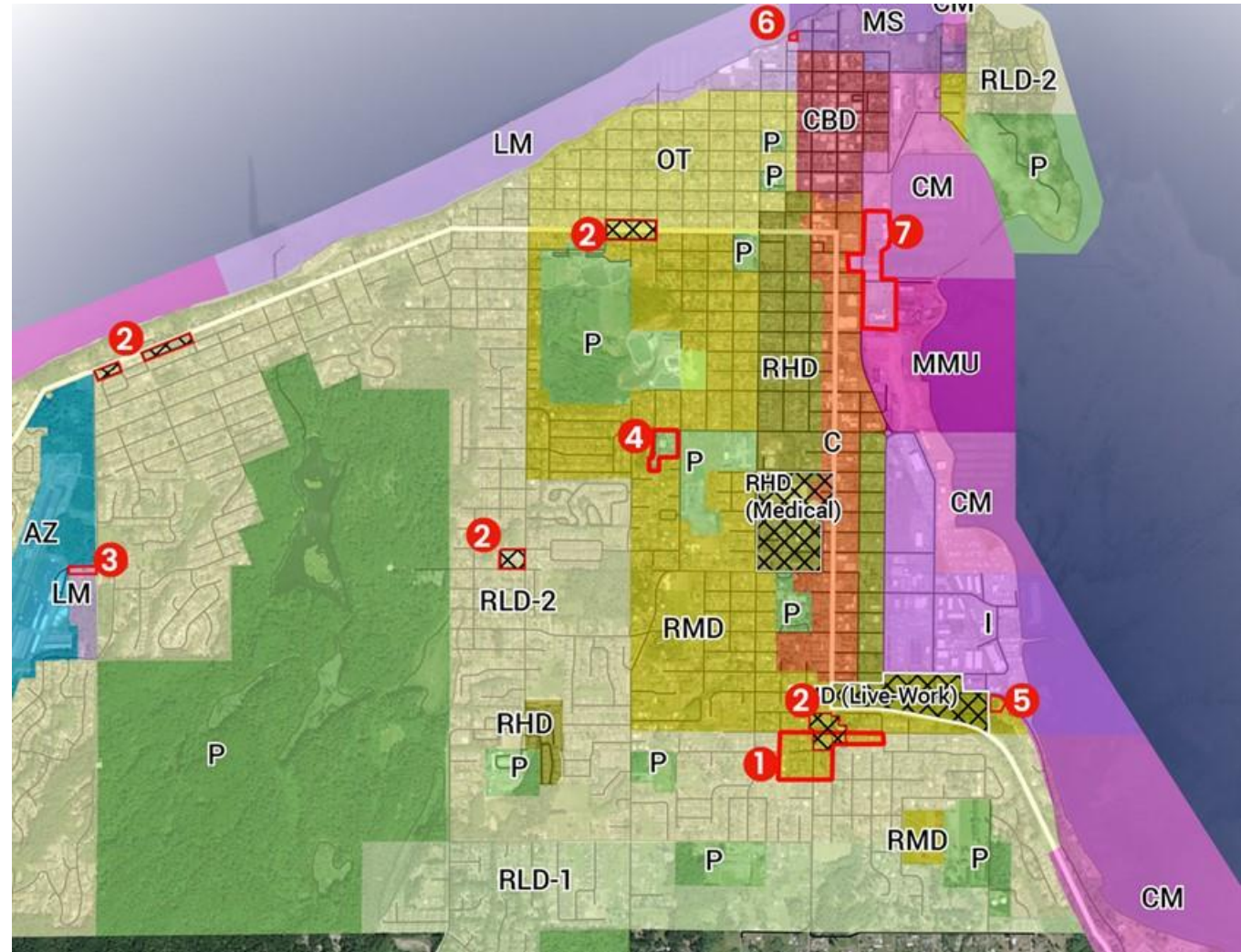


NEIGHBORHOOD COMMERCIAL OPTIONS

FLUM update 2:

Neighborhood Commercial Options

- Looking for ways to implement LU-6.5 – “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.”
- **Option 1** – Add neighborhood commercial overlays that symbolize areas with special allowances for small commercial uses
- **Option 2** – Update permitted use chart to allow for more neighborhood-scale commercial uses. No symbology would be added to the map



REQUESTED DESIGNATION CHANGE

FLUM update 3 and 4:

Requested Land Use Designation Changes

- **Update #3:** Port of Anacortes requested land use designation change for one parcel from Aeronautical Zone (AZ) to Light Manufacturing (LM)
(Res. 3161, LEG-2024-13)
- **Update #4:** Fidalgo Pool & Recreation District requested land use designation change for multiple parcels from Residential Medium Density (RMD) to Public (P)
(Res. 3161, LEG-2024-12)

3



4



REQUESTED DESIGNATION CHANGE

FLUM update 5 and 6:

Requested Land Use Designation Changes

- **Update #5:** Tom Skillings requested land use designation change of a parcel from Industrial (I) to Residential Medium Density (RMD)
(Res. 3161, 2021 Docket)
- **Update #6:** Port of Anacortes requested land use designation change of a parcel from Light Manufacturing (LM) to Manufacturing and Shipping (MS)
(Res. 3161, LEG-2024-15)

5



6



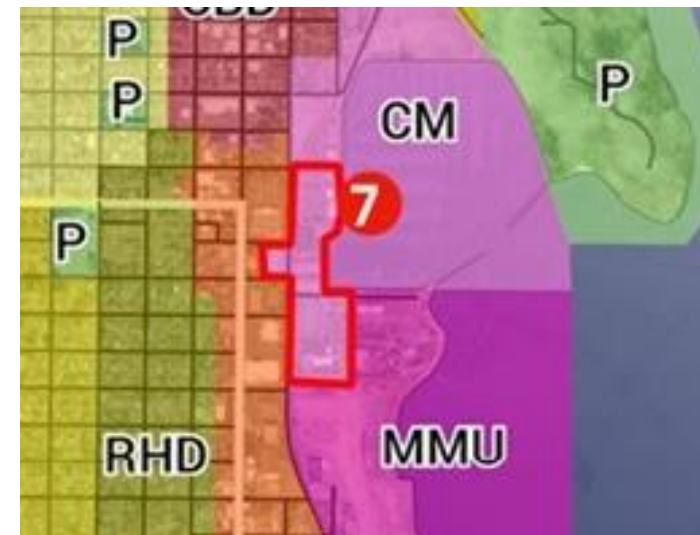
REQUESTED DESIGNATION CHANGE

FLUM update 7:

Requested Land Use Designation Changes

- **Update #7:** Port of Anacortes requested land use designation change of multiple parcels from Commercial (C) and Marine Mixed Use (MMU) to Commercial Marine (CM)
(Res. 3161, LEG-2024-14)

7

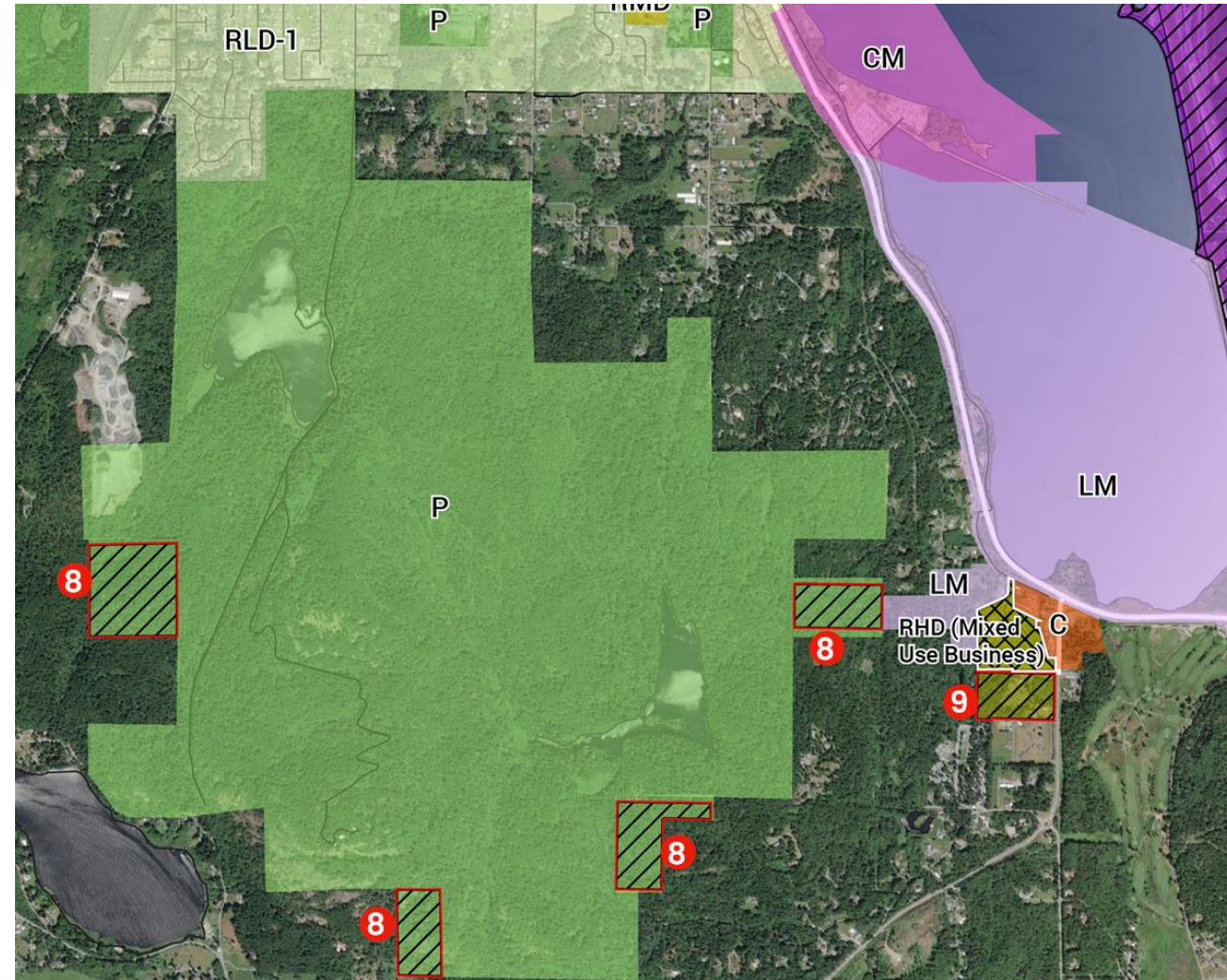


REQUESTED DESIGNATION CHANGE

FLUM update 8 and 9:

Requested Land Use Designation Changes

- **Update #8:** Add all unincorporated Anacortes Community Forest Land (ACFL) parcels to the Urban Growth Area (UGA)
(Res. 3161, LEG-2024-05)
- **Update #9:** Expand the UGA to include Signal Hill properties
(Res. 3161, LEG-2024-11)



LAND USE UPDATED GOAL & POLICY THEMES

Land Use Goals and Policies

General Themes

- Minor verbiage updates to goal and policy language to use “maintain,” more often
- Policies that are suggested to be removed
- Addition of new policies
- Policies that might be too similar to one another – highlight as review for possible duplication of policy

LANGUAGE UPDATES

Some examples: LU-2.1 & LU-3.2

Since many zoning and design policies were implemented with the 2019 development regulation update, many of the land use goals and policies got updated to include the term “maintain”

First Draft Proposed Policy Revision		Reasoning for Proposed Policy Change	
The policies will undergo at least another round of revisions before their estimated final adoption in 2025			
LU-2.1	Maintain Adopt and administer user-friendly and objective design standards and guidelines for commercial and multifamily development that emphasize the concepts below. Periodically Eevaluate the effectiveness of adopted standards in response to built outcomes and community feedbackand guidelines over time and make adjustments as necessary to achieve community design goals and policies.		Much of this policy was implemented in the 2019 development regulations update. Updated to emphasize design standards should be maintained, take out the reference “guidelines” which are not used, and reference “objective” design standards under new state law RCW 36.70A.630. Also limit the use of “character,” as recommended by the RDI analysis.
LU-3.2	Craft and m Maintain zoning regulations to balance the need to accommodate anticipated growth while preserving the City’s historic resources and character. Consider techniques to integrate incentives and/or site design flexibility for preservation and/or reuse of historic structures.		The 2019 development regulations update included design standards that partially implemented this, so the recommendation is to adjust language to maintain because such regulations have been crafted. Other ideas could be inserted into this policy such as air rights swaps, density bonuses for structure or façade preservation, etc.

SUGGESTED REMOVAL OF POLICIES

Some examples: LU-3.3 & LU-6.2

LU-3.3

LU-6.2

First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
Adopt design standards and guidelines that provide guidance on preserving, rehabilitating, reconstructing, or adding to designated historic and other older structures within the Central Business District, Old Town, and other applicable areas. The standards and guidelines should also provide guidance to the design of new construction in historical settings so that such buildings are respectful of the historic context while discouraging designs that promote a false sense of historicism.	Removing this policy because the policy has not been implemented and there appears to be limited staff and budget capacity to do so. Anacortes can continue relying upon the new commercial and residential design standards (such as Chapters 19.43 and 19.63 AMC) which address issues that touch upon historic design features such as residential porches, location of parking, commercial storefronts and building materials, etc. The local Historic Preservation Board and the Washington State Department of Archaeology and Historic Preservation also provide guidance on design for historic buildings.
Protect the character of single family neighborhoods by focusing higher intensity land uses close to commercial and community services and transit.	The Racially Disparate Impact (RDI) analysis and Department of Commerce guidance recommend moving away from the term “character” when possible, as it is a vague term that historically has been used to exclude people of color from certain neighborhoods and cities. The Housing Action Plan also found a need and community interest in diversifying the housing options available in most neighborhoods. Focusing growth in certain areas is still a valid approach, but there are already other policies that call for it in both the Land Use and Housing elements.

NEW POLICIES

Some example new policies

First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
New Policy: <u>Annually review zoning regulations to ensure continued compliance with changes in state law, including but not limited to the Growth</u>	The Legislature has shown an interest in frequent GMA amendments, particularly affecting housing.
New Policy: <u>Adopt enforceable development regulations which designate heritage buildings and prohibit demolition by neglect.</u>	Directed by City Council Resolution 3161, item A-10.
New Policy: <u>Explore full or partial pedestrianizing of streets in Downtown and South Commercial Avenue to enhance public experience and economic vitality.</u>	Recommend new policy based on public feedback and city council interest. Directed by City Council Resolution 3161, item A-9.

POSSIBLE DUPLICITY?

Some examples: LU-6.5 & LU-10.1

There are a few policies that could be interpreted as being too similar. Such policies are good items for Planning Commission feedback.

LU-6.5

LU-10.1

First Draft Proposed Policy Revision		Reasoning for Proposed Policy Change	
<i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>			
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 other civic uses, and day care centers. Maintain standards in the zoning code for locating and designing these uses in a manner that <u>is compatible with respects the character and scale of</u> the neighborhood.		Neighborhood grocery stores were permitted in the 2019 development regulations update. Updated to limit the use of “character,” as recommended by the RDI analysis.	
Adopt development regulations <u>and design provisions</u> that facilitate a complementary mix of uses within neighborhoods <u>mixed-use centers</u> and provide for safe and attractive non-motorized connectivity between uses and amenities, to <u>that</u> encourage more walking and bicycling between uses.		Recommended updates are based on public feedback and interest in making walking and biking more prominent in policies. Additionally, there are co-benefits to addressing climate change.	

HOUSING UPDATED GOAL & POLICY THEMES

Housing Goals and Policies

General Themes

- Language revisions to reference HAP work
- Updates responding to the Racially Disparate Impacts (RDI) analysis and other HB 1220 requirements
- Addition of new policies

LANGUAGE UPDATES

Some examples: H-3.2 & H-6.1

Since the Housing Action Plan (HAP) is a recent major project the City completed, some policies were updated to reference the HAP and making sure strategies are implemented over time.

H-3.2

H-6.1

First Draft Proposed Policy Revision		Reasoning for Proposed Policy Change	
The policies will undergo at least another round of revisions before their estimated final adoption in 2025			
Develop meaningful-, measurable goals-metrics and strategies that promote the development of affordable workforce housing to meet local needs and monitor progress toward achieving those strategies, meeting those goals. Metrics should include homeownership rates and housing cost burden for people of color, and other statistics recommended by the Housing Action Plan.		It is a misnomer to have a policy require new goals that are not already listed in the Housing Element, so it is suggested to replace that term. Refer to the HAP Section 6.4 for recommendations on how to monitor housing progress. This updated Housing Element policy also suggests an additional layer of metrics that include a focus on racial equity and addressing historic patterns of segregation, as recommended by the RDI analysis. With the edits, this policy may now fit better under Goal H-6, which relates to implementation and monitoring.	
Evaluate and report on how the goals and policies of this Housing Element <u>and the Housing Action Plan</u> are being achieved.		More specificity recommended.	

RDI AND HB 1220 UPDATES

Some examples: H-1.2 & H-4.6

	First Draft Proposed Policy Revision	Reasoning for Proposed Policy Change
H-1.2	<i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i> Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs and respond to changing needs and preferences. <u>Promote a variety of housing options that are needed by the different demographic groups and life situations in Anacortes. For example, young families, single parents, seniors, people of color, professionals, and service workers can all have different needs and preferences for housing size, design, location, and prices.</u>	Per the Racially Disparate Impacts (RDI) analysis, amend this policy (or add a similar policy) that that specifically addresses the housing needs and preferences of people of color.
H-4.6	Support public and private housing and services for people who are homeless <u>and transitioning out of homelessness. Allow the development of emergency shelters, transitional housing, emergency housing, and permanent supportive housing throughout Anacortes and consistent with state law.</u>	Added policy that shows consistency with requirements in HB 1220.

NEW GOAL & POLICIES

Some examples: H-2 & H-2.1

H-2

H-2.1

First Draft Proposed Policy Revision <i>The policies will undergo at least another round of revisions before their estimated final adoption in 2025</i>	Reasoning for Proposed Policy Change
New Policy <u>Maintain development regulations that permit allowed residential uses by right and avoid conditional uses.</u>	City Council expressed interest in such a policy. This policy will help reduce confusion from applicants on what residential uses are allowed and help speed up aspects of the permitting process. (2025 Docket Item - LEG-2024-07).
Neighborhood Character Form. Promote the stability and vitality of residential and mixed use neighborhoods <u>Allow organic change of neighborhoods over time to meet community needs, while preventing neighborhoods from experiencing extreme changes in a short period of time.</u>	A goal centered on the phrase "neighborhood character," is vague, and can be used to justify leaving higher-income neighborhoods unchanged, based on the RDI analysis recommendations and Department of Commerce guidelines. Instead a new housing goal can be focused on allowing change of housing types over time but in a manner that is more incremental and doesn't have major jumps in housing types for a given neighborhood. City Council expressed interest in this. (2025 Docket Item – LEG-2024-06)
Encourage housing types and design that reinforce and enhance the character and scale of established neighborhood development patterns. <u>When necessary to meet housing needs over time, provide zoning changes that allow the next increment of housing throughout any neighborhood in Anacortes.</u>	Replace the current policy with a new policy that better aligns to the new goal suggested above. (2025- Docket Item – LEG-2024-06)

NEXT STEPS

- City staff is working on other elements of the Comprehensive Plan and presentations on other elements are upcoming
- In 2025, a second round of Land Use, Housing, and Future Land Use Map review will happen to better incorporate Climate policies



Planning Commission Agenda Bill

Meeting Date: October 2, 2024

Agenda Item: 5.c.

Subject: Housing Action Plan (HAP) Recommended Development Regulation Changes - continued discussion (2025 Comprehensive Plan Update)

Staff Contact: John Coleman, LIBBY GRAGE

Approved for Submittal to Commission by

Libby Grage
John Coleman

Action Type

Discussion

Summary Statement: At the 9/11/24 Planning Commission meeting, the Planning Commission members decided to work in pairs to review, in detail, selected Housing Action Plan recommendations for changes to development regulations. Each pair was charged with developing their own recommendations on their assigned HAP items and reporting back to the full Commission and public at tonight's meeting.

Background: The [2023 Anacortes Housing Action Plan](#) (HAP), adopted by City Council via Ord. 3104, includes suggested changes to Anacortes' development regulations that are intended to promote more diverse and affordable housing options in the City. City Council selected specific measures from the HAP to forward to the Planning Commission for review and consideration during the 2025 Comp. Plan Update process.

Previous Action: At the 8/28/24 and 9/11/24 Planning Commission meetings, MAKERS presented the selected HAP measures forwarded by the City Council for consideration during the periodic update process, along with regulatory concepts for their implementation.

Competing Viewpoints Considered: Public comments may be sent to CompPlan@anacorteswa.gov any time.

Recommended Motion: N/A - discussion only

Alternative Actions: N/A

Attachments (listed in order presented):

1. August 28, 2024 Meeting Presentation Slides (HAP)
2. September 11, 2024 Meeting Presentation Slides (HAP)
3. CC Recommended Housing Action Plan Items
4. Resolution 3104 and Adopted Housing Action Plan

ANACORTES

2025 Comprehensive Plan Update

Land Use & Regulatory Concepts

Planning Commission Meeting, August 28, 2024



DISCUSSION ITEMS

- Background – growth & permits
- Regulatory concepts – allowing more housing types
- Regulatory concepts – updating ADU provisions
- Regulatory concepts – updating minimum lot sizes
- Regulatory concepts – neighborhood commercial concept

DISCUSSION ITEMS

#	Summary	Recommendation	Notes
2.1.1	Residential Low Density 1 (R1) Zone	Include	Cottages are likely to be especially appropriate for the R1 zone
2.1.2	Residential Low Density 2 (R2) Zone	Completed	
2.1.3	Residential Low Density 2A (R2A) Zone	Include	
2.1.4	Residential Medium Density 3 (R3) Zone	Completed	Nursing homes were also included in this recommendation, but we don't recommend moving forward
2.1.5	Group Living	Include	Include Rooming House and Adult Family Home; HACS proposes further study of Nursing Home and Assisted Living Facility to ensure sufficient standards exist in code
2.1.6	Adult Family Homes	Include	
2.1.7	Prohibit New Large-Lot Single-Family Uses in Medium and High Density Zones	Include	Rework as a maximum lot size and apply to consolidation via BLA; apply to all zones
2.1.8	Duplex Cottages	Include	See Cedar Springs Lane development as an example of where this type has already been permitted
2.1.9	Single Room Occupancy Housing	Include	Limit to mixed-use zones
2.1.10	Supportive Housing	Required	Add design standards as allowed by state law
2.1.11	Tiny Homes	Exclude	This provision will become confused with ADU regs
2.2	Implement the R3A Zone	Exclude	
2.3	ADU Regulations	Include	Partially completed already; remainder is required by state law
2.4.1	Minimum Lot Sizes	Include	Focus on regulating by height, setbacks, open space, parking minimums rather than lot size and effective limits on the size of the units
2.4.2	Maximum Lot Coverage	Include	
2.4.3	Maximum Size of Single-Family Homes	Exclude	Sufficiently addressed through maximum lot size
2.4.4	Density	Include	
2.4.5	Setbacks	Include	
2.4.6	Height Bonus Program	Include	
2.4.7	Elevator Penthouse	Include	
2.4.8	Religiously Owned Land Density Bonus	Required	
2.5.1	Family Definition	Required	
2.5.2	Design Standards Applicability	Include	
2.5.3	Block Frontage Standards	Include	
2.5.4	Usable Residential Open Space	Include	
2.5.5	Townhouse Open Space	Include	

EXPECTED GROWTH THROUGH 2045

POPULATION

- Anacortes is projected to have **4,988 more residents**
 - From 17,983 (2022) to 22,971 (2045)
 - This is 17% of growth in Skagit County
 - This requires **2,942 more housing units**

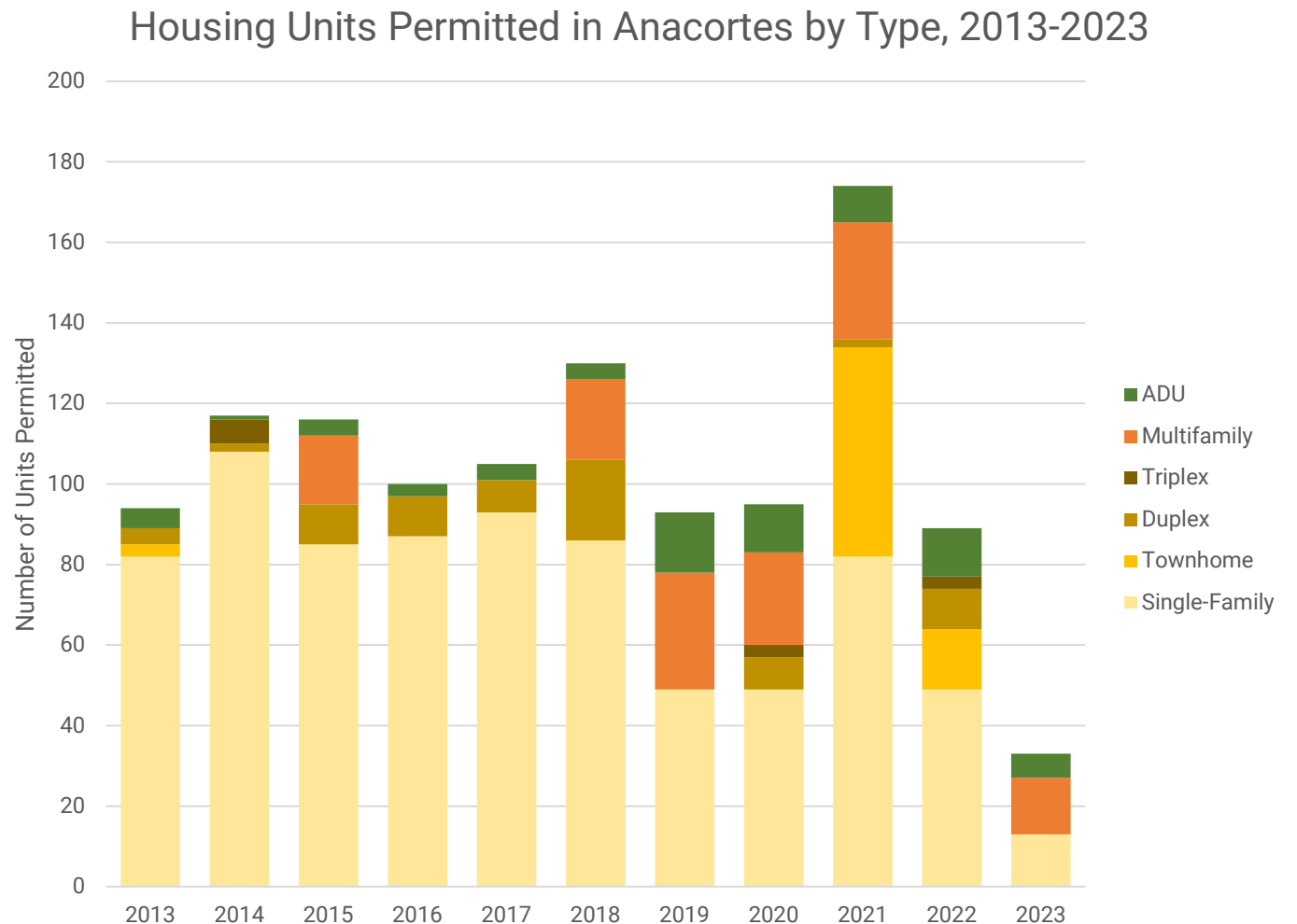
JOBS

- Anacortes is projected to have **3,145 more jobs**
 - From 9,503 (2022) to 12,648 (2045)
 - This is 15% of growth in Skagit County

These growth allocations are agreed upon by Skagit County and all of its cities. See Resolution 2023-01 of the Growth Management Act Steering Committee of Skagit County.

RESIDENTIAL PERMITS SINCE 2013

- 1,146 units have been permitted since 2013
- There has been an increase in ADUs and middle housing types in recent years
- However, Anacortes has not been producing enough housing to meet the 2045 projected need
 - 128 units per year permitted on average needed (2022-2045)
 - 101 units per year permitted on average



Regulatory Concepts

Anacortes Housing Action Plan



January 2023

What's Happened Since the HAP!?

WA HB-1110 Middle Housing Bill

- Effective July 2023
- 77 cities statewide subject to HB 1110* (not Anacortes)
- 3 tiers of cities with unique middle housing requirements
- Tier 3 – most applicable to Anacortes (cities <25,000 within larger UGA)
- Duplexes must be allowed by right in ALL residential zones
- MAKERS working with Commerce on Middle Housing Model Code & User-Guide
- Applicable cities are required to update zoning to conform with law within 6 month of periodic comp plan update deadline



What's Happened Since the HAP!?

Washington Cities of all sizes and flavors updated zoning to allow middle housing

- Trailblazer cities
 - Spokane, Walla Walla, Kirkland
- HB -1110 Implementation Cities
 - Auburn, Burien, Renton, Seattle, Tacoma, Tukwila, University Place
- Non HB-1110 Cities are zoning for middle housing
 - Aberdeen, Bingen, Anacortes.....?



ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.1 – Allowing cottage housing in R1 zone

- Current plan: Cottage housing may be allowed under certain circumstances. Those circumstances are not defined.
- Current plan: Densities up to 4du/acre (above base 2ud/acre) via special review process (which is not defined)
- HAP proposes cottages to be a permitted use
- Cottages limited to 1,200sf and count as a ½ du for density purposes



ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.3 – Allowing triplexes & townhouses in R2A zone as permitted uses (provided they meet any special unit size and/or additional lot size provisions)

- Only on lots with alley access
- Limit floor area to max 1,000-1,200sf and let them count as ½ du (similar to cottages)
- Limit to four attached units
- See related discussion below on Duplexes



ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.5 – Reduce barriers for group living uses, including assisted living and nursing homes

- Assisted living - change from Conditional to Permitted in R3, R3A, and R4A
- Nursing homes - change from Conditional to Permitted in R4

ALLOWING MORE HOUSING TYPES

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

HAP strategy 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.

- 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 (but still subject to zoning standards)

ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.7 – Prohibit new large-lot single-family uses in medium and high-density zones

- R3 and R4 zones make up only 14% of the City's developable land but have some of the highest allowed densities
- A starting point is to prohibit this NEW single family uses in the R3A, R4, and R4A zones, but still allow in the R3 zone
- If there's a concern about feasibility of duplex+ development on small existing lots, consider exempting lots < 4,500sf (current min lot size for SF dwelling)

NOTE related discussion on duplexes below



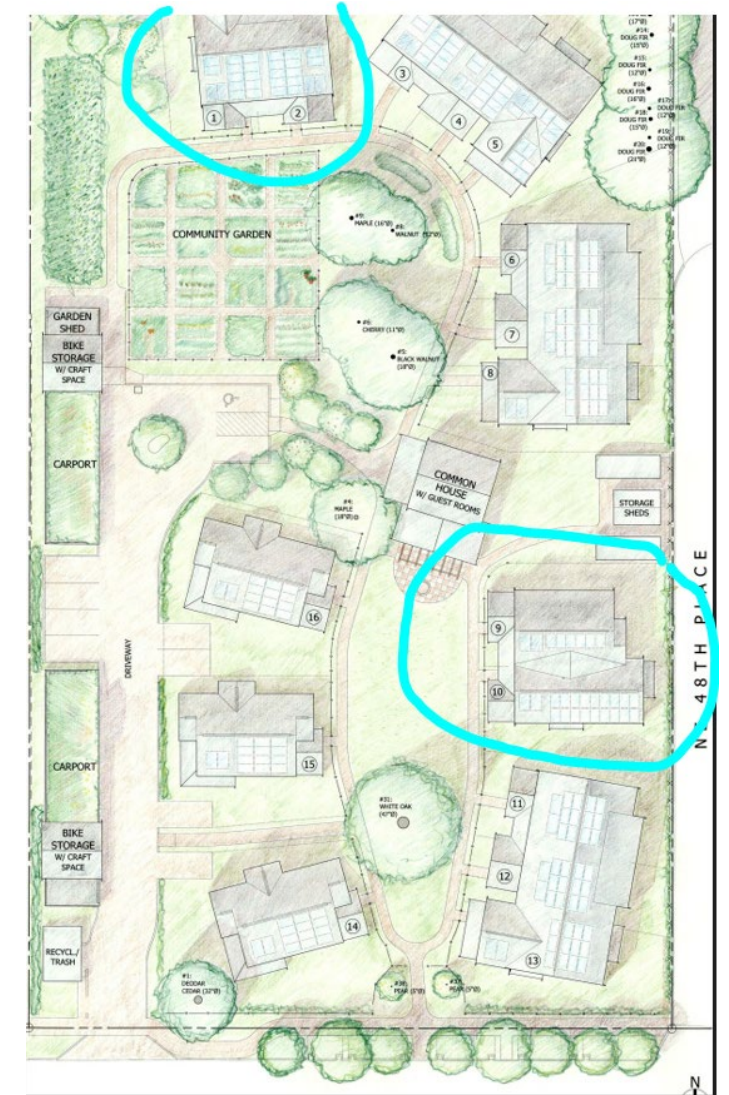
ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.8 – Duplex cottages

- Currently allowed: Attached duplex cottages in the R3, R3A, R4, and R4A zones.
- This provision has already been used in at least two projects since the 2019 code update.
- Proposed update: Streamline the code and allow duplex cottages in all zones where cottage housing is allowed.

Cully Green Cottages in Portland has duplex and even triplex cottages



ALLOWING MORE HOUSING TYPES

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

HAP strategy 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.

Consider calling these “Co-living housing” rather than SRO’s.....

ALLOWING MORE HOUSING TYPES

What is Co-Living Housing?

- Low-cost housing option
- Each resident has a small, private, lockable unit
- Residents share kitchen spaces and other amenities
- Individual units usually include kitchenettes and private bathrooms
- Not recognized in current code;
 - Closest term is Rooming House - A dwelling, with a central kitchen and with more than one but fewer than nine boarders, with no more than nine sleeping rooms, which is considered as a type of multifamily use for design standards purposes



ALLOWING MORE HOUSING TYPES

Co-living HB 1998 (enacted 2024)

- Jurisdictions must allow co-living housing on any lot **within an urban growth area** where at least 6 multifamily units are allowed, including lots zoned for mixed-use development.
- Compliance recommendation: Replace current “rooming house” term/definition with new “Co-living housing” term and definition and allow by right in R4, R4A, CBD, C, MMU (*wherever multifamily with 6+ units is allowed by right currently*)

ALLOWING MORE HOUSING TYPES

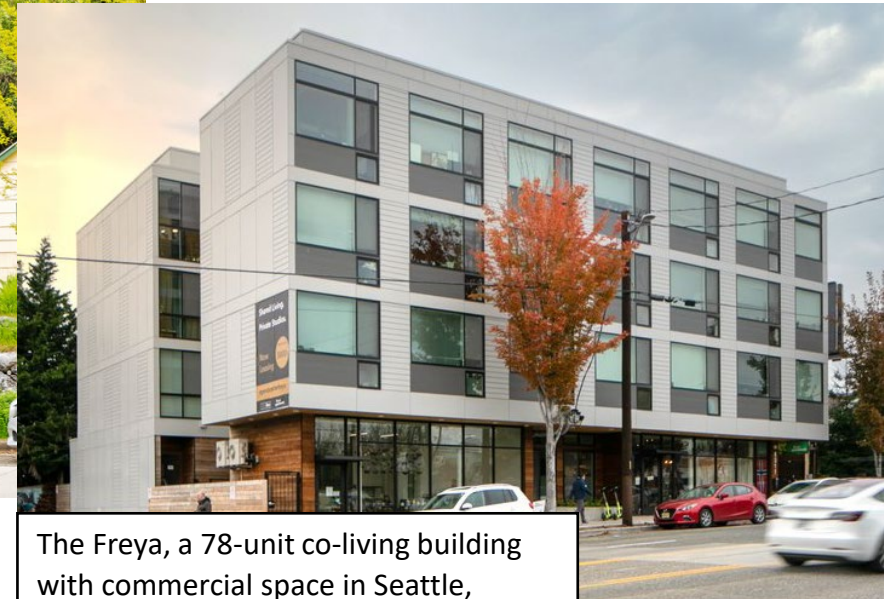
Examples of Co-Living Housing can come in a variety of densities



The Village, a co-living community in Portland with 4 homes and 26 units, developed by Open Door



Westward Studios, a 17-unit co-living development in Seattle acquired and renovated by Great Expectations



The Freya, a 78-unit co-living building with commercial space in Seattle, designed by Neiman Taber Architects

ALLOWING MORE HOUSING TYPES

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

HAP strategy 2.1.10 – Supportive Housing.

Supportive housing refers to residential facilities intended to house individual and families experiencing or at imminent risk of homelessness.

- Emergency shelter
- Transitional housing,
- Emergency housing, and
- Permanent supportive housing.

ALLOWING MORE HOUSING TYPES

Supportive Housing RCW 35A.21.430 (enacted 2021)

- Cities must allow permanent supportive housing or transitional housing in areas where multifamily housing or hotels are allowed.
- Also, emergency shelters and emergency housing must be allowed in zones in which hotels are allowed.
- Compliance recommendation: Add a supportive housing use category, defined with the four supportive housing types, and allow by right in R4, R4A, CBD, C, MMU (*wherever multifamily with 6+ units and hotels are allowed by right currently*)

ADU REGULATIONS

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

HAP strategy 2.3 – ADU Regulations.

HB 1337 (enacted in 2023) requires jurisdictions to allow two ADUs per lot **within an urban growth area**.

Compliance recommendations include:

- Allow two ADUs by right in all primarily residential zones
- Remove the owner occupancy requirement (also in the HAP)
- Clearly state that only one parking space is required per ADU (also in the HAP)

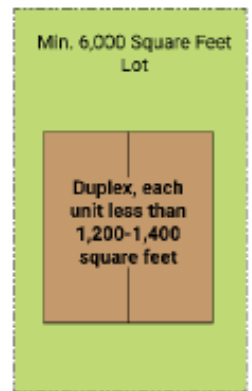
UPDATING MINIMUM LOT SIZES FOR DUPLEXES

HAP strategy 2.4.1

R2A zone: Recommended starting point

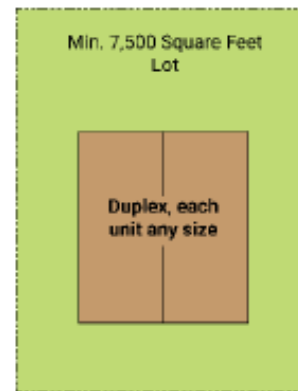
Duplex allowed by-right on same minimum lot size as a single-family dwelling (6,000 sf)

Option 1



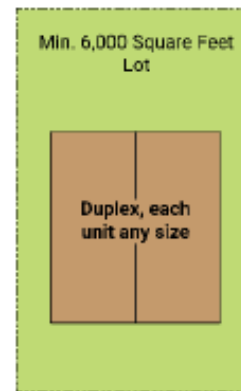
Larger units allowed by-right with min. 9,000 square foot lot

Option 2



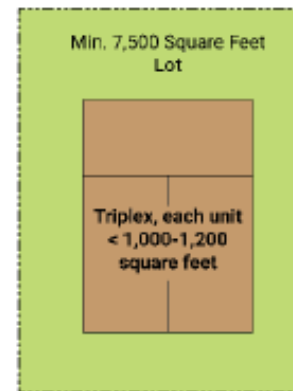
Allowed by-right

Option 3



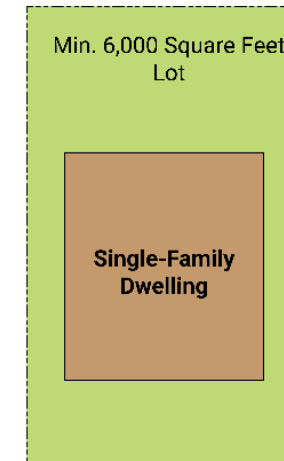
Allowed by-right

Option 4

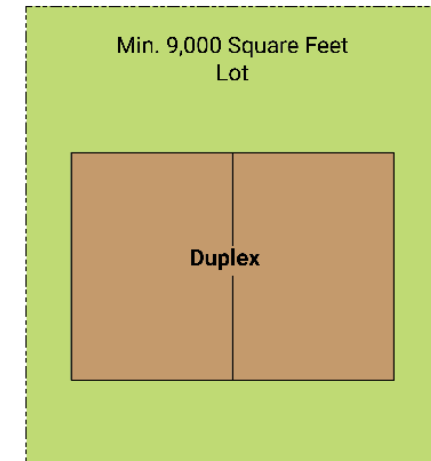


Allowed by-right

R2A Zone Current Standards



Allowed by-right



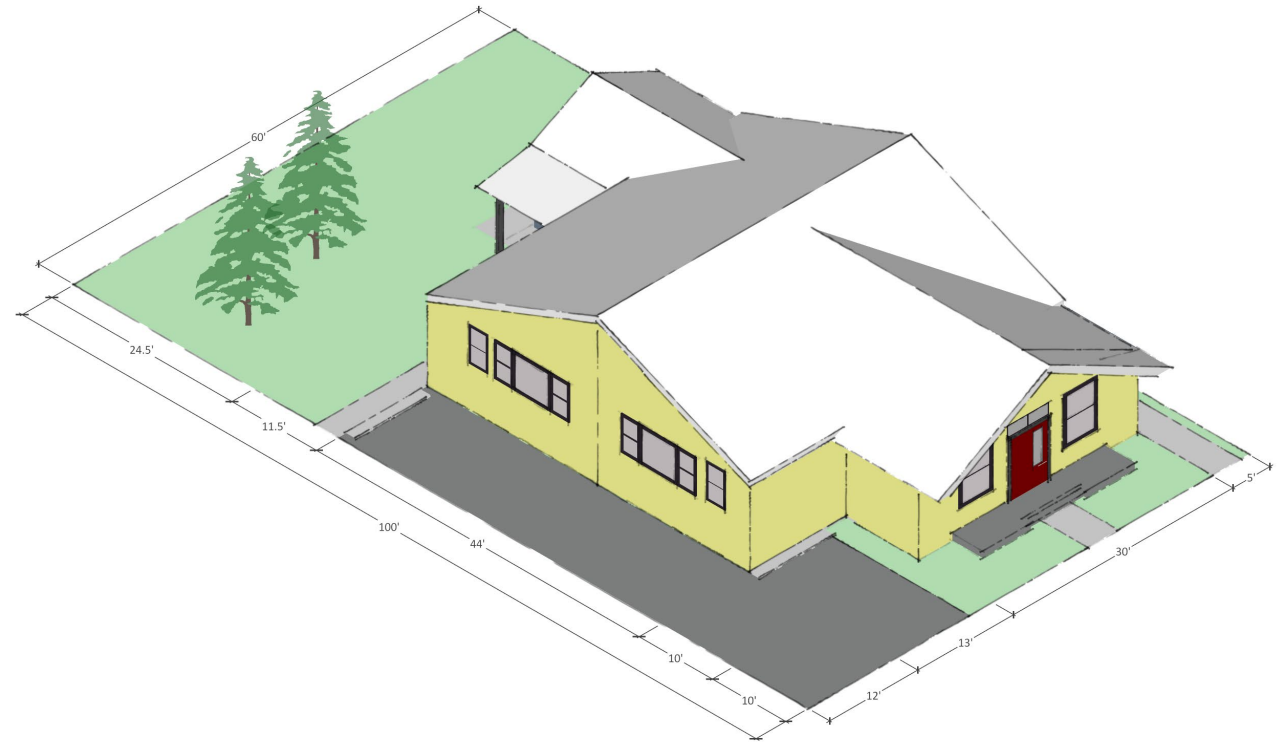
Allowed by-right

Figure 14 - Lot size options in the R2 zone

Example model
illustrating a
duplex on a lot
close to 6,000sf
Alley-loaded
example



Example models
illustrating a
duplex on a lot
close to 6,000sf



Front-loaded
examples

Duplex Design Standards

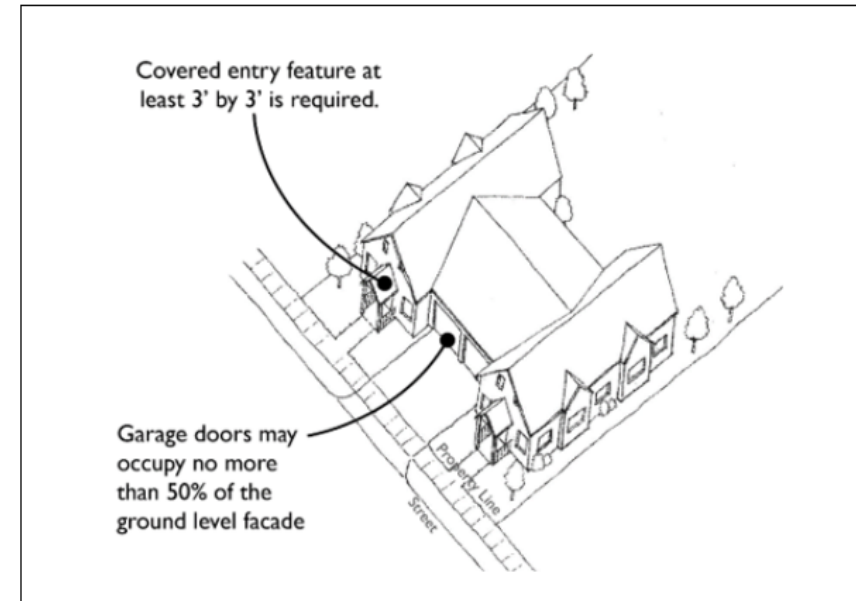
Note existing Duplex design standards already in place – and could be modified

MAKERS prepared middle housing design standards as part of Commerce' Middle Housing Model Code and is assisting several cities with such middle housing design standards now

E. Duplex.

1. *Definition.* A building that is entirely surrounded by open space on the same lot and contains two dwelling units.
2. *Standards.*
 - a. Duplexes are subject to the entry and driveway access and garage standards for single-family small lot (subsections (C)(3)(a) and (b) of this section). The entries for individual units may be grouped (with a shared path connecting grouped entries to the sidewalk) or separated (as illustrated in Figure 19.43.010(E)(2)(a)).

Figure 19.43.010(E)(2)(a)
Duplex example.

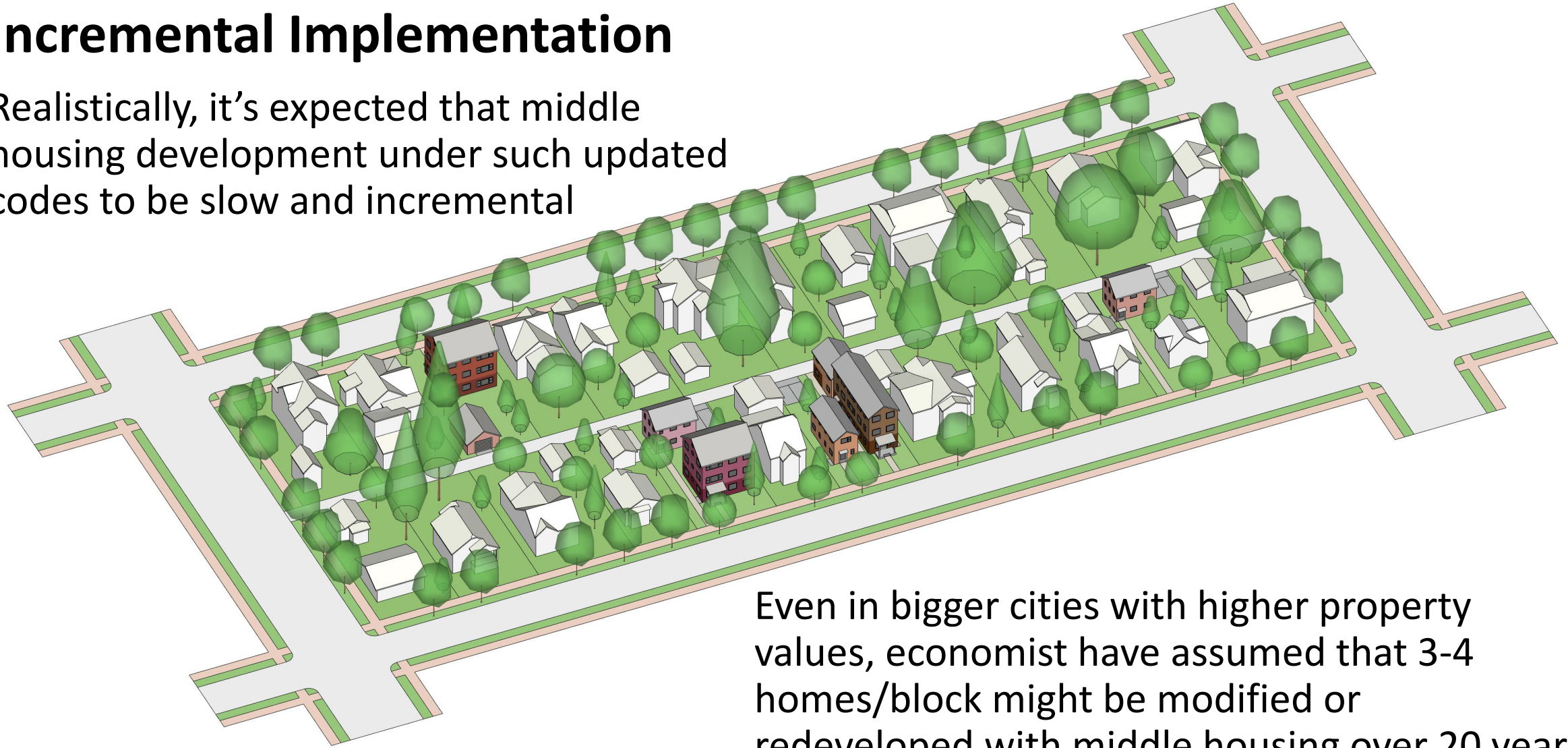


- b. See [AMC 19.53.030](#) for general driveway and access easement standards. Separate driveways are permitted for each unit, provided each driveway is limited to 12 feet in width and meets driveway separation standards in [AMC 19.53.030\(D\)](#).

- c. *Standards for Minimum Usable Open Space.*

Incremental Implementation

Realistically, it's expected that middle housing development under such updated codes to be slow and incremental



Even in bigger cities with higher property values, economist have assumed that 3-4 homes/block might be modified or redeveloped with middle housing over 20 years

UPDATING MINIMUM LOT SIZES

HAP strategy 2.4.1

R3 zone: Recommended starting point

Duplex allowed by-right on same minimum lot size as a single-family dwelling (4,500 sf) and allow additional units for every 1,500 sf

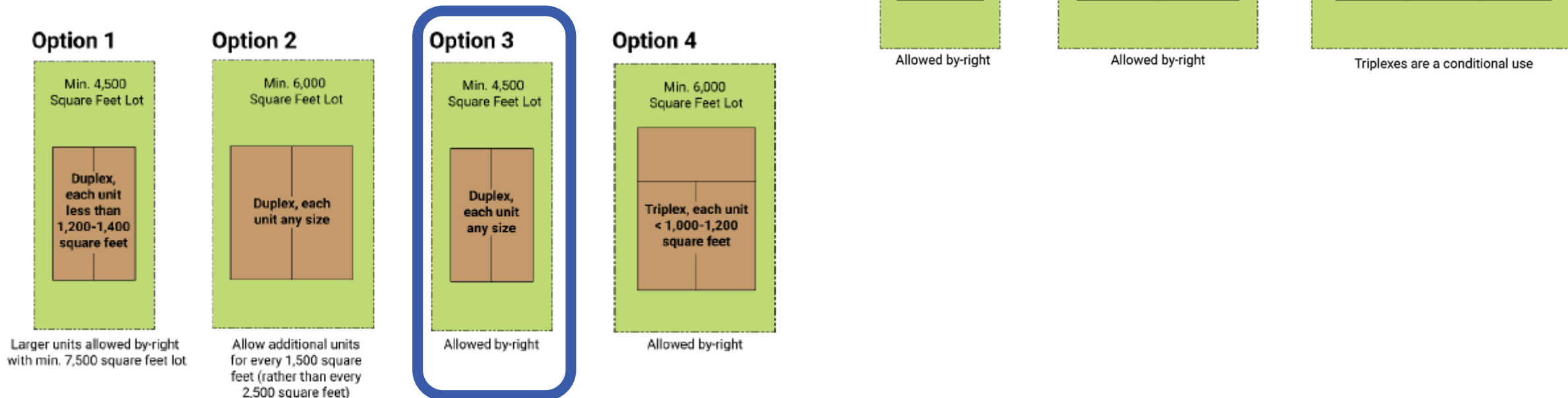


Figure 15 - Lot size options in the R3 zone

UPDATING MINIMUM LOT SIZES

HAP strategy 2.4.1

R4 and R4A zone:

- Reduce the minimum lot size for duplexes from 4,200 to 3,000 sf
- Eliminate the reference for requiring additional lot area for additional dwelling units beyond duplex (R4A)
- Consider raising base max height for R4 zones to 45 feet and the bonus to 55 feet (not in the HAP)

Note: Current height limit measured to the highest point of structure; Images show what's possible now with 40' R4 limit



NEIGHBORHOOD COMMERCIAL OPTIONS?

Current policy:

Policy LU-6.5. 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.



Current code: Neighborhood grocery store is conditionally permitted in all R zones except R-1. Key standards:

- Not to exceed 1,200sf of retail sales net floor area & 3,200sf of gross floor area.
- No such grocery uses must be allowed within ¼-mile of an existing grocery store.

NEIGHBORHOOD COMMERCIAL OPTIONS?

Anacortes already has two examples – though they are “non-conforming”:



“The Store” is zoned R-2A and approximately 3,600gsf



Steinman Grocery is zoned R-3 and approximately 2,500gsf

NEIGHBORHOOD COMMERCIAL OPTIONS?

There's a movement statewide to try to allow these small corner stores to provide more services and amenities within walking distance of homes, provided they are in scale and integrate measures to minimize impacts to neighboring residents



NEIGHBORHOOD COMMERCIAL OPTIONS?

Suggested consideration:

Allow small-scale corner stores by right in all but R-1 zone:

- Limit the uses to neighborhood-serving retail uses, café's, personal service uses, and offices
- Limit floor area to 2,000sf in in R-2, but maybe larger in R-3, particularly R-4 (maybe up to 4,000-5,000sf)
- Limit hours of operation (certainly to close by 10pm)
- Parking – no-off street parking requirements considering small size, but perhaps allow only where on-street parking is available on one or both streets (note that Steinman Grocery only has on-street parking on side street)
- Perhaps other simple site/building design standards to ensure compatibility

NEIGHBORHOOD COMMERCIAL OPTIONS?

Other options:

1. Zone the two existing non-conforming stores to Commercial to bring them into conformance
2. Create a neighborhood commercial overlay that allows for neighborhood commercial uses but doesn't change the underlying zone. Map priority/possible sites including the two current stores.

NEXT STEPS

- Future Land Use Map (FLUM) considerations
- More land use and housing concepts

Anacortes Housing Action Plan









January 2023

#	Summary	Recommendation	Notes
2.1.1	Residential Low Density 1 (R1) Zone	Include	Cottages are likely to be especially appropriate for the R1 zone
2.1.2	Residential Low Density 2 (R2) Zone	Completed	
2.1.3	Residential Low Density 2A (R2A) Zone	Include	
2.1.4	Residential Medium Density 3 (R3) Zone	Completed	Nursing homes were also included in this recommendation, but we don't recommend moving forward
2.1.5	Group Living	Include	Include Rooming House and Adult Family Home; HACS proposes further study of Nursing Home and Assisted Living Facility to ensure sufficient standards exist in code
2.1.6	Adult Family Homes	Include	
2.1.7	Prohibit New Large-Lot Single-Family Uses in Medium and High Density Zones	Include	Rework as a maximum lot size and apply to consolidation via BLA; apply to all zones
2.1.8	Duplex Cottages	Include	See Cedar Springs Lane development as an example of where this type has already been permitted
2.1.9	Single Room Occupancy Housing	Include	Limit to mixed-use zones
2.1.10	Supportive Housing	Required	Add design standards as allowed by state law
2.1.11	Tiny Homes	Exclude	This provision will become confused with ADU regs
2.2	Implement the R3A Zone	Exclude	
2.3	ADU Regulations	Include	Partially completed already; remainder is required by state law
2.4.1	Minimum Lot Sizes	Include	Focus on regulating by height, setbacks, open space, parking minimums rather than lot size
2.4.2	Maximum Lot Coverage	Include	
2.4.3	Maximum Size of Single-Family Homes	Exclude	Sufficiently addressed through maximum lot size
2.4.4	Density	Include	
2.4.5	Setbacks	Include	
2.4.6	Height Bonus Program	Include	
2.4.7	Elevator Penthouse	Include	
2.4.8	Religiously Owned Land Density Bonus	Required	
2.5.1	Family Definition	Required	
2.5.2	Design Standards Applicability	Include	
2.5.3	Block Frontage Standards	Include	
2.5.4	Usable Residential Open Space	Include	
2.5.5	Townhouse Open Space	Include	

ANACORTES

2025 Comprehensive Plan Update

Land Use & Regulatory Concepts

Planning Commission Meeting, September 11, 2024



DISCUSSION ITEMS

Remaining regulatory concepts from the HAP

- Updates to development standards and density
- Adjusting design standards
- Adjusting parking standards

Anacortes Housing Action Plan



January 2023

DISCUSSION ITEMS

#	Summary	Recommendation	Notes
2.1.1	Residential Low Density 1 (R1) Zone	Include	Cottages are likely to be especially appropriate for the R1 zone
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2.1.3	Residential Low Density 2A (R2A) Zone	Include	
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2.5.2	Design Standards Applicability	Include	
2.5.3	Block Frontage Standards	Include	
2.5.4	Usable Residential Open Space	Include	
2.5.5	Townhouse Open Space	Include	

UPDATING MAXIMUM LOT COVERAGE

HAP strategy 2.4.2

R4 and R4A zones

- Current code: R4 and R4A zones have a lot coverage of 50%
- Current code: R4 and R4A zones also have a minimum landscape area standard of 20%
- HAP describes current maximum lot coverage being on the lower side for a high-density zone, which particularly impacts smaller sites
- Proposed update: Increase the maximum lot coverage for R4 and R4A zones to 60%
 - For comparison the State Middle Housing Model Code sets max lot coverage at 55% for 6 units

F. Maximum lot coverage.

- 1. The maximum lot coverage for middle housing are as follows. Maximum lot coverage less than the following is invalid:
 - a. For lots with a unit density of six: 55 percent.*
 - b. For lots with a unit density of four or five: 50 percent.*
 - c. For lots with a unit density of three or less: 45 percent.**

UPDATING DENSITY STANDARDS

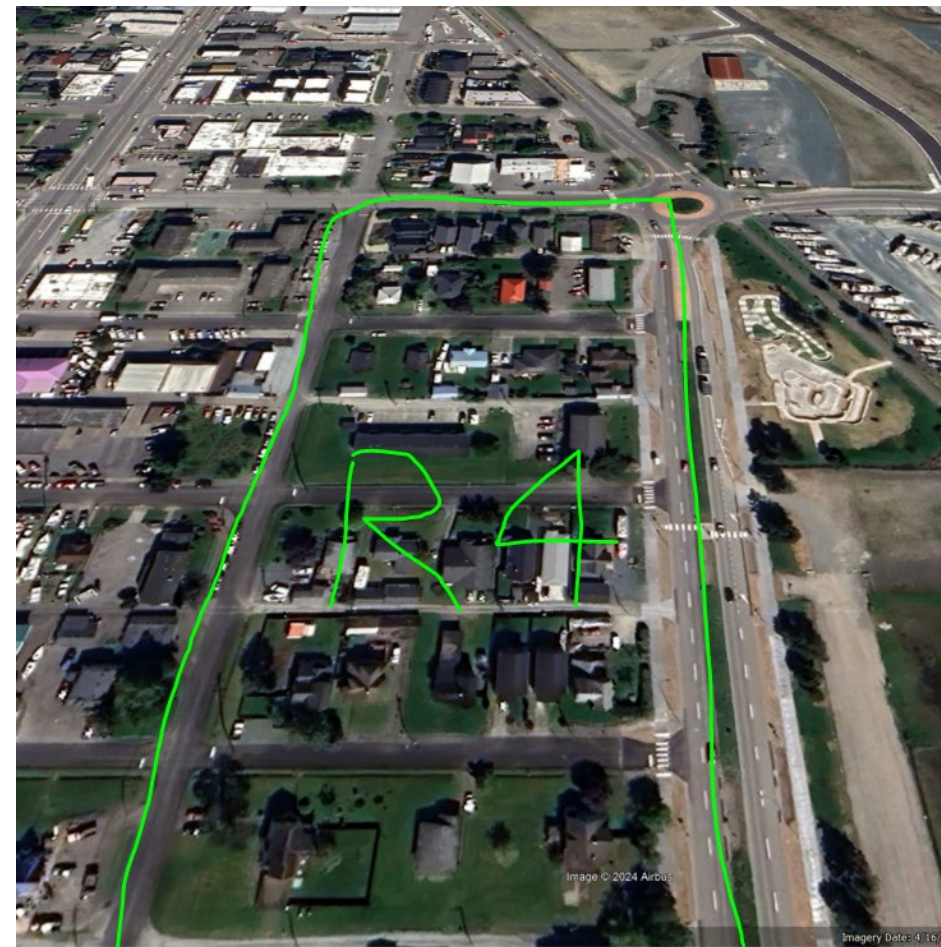
HAP strategy 2.4.4

Minimum density for R4 zone

There is currently no minimum density standards in the zoning code

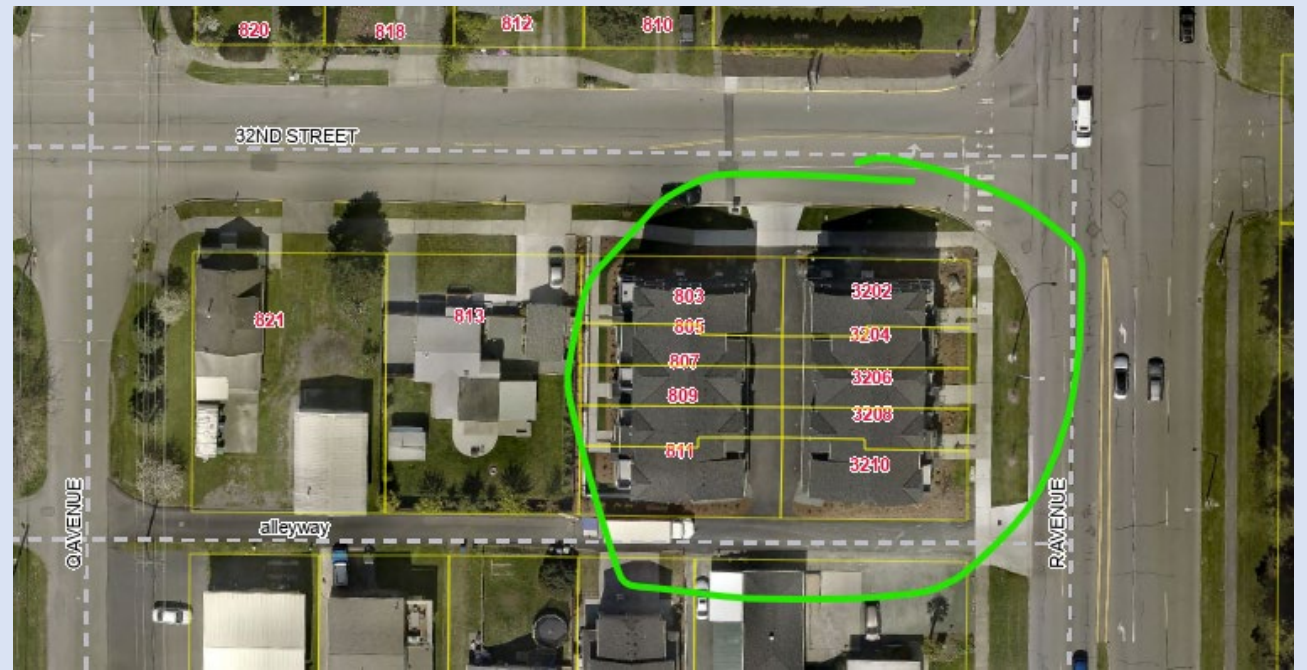
- Proposed update: Add a minimum density of 15 du/acre in the R4 zone applicable to lots:
 - 12,000 square feet or more in size; or
 - 15,000 square feet or more in size

(minimum density calculations would not include adjacent right-of-way)



Example development
on a 15,000 square
foot lot.

The 10 unit
development is about
30 du/acre

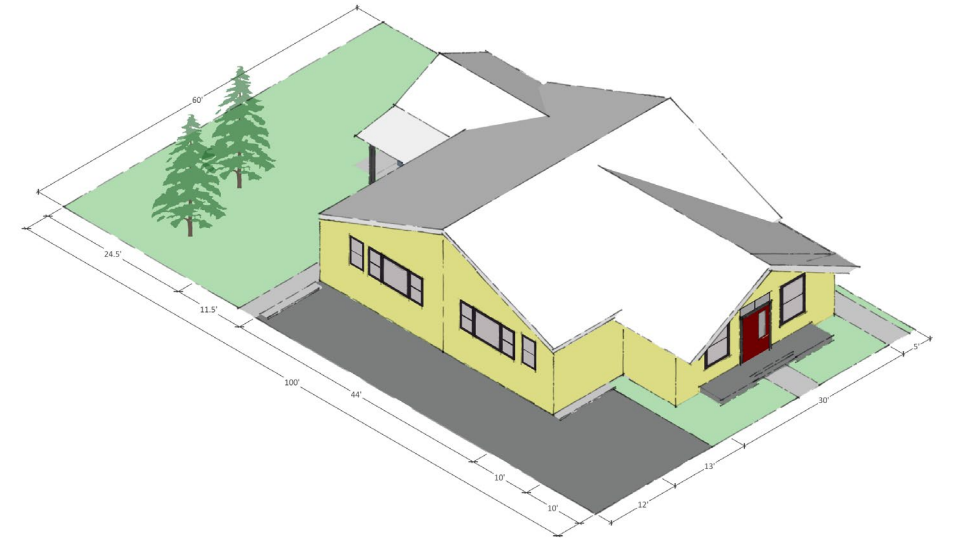


UPDATING DENSITY STANDARDS

HAP strategy 2.4.4

Updating maximum density in all residential zones

- Current code: Maximum density standards range from 2 to 18 du/acre depending on the zone
- The current maximum densities would prevent middle housing development even with lot size adjustments
 - Current max densities are calculated using gross acres, which includes $\frac{1}{2}$ of the abutting right-of-way
 - A duplex on a 6,000 sf lot is about 15 du/acre
 - A duplex on a 7,500 sf lot is about 12 du/acre
 - A 10-unit development in R4A zone on a 6,000 sf lot $\approx$ 70 du/acre



UPDATING DENSITY STANDARDS

HAP strategy 2.4.4

Updating maximum density in all residential zones

- Current code: Zones R3 and R3A have already been updated to focus on minimum lot size instead of typical du/acre measurement
- Proposed update: Remove the use of maximum density standards from the remaining residential zones and rely on minimum lot size standards and permitted uses

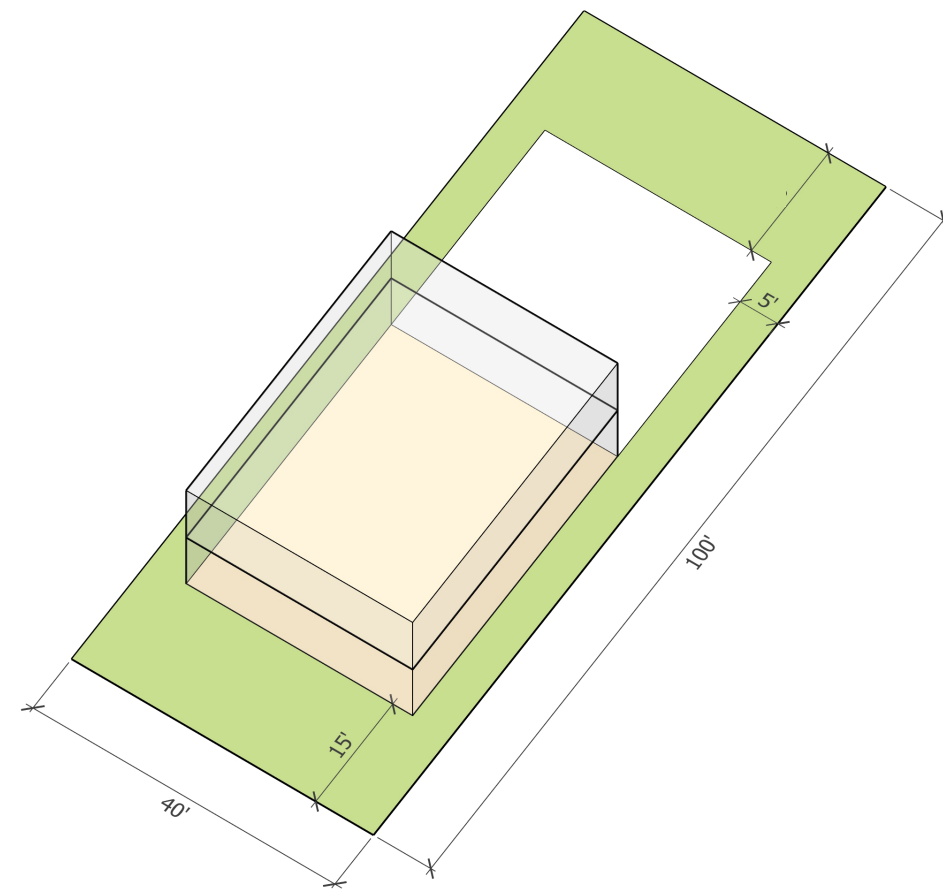
NOTE: HAP recommendations and discussions last meeting re allowing duplexes by right in the R2A zone. This provision complicates regulating maximum density. The solution is to just regulate min lot size and permitted uses.

UPDATING SETBACKS

HAP strategy 2.4.5

Street setback

- Proposed update: Reduce the street setback from 20 feet to 15 feet in R2A, and R3 zones
- 15 feet complements the recommended adjustments in lot size and permitted uses in these zones
- 15 feet still provides adequate space for useable open space and landscaping, and garages would still be required to have minimum 20-foot street setback



UPDATING SETBACKS

HAP strategy 2.4.5

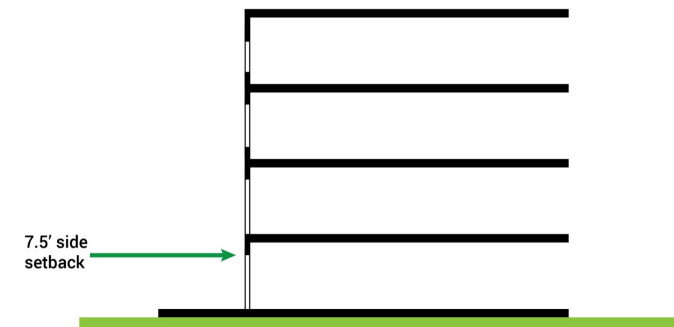
Interior side upper floor setback

- Current code: Residential zones have an interior minimum side setback for the upper floors different from the interior ground floor setback
- Proposed update: Remove the minimum interior side upper floor setback standard from R3, R4, and R4a zones
- Due to construction methods and cost, few developments will setback the upper floors further than the ground floor – especially for shorter low-rise buildings
- Therefore, the upper floor setback functions as a whole-building side setback

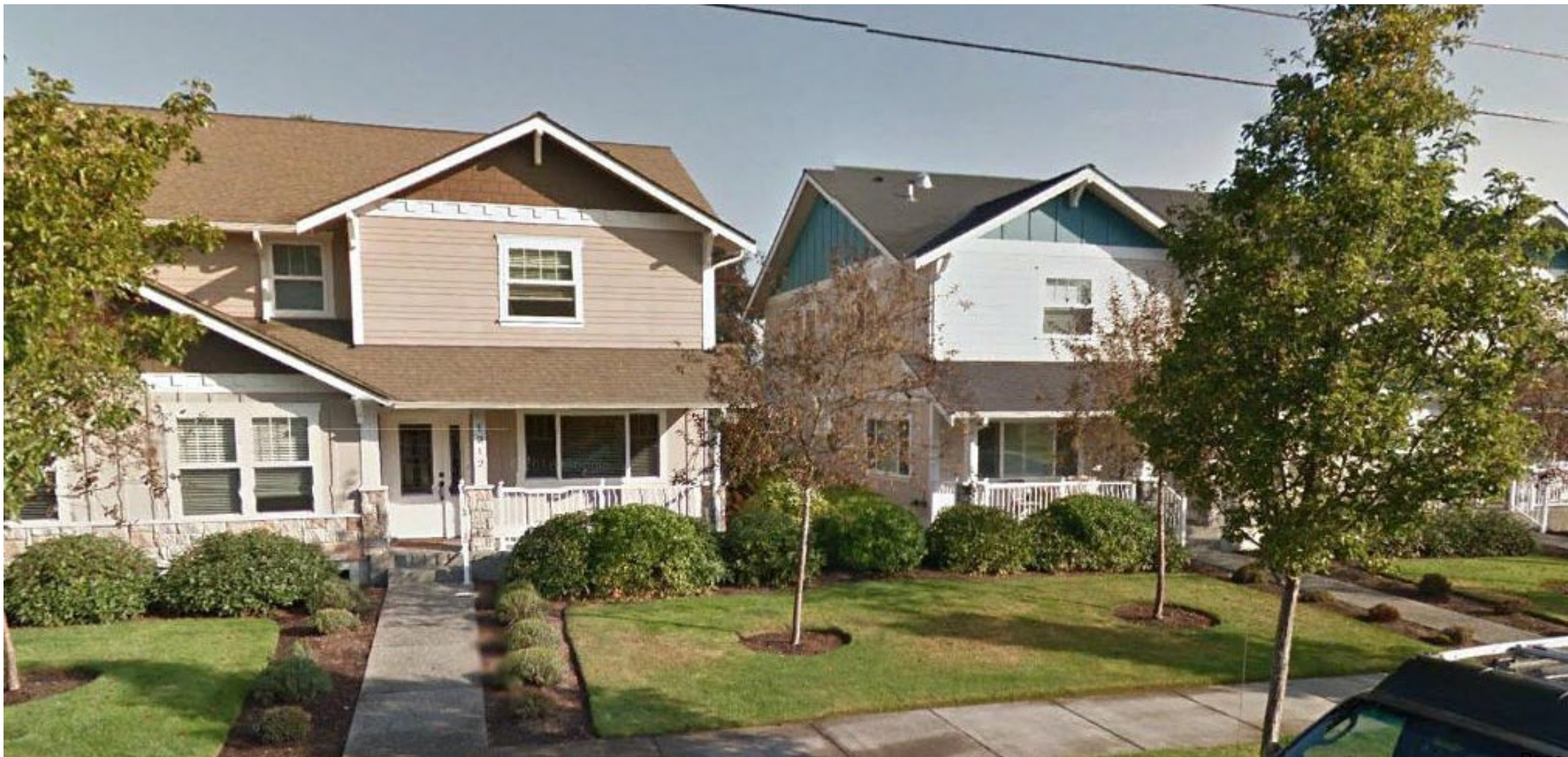
Expectation of upper floor setback standards



General reality of upper floor setback standards



UPDATING SETBACKS



HEIGHT BONUS PROGRAM

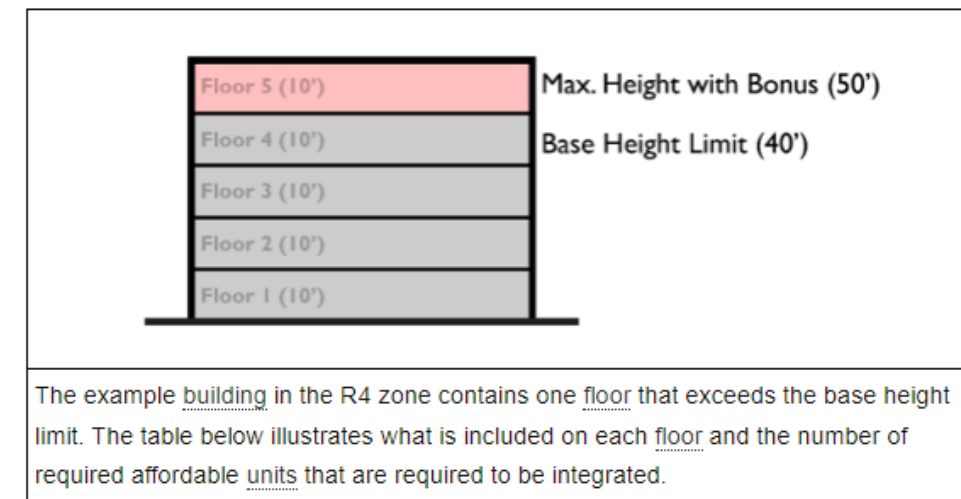
HAP strategy 2.4.6

Interior side upper floor setback

- Current plan: R4, CBD, and C, zones have a bonus height available to developments that meet certain conditions
- Current plan: One way to reach this bonus is for the development to have at least 50% of the units be small units no bigger than 600 square feet
- Proposed plan: Consider increasing the size of “small units” to no bigger than 650sf to allow for slightly more storage space
- Other height bonus criteria to consider:
 - Inclusion of day care space and service in mixed-use development
 - Development of senior housing
 - Development of assisted living facility or nursing home

Figure 19.42.050

Height bonus example—How affordable housing requirements are measured.



ELEVATOR PENTHOUSE

HAP strategy 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 help residents when moving large pieces of furniture
- Elevator-accessible roof decks are popular and help meet residential open space requirements
- Current standards make it difficult to have both 10 feet tall elevator cabs and residential roof decks
- Proposed plan:

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.

RELIGIOUSLY-OWNED DENSITY BONUS

Under state law RCW 35A.63.300 (enacted 2019)

- Cities must have/allow increased density bonuses on land owned by religious organizations if affordable housing for low-income households are being developed.
- Remote and virtual worship has changed congregation patterns and the use of religious space
- The law provides an opportunity for religious organizations to better serve faith-based missions related to affordable housing
- Bonuses can come in the form of *increased height, more lot coverage, reduction of setbacks, less required parking, etc.*

RELIGIOUSLY-OWNED DENSITY BONUS

HAP strategy 2.4.8

Religiously-owned land density bonus

Proposed plan: Set density bonus standards for each residential zone for if a religious organization chooses to develop affordable housing

- *Early suggestions that can be adjusted through the update process*

R1 Bonus	R2, R2A, OT Bonus	R3, R3A Bonus	R4, R4A Bonus
- Minimum lot size of 9,000 sf - Townhomes are permitted	- No interior side upper floor setback - Townhomes and triplexes are permitted	- Max height of 45 feet - No additional lot size needed - Multifamily of 5+ units is allowed	- Max height of 65 feet - Additional 5% lot coverage

ADJUST DEFINITIONS: FAMILY

HAP strategy 2.5.1

Action: Amend definition of “family” to comply with state law.

Under state law RCW 35A.21.314 (enacted 2021)

Cities may not regulate or limit the number of unrelated persons that may occupy a household or dwelling unit.

- Proposed update:

“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.~~*

ADJUST DESIGN STANDARDS: TOWNHOUSES

HAP strategy 2.5.2

Action: Clarify what design standards apply to townhouse developments.

There's some current confusion as to what design standards apply to townhouses.

- Technically – it depends on whether such townhouses meet the definition of multifamily (currently 4+ units in a building)
- Thus provisions of Division 6 (including block frontage standards, site planning, building design, and landscaping) kick in for townhouse buildings with 4+ units)

This should be clarified in 19.61, 19.62, 19.63, and 19.43.010.G. Townhouse specific provisions apply in the event of a conflict



ADJUST DESIGN STANDARDS: BLOCK FRONTAGES

HAP strategy 2.5.3

Action: Clarify that multifamily developments are subject to the Landscaped block frontage provisions.

In 19.61.110(B) clarify that Landscaped block frontages apply to multifamily and non-residential development in residential zones.

In 19.43.10(G)(4) clarify that Landscaped block frontages apply to residential and commercial zone tables, including townhomes

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.~~

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.

ADJUST DESIGN STANDARDS: OPEN SPACE

HAP strategy 2.5.4

Action: Fine tune usable open space provisions for residential development.

1. Under AMC 19.62.040, provide an open space credit for multifamily developments adjacent to a park (33% reduction provided park is within 250')
2. For common indoor recreation areas under subsection B.1.d, add a minimum dimensional standard (250sf) to ensure that recreational spaces are functional
3. Provide for minimum open space standards for new supportive housing types (100sf/unit + same open space type design standards)



ADJUST DESIGN STANDARDS: OPEN SPACE

HAP strategy 2.5.4

Currently shared roof decks can account for 50% of required open space for multifamily buildings and 100% for mixed-use buildings. The HAP explored changes to make the code easier to understand and administer. Below are options:

1. Keep current language the same
2. HAP strategy: Allow them to count for up to 50% of required space for all development with multifamily uses (remove option to count for 100% in mixed-use buildings)
3. MJB proposal: Use current language and additionally allow multifamily buildings incorporated into a horizontal mixed-use development to also count shared roof decks as 100% of required open space.

ADJUST DESIGN STANDARDS: OPEN SPACE

HAP strategy 2.5.5

Action: Fine tune usable open space provisions for townhouse development.

Under the townhouse design standards of AMC 19.43.010(G)(9), provide more consistency between open space standards and setback standards (noting 10' setback standards in R4 /R4A):



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). ¶

ADJUST DESIGN STANDARDS: LANDSCAPING

HAP strategy 2.5.6

Action: Fine tune parking lot landscaping provisions for multifamily and townhouse development.

Under AMC 19.65.070(D), reduce and simplify minimum planting area widths (or average widths) to allow more efficient use of land.

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.

ADJUST DESIGN STANDARDS: SERVICE AREAS

HAP strategy 2.5.7

Action: Fine tune service area and mechanical equipment standards.

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.

ADJUST DESIGN STANDARDS: SERVICE AREAS

HAP strategy 2.5.7

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.~~

ADJUST DESIGN STANDARDS: BUILDING DESIGN

HAP strategy 2.5.8

Action: Fine tune building design standards.

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).*

ADJUST DESIGN STANDARDS: BUILDING DESIGN

HAP strategy 2.5.8

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.

ADJUST DESIGN STANDARDS: BUILDING DESIGN

HAP strategy 2.5.9

Action: Fine tune building materials standards.

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).



ADJUST DESIGN STANDARDS: BUILDING DESIGN

HAP strategy 2.5.10

Action: Fine tune blank wall standards.

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:

ADJUST PARKING STANDARDS

HAP strategy 2.6.1

Recommended adjustments for parking standards are focused on providing more certainty and clarity.

- **Middle Housing:** For duplexes, triplexes, and townhomes move away from parking by bedroom counts and simplify to one per unit (*similar standard for single-family*)
- **Affordable Housing:** Define and list “multifamily dwelling, affordable” a set a minimum parking requirement of 0.5 to 0.75 spaces per unit
- **Senior Housing:** Rename the term “multifamily dwelling, restricted” to “senior housing” to clarify and set parking standard at 1 space per unit

ADJUST PARKING STANDARDS

Additional parking considerations:

- **Fee-in-lieu payments:** Consider allowing fee-in-lieu payments for retail uses in a mixed-use building in any location citywide.
- **Guest parking:** Currently, only the CBD zone waives guest parking requirements. This waiver could be extended to R4, C, and MMU zones
 - Alternatively, another option is to remove guest parking requirements citywide for multifamily uses

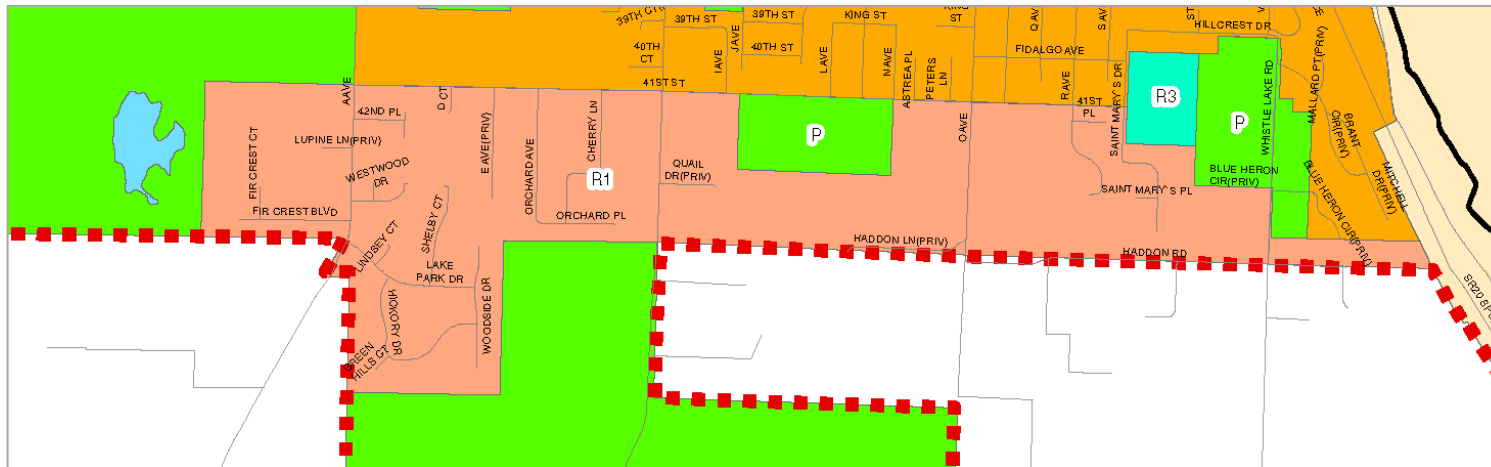
R-1 ZONE

HAP strategy 4.3.2

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

Current context:

- 15,000sf minimum lot size
- Home to an elementary school and ample park space
- Max density in code: 2du/acre
- Comp plan allows up to 4du/acre and cottages through special review process (but none currently established)

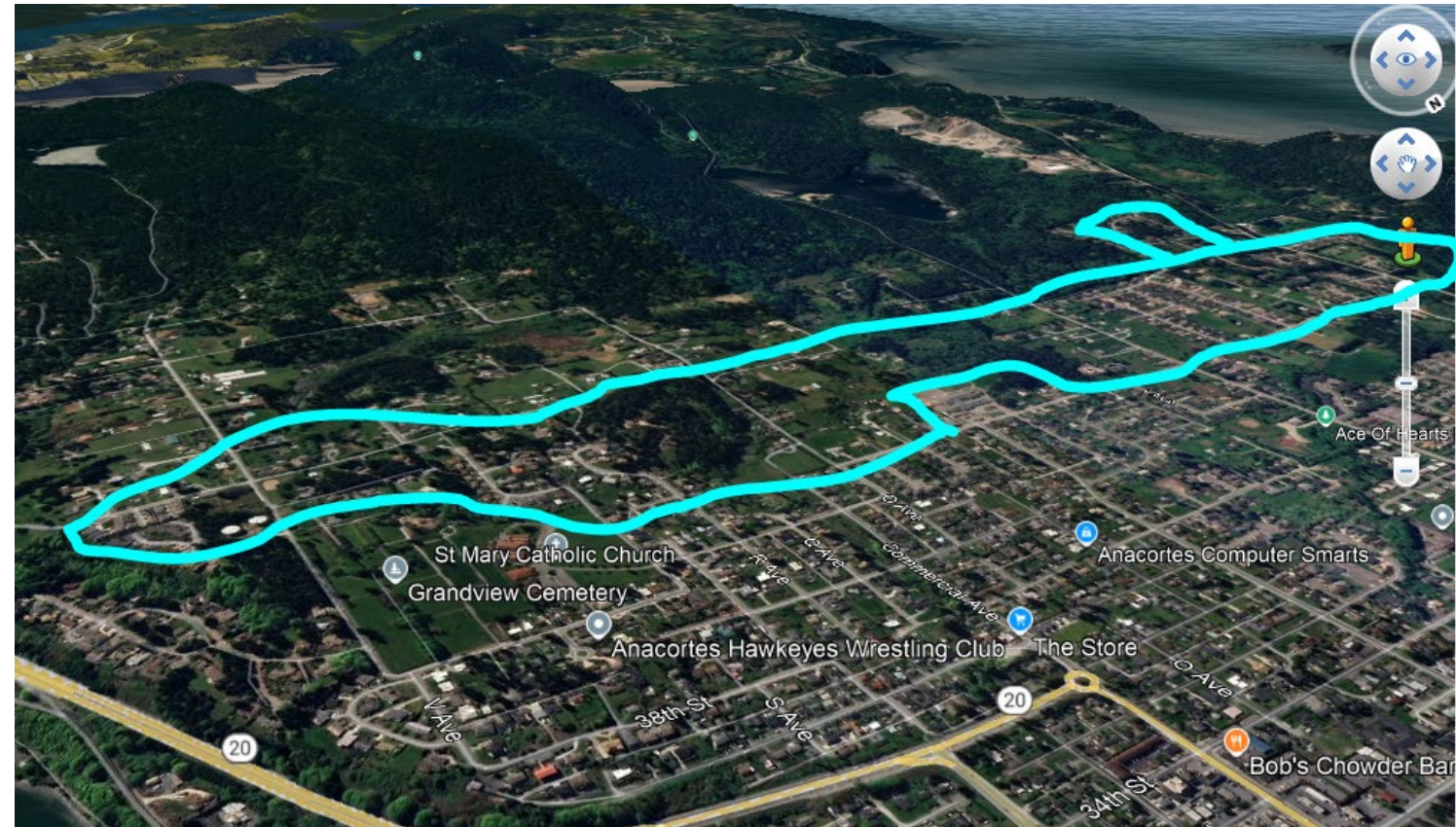


Given growth management goals and the findings of the HAP Existing Conditions and Housing Needs Analysis Report, it is recommended that the next Comprehensive Plan examine the purpose and priorities for this zone more closely.

- 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).

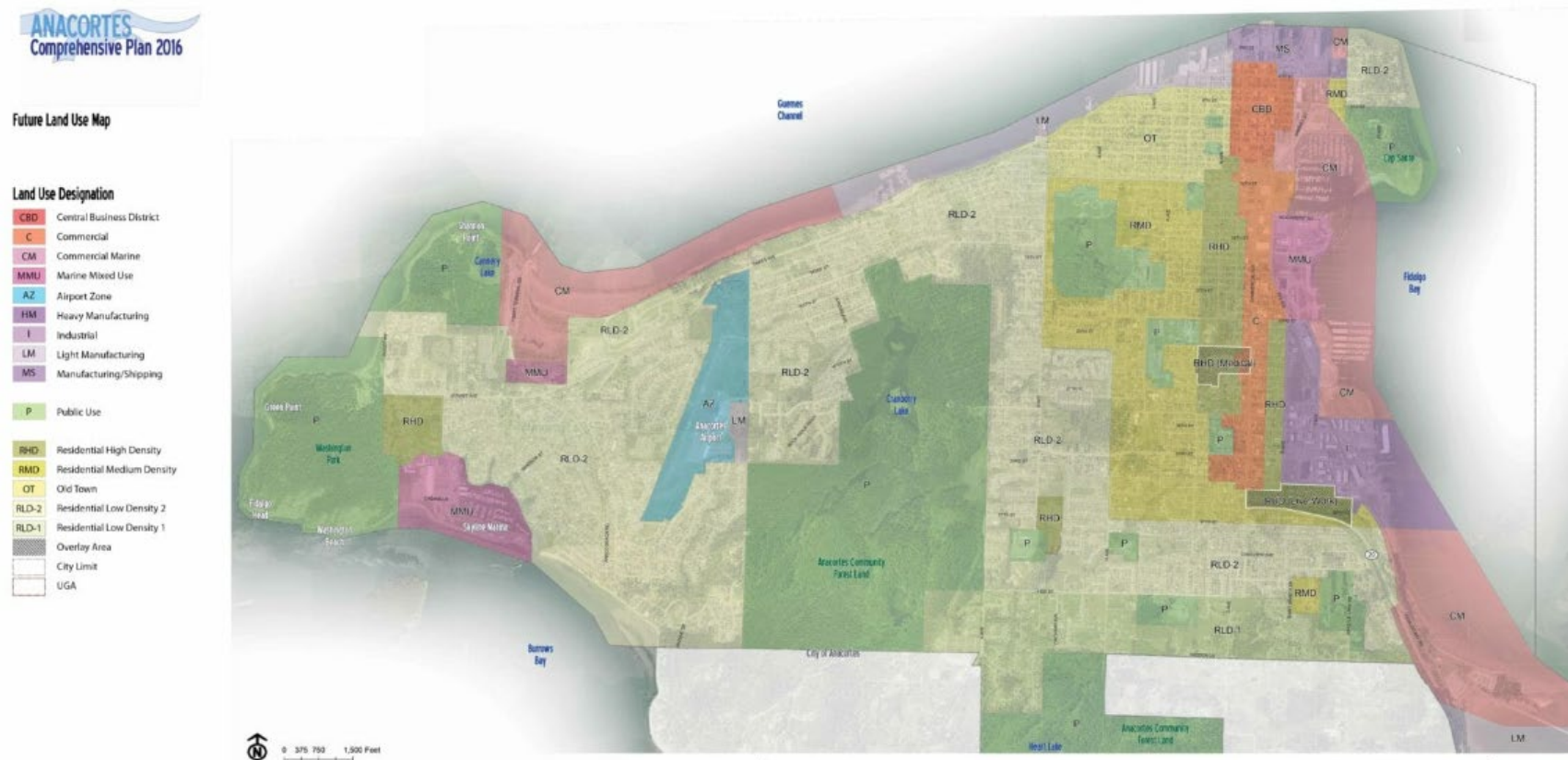
R-1 ZONE

- Most of R1 is currently several blocks away from current transit routes
- Currently a mix of connecting streets to the rest of the city and long blocks without shorter street grid
- New development is required to build connecting curb/gutter infrastructure
- Minor zoning changes would help create a few more developable lots
 - Reduce minimum lot size to 10,000 sf
 - Remove maximum density
- Tax Increment Financing (TIF) could be a tool to help finance road, sidewalk, water, and sewer improvement (*HAP strategy 5.3*)



NEXT STEPS

- Future Land Use Map (FLUM) considerations
- Draft Land Use and Housing Goals and Policies



Memorandum



To: City Council
From: Council Planning Committee
Date: August 12, 2024
Re: Recommended HAP Measures

As discussed at Council during our docketing discussion, the Council Planning Committee reviewed the City's 2023 [Housing Action Plan](#), identified the proposed measures within it for changes to the City's Development Regulations, and in the attached table, recommend some of them to move forward alongside the Comprehensive Plan in the public process and for consideration by the Planning Commission.

For each measure, we recommend:

- Include (move forward in the public process)
- Exclude (do not move forward)
- Required (we must move forward to comply with state law)
- Completed (we have already satisfactorily implemented this measure)

#	Summary	Recommendation	Notes
2.1.1	Residential Low Density 1 (R1) Zone	Include	Cottages are likely to be especially appropriate for the R1 zone
2.1.2	Residential Low Density 2 (R2) Zone	Completed	
2.1.3	Residential Low Density 2A (R2A) Zone	Include	
2.1.4	Residential Medium Density 3 (R3) Zone	Completed	Nursing homes were also included in this recommendation, but we don't recommend moving forward
2.1.5	Group Living	Include	Include Rooming House and Adult Family Home; HACS proposes further study of Nursing Home and Assisted Living Facility to ensure sufficient standards exist in code
2.1.6	Adult Family Homes	Include	
2.1.7	Prohibit New Large-Lot Single-Family Uses in Medium and High Density Zones	Include	Rework as a maximum lot size and apply to consolidation via BLA; apply to all zones
2.1.8	Duplex Cottages	Include	See Cedar Springs Lane development as an example of where this type has already been permitted
2.1.9	Single Room Occupancy Housing	Include	Limit to mixed-use zones
2.1.10	Supportive Housing	Required	Add design standards as allowed by state law
2.1.11	Tiny Homes	Exclude	This provision will become confused with ADU regs
2.2	Implement the R3A Zone	Exclude	
2.3	ADU Regulations	Include	Partially completed already; remainder is required by state law
2.4.1	Minimum Lot Sizes	Include	Focus on regulating by height, setbacks, open space, parking minimums rather than lot size and effective limits on the size of the units
2.4.2	Maximum Lot Coverage	Include	
2.4.3	Maximum Size of Single-Family Homes	Exclude	Sufficiently addressed through maximum lot size
2.4.4	Density	Include	
2.4.5	Setbacks	Include	
2.4.6	Height Bonus Program	Include	
2.4.7	Elevator Penthouse	Include	
2.4.8	Religiously Owned Land Density Bonus	Required	
2.5.1	Family Definition	Required	
2.5.2	Design Standards Applicability	Include	
2.5.3	Block Frontage Standards	Include	
2.5.4	Usable Residential Open Space	Include	
2.5.5	Townhouse Open Space	Include	

#	Summary	Recommendation	Notes
2.5.6	Parking Lot Landscaping	Include	
2.5.7	Service Areas and Mechanical Equipment	Include	
2.5.8	Building Design	Include	
2.5.9	Building Materials	Include	
2.5.10	Blank Walls	Include	
2.6.1	Minimum Parking Standards	Include	Consult with AHA and AFC about their parking experience
2.6.2	On-Street Parking	Exclude	
2.6.3	Guest Parking	Include	Allow only when nearby streets are fully constructed
2.6.4	Unbundling Parking from Lease Agreements	Exclude	This is not a development regulation amendment.
4.3.1	Old Town Zone	Exclude	
4.3.2	R1 Zone	Include	
4.3.3	Multifamily and Mixed-Use Zone Height Limits	Exclude	
4.3.4	Industrial Zones	Exclude	Note that Sharpe's Corner has some LM zone, but we are addressing Sharpe's Corner separately
4.3.5	Parking	Exclude	

RESOLUTION NO. 3104

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ANACORTES ADOPTING A HOUSING ACTION PLAN 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;; 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, 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 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.

INTRODUCED, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ANACORTES THIS 17th OF JANUARY 2023.



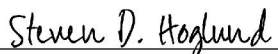
MATT MILLER, MAYOR

Approved as to form and legality:



Darcy Swetnam, WSBA #40530
City Attorney

ATTEST:



Steven D. Hoglund, City Clerk Treasurer

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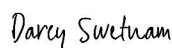
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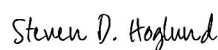
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Mayor

City of Anacortes

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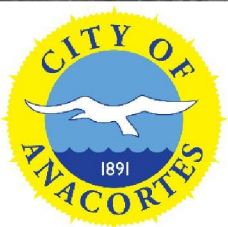
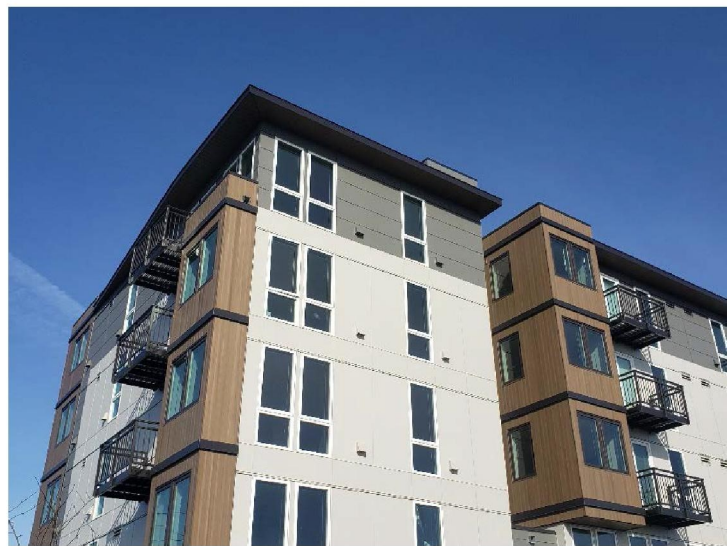
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Anacortes Housing Action Plan



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

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City Council

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Washington State

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Contents

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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
Regulatory Strategies			
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
Programmatic Strategies			
3.1	Short-term rental regulations	Medium	0-6 months
3.2	Anti-displacement strategies	Medium	Ongoing
3.3	Homelessness strategies	High	Ongoing
Citywide Planning Strategies			
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
Funding Strategies			
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.¹

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.² In most metropolitan areas, housing shortages worsened between 2012 and 2019.³ 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,

¹ "Housing Supply: A Growing Deficit." Freddie Mac. May 2021.

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

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

³ "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.

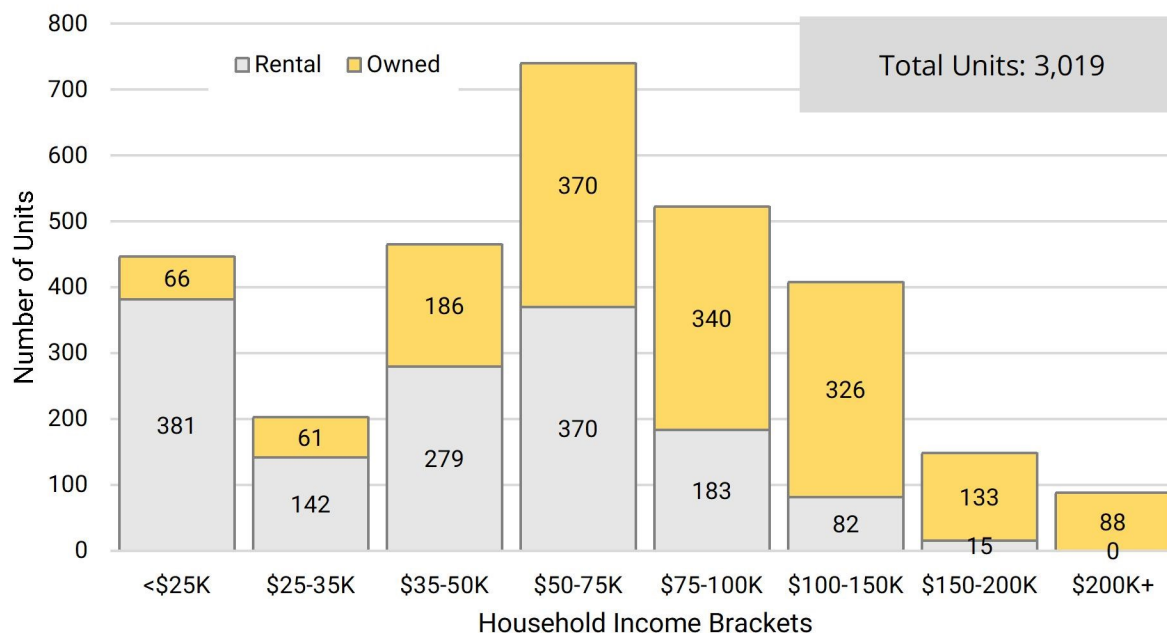


Figure 1. Approximate Demand for New Housing Units, City of Anacortes, 2021-2045. Source: Leland Consulting Group

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.

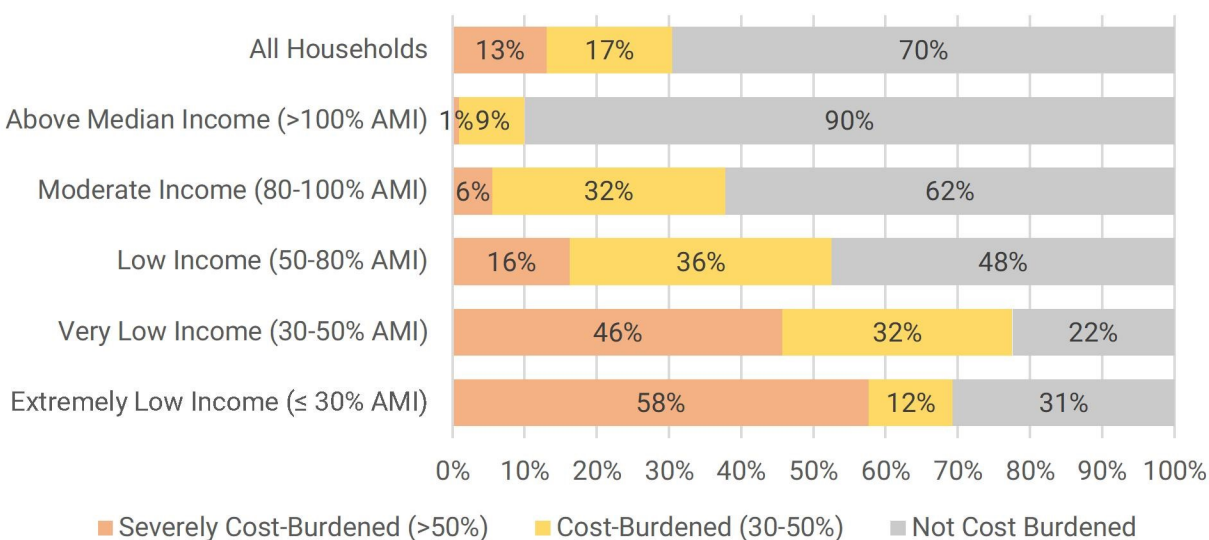


Figure 2. Cost Burden Status by Household Income Level (Percent), 2020. Source: HUD CHAS

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% AML.
- 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).⁴

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 renters⁵. 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.

⁴ "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/>

⁵ Source: American Community Survey 2020 5-Year Estimates, B25003 Tables.

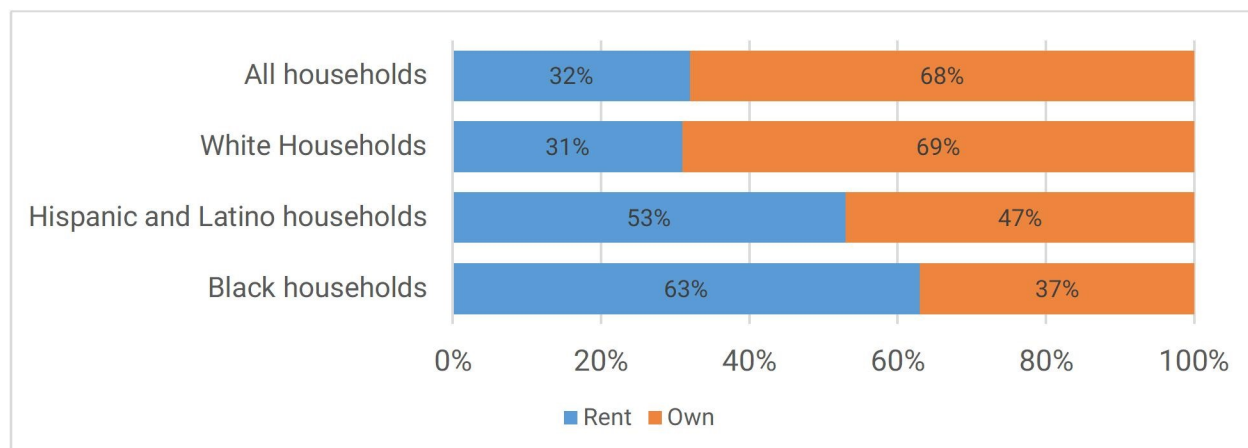


Figure 3. Tenure by race. Source: ACS 2021 5-Year Estimates, Table B25003 series

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.

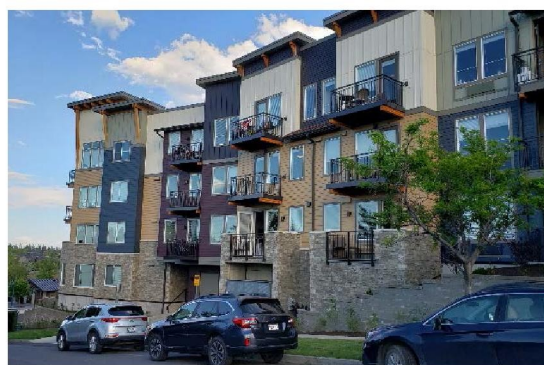


Figure 4. Example of multifamily housing.

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.

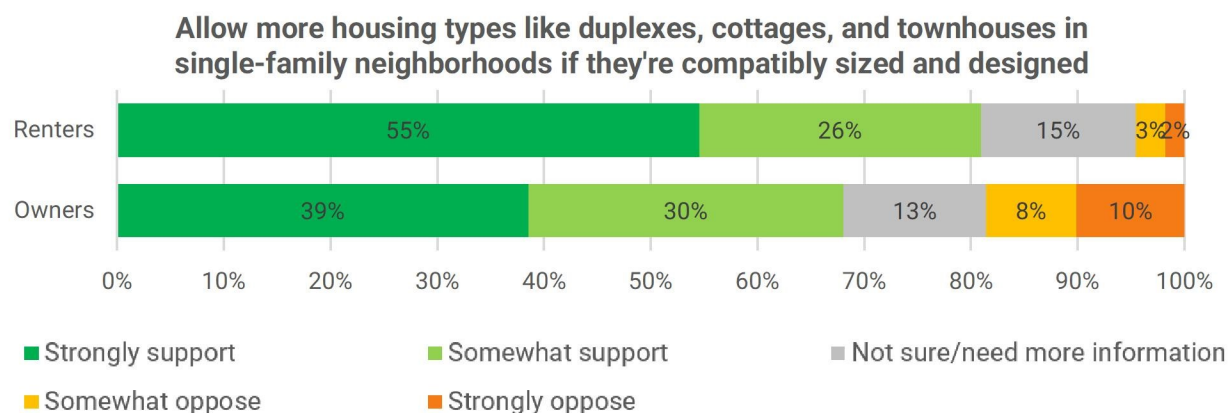
Zoning is not the only factor in these shortfalls – as noted by many stakeholders, vacant land in Anacortes is dwindling, the construction industry is seeing an unprecedented rise in material prices, a labor shortage, supply chain disruptions, and inflation and increased interest rates. Despite this, 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.

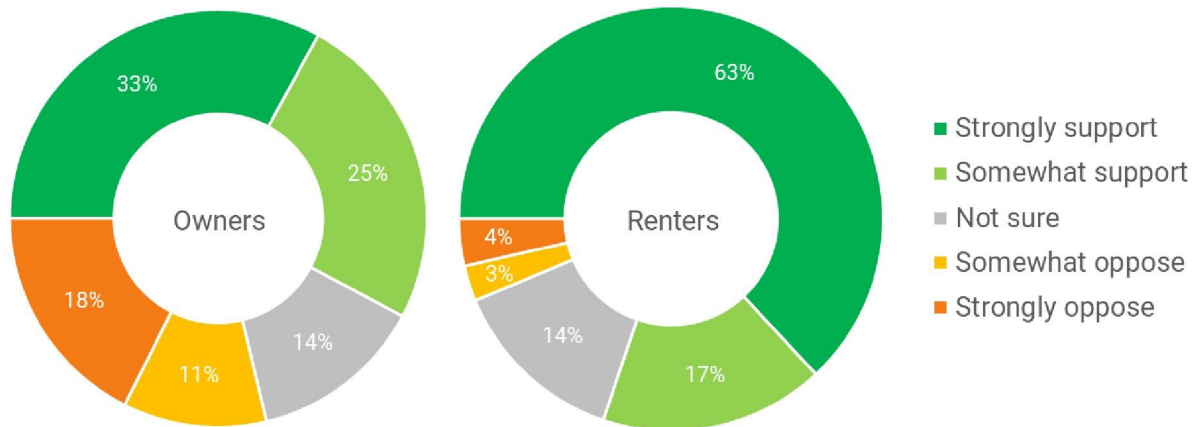
2.1 – Allowed Uses

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/ Reference
Household living									
Single-family	P	P	P	P	P	P	P	P	
Single-family, small lot				P	P	P	P		
Cottage housing	<u>P</u>	P	P	P	P	P	P		
Duplex		G <u>P</u>	P	P	P	P	P	P	
Triplex			<u>P</u> (X)	G <u>P</u>	P	P	P		<u>(X) Alley-loaded lots only</u>
Townhouse			<u>P</u> (X)	G <u>P</u>	P	P	P		<u>(X) Alley-loaded lots only, max. 4 units</u>
Multifamily dwellings, 4 units				G <u>P</u>	P	P	P		
Multifamily dwellings, 5 or more units					<u>P</u> (X)	P	P		<u>(X) Max. 12 units</u>
<u>Multifamily dwellings, single room occupancy</u>						<u>P</u> (X)			<u>(X) Max. 50 units</u>

	Residential Zones								
Residential Uses	R1	R2	R2A	R3	R3A	R4	R4A	OT	Conditions/ Reference
Group living									
Adult family home	P	P	P	P	P	P	P	P	See Group Living Strategy 2.1.4 for potential conditions.
Assisted living facility				P <u>P</u>	P <u>P</u>	P	P <u>P</u>		
Nursing homes				<u>P</u>	<u>P</u>	P <u>P</u>			
Rooming houses				P <u>P</u>	P <u>P</u>	P	P	P <u>P</u>	
Supportive living									
Permanent supportive housing				<u>P</u> (x)	<u>P</u>	<u>P</u>	<u>P</u>		(x) <u>Max. 4 units</u>
Transitional housing				<u>P</u> (x)	<u>P</u>	<u>P</u>	<u>P</u>		(x) <u>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/ Reference
Household living											
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			
Group living											
Adult family home	P	P				P	P				
Assisted living facility	P	P	P								
Nursing homes	P <u>P</u>	P <u>P</u>	P <u>P</u>								
Rooming houses											
Supportive living											
<u>Permanent supportive housing</u>	<u>P</u>	<u>P</u> (x)	<u>P</u> (x)	<u>C</u> (x)		<u>C</u> (x)		<u>C</u>			(x) <u>Same conditions as for multifamily</u>
<u>Transitional housing</u>	<u>P</u>	<u>P</u> (x)	<u>P</u> (x)	<u>C</u> (x)		<u>C</u> (x)		<u>C</u>			(x) <u>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>					
Overnight Lodging	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.⁶ 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.

⁶ "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.⁷



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.

⁷ 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):⁸

- 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.⁹

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

⁹ 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

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	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.¹⁰ 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.	 
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.	

¹⁰ 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. ¹¹ Seattle’s standards for “transitional encampments” could also be consulted. ¹²	

Figure 10. Tiny home options

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

¹² 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

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:

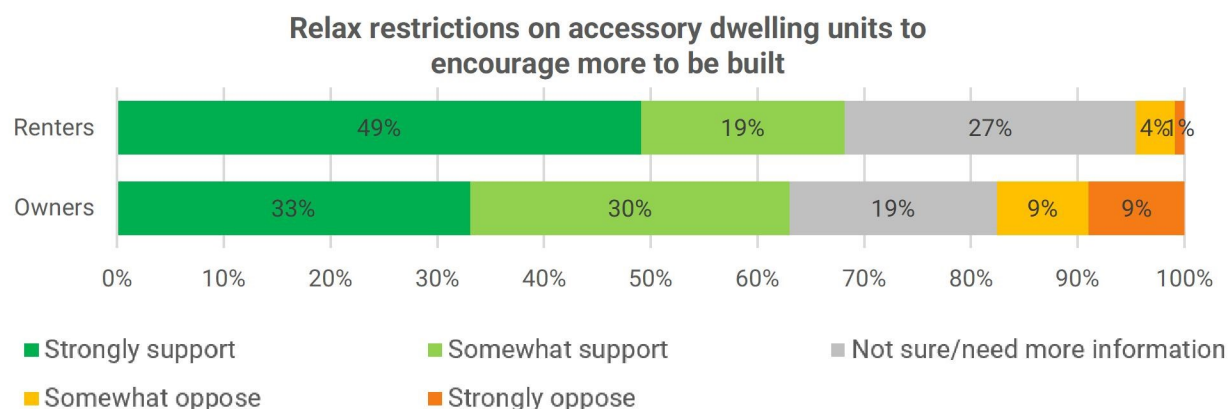
#. R3A Zone Standards. Multifamily structures with up to 12 units are permitted by right. Multifamily structures with more than 12 units are prohibited.

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.^{13, 14}

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.

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

¹⁴ 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.

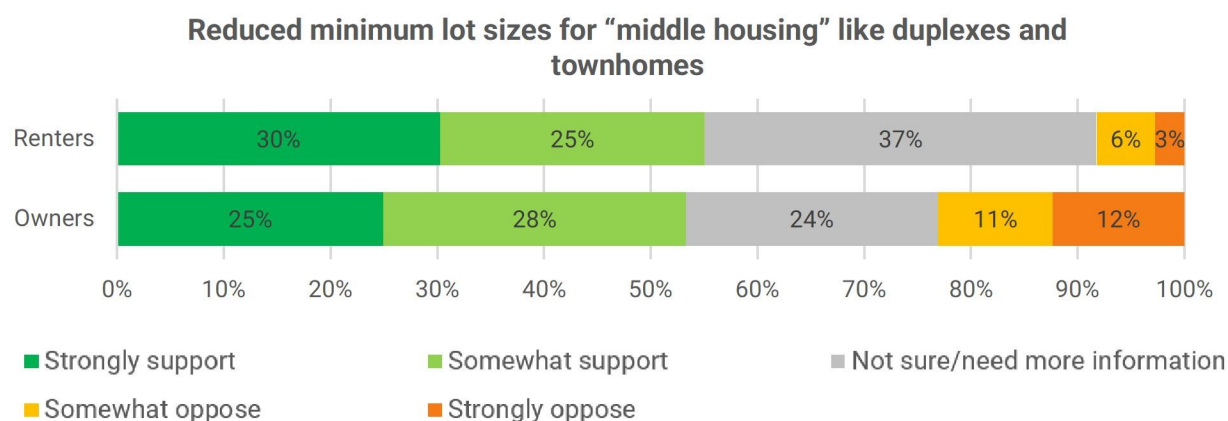
	Residential Zones								
Measure	R1	R2	R2A	R3	R3A	R4	R4A	OT	Conditions/ Reference
Lot Size & Development Intensity									
See Chapter 19.43 AMC for minimum lot size adjustments for small unit duplexes, triplexes, and townhouses in some zones.									
Lot size for single-family dwelling, minimum (square-feet)	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	9,000 <u>7,500</u>	7,500 <u>6,000</u>	5,000 <u>4,500</u>	4,200 <u>3,000</u>	4,200 <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>	2,500 <u>1,500</u>	2,000 <u>1,000</u>		1,200		
<u>Density minimum (dwelling units/gross acre)</u>						<u>15 (x)</u>			<u>(x) 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	20 <u>15</u>	20 <u>15</u>	20 <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	

Measure	Residential Zones								Conditions/ Reference
	R1	R2	R2A	R3	R3A	R4	R4A	OT	
Interior side setback - upper floors, minimum	10	7.5	7.5	7.5 5	7.5 5	7.5 5	7.5 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).¹⁵

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.

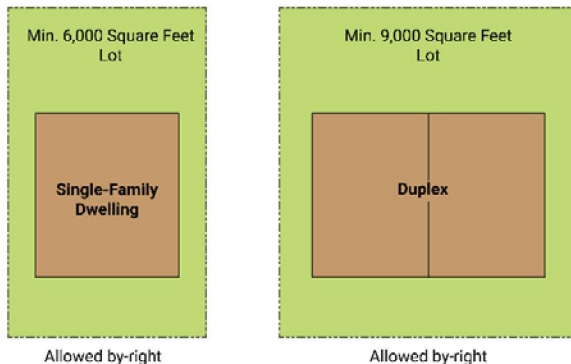
¹⁵ “Whatever Happened to the Starter Home?” The New York Times. September 2022.
<https://www.nytimes.com/2022/09/25/upshot/starter-home-prices.html>

R2A Zone Lot Size Options

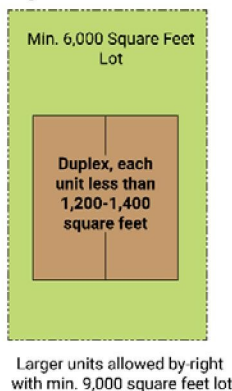
A density discount for small units is likely needed, unless the maximum density is removed for infill development (see Strategy 2.4.4). Lot size options include:

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.

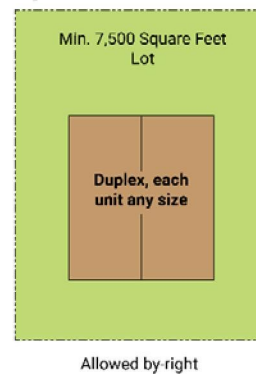
R2A Zone Current Standards



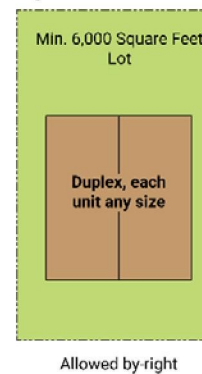
Option 1



Option 2



Option 3



Option 4

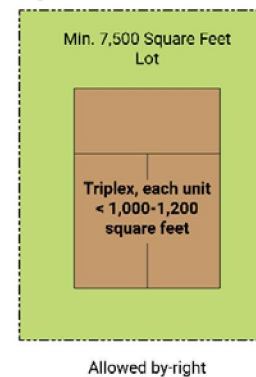


Figure 14 - Lot size options in the R2 zone

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

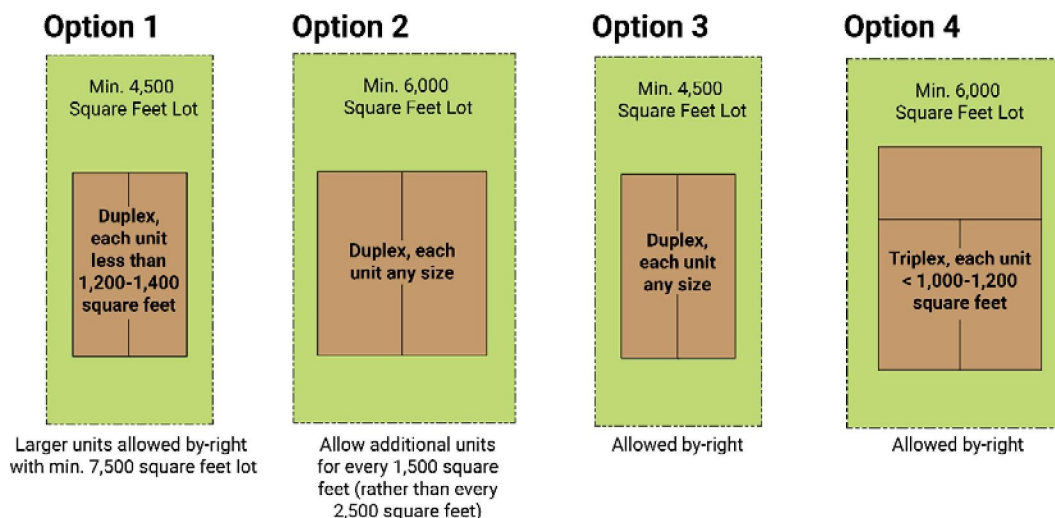
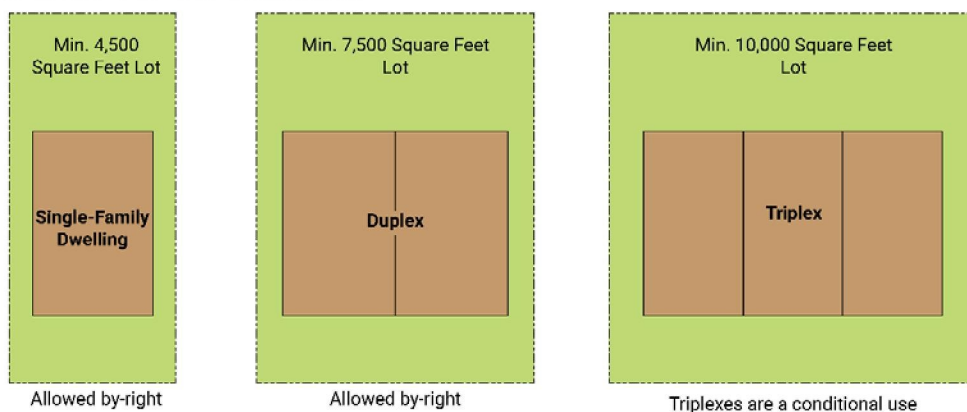


Figure 15 - Lot size options in the R3 zone

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.¹⁶ 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.

¹⁶ "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-foot 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

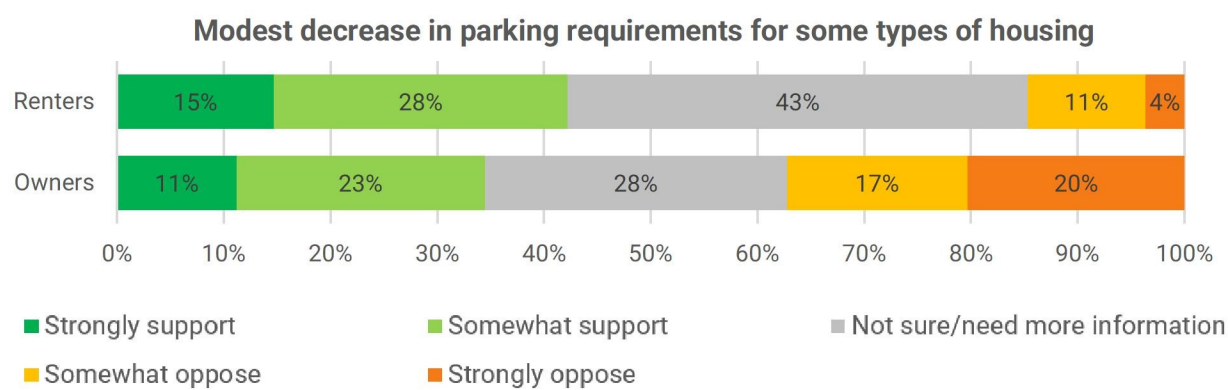
Under 19.63.070(C), consider updating the applicability for blank wall treatment standards to reduce construction cost impacts.

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.¹⁷ 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.¹⁸ Education and outreach to landlords and property owners would be necessary for implementation, similar to renter protections (Strategy 3.2.1).

¹⁷ “Unbundled residential parking.” Washington State Department of Transportation.

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

¹⁸ 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

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.¹⁹

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 1977.²⁰ 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.

¹⁹ “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>

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

3 – Programmatic Strategies

These actions relate to ongoing staff support and enforcement needs.

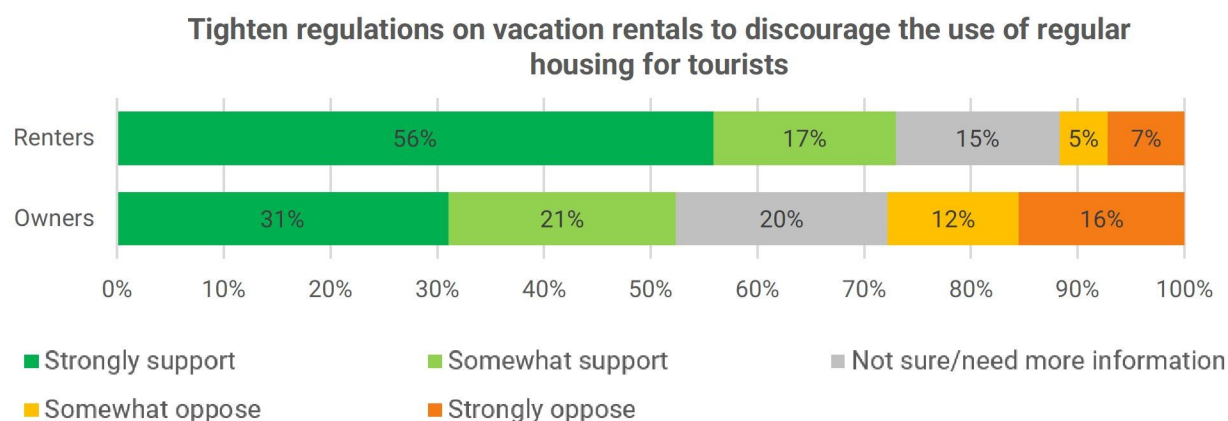
3.1 – Short-Term Rental Regulations

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.²¹

²¹ “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.²²

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.²³ 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.²⁴ 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.²⁵ 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.²⁶ It found eight indicators that are associated with inclusion, increased prosperity, and decrease

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

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

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

²⁵ Chapple and Loukaitou-Sideris.

²⁶ “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). ²⁷
Presence of community organizations	Financial and/or staffing support for community organizations. 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.^{28, 29, 30}

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

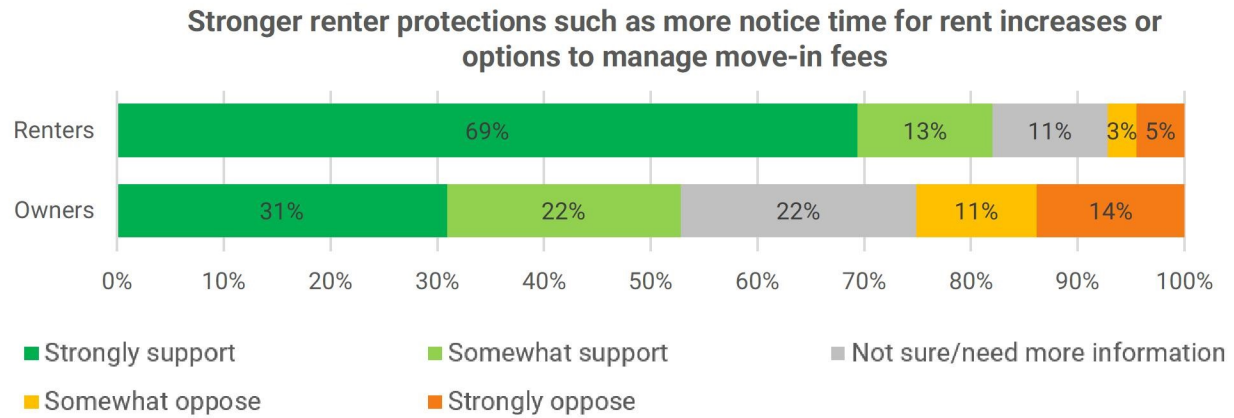
²⁷ "Whatever Happened to the Starter Home?" The New York Times. September 2022. <https://www.nytimes.com/2022/09/25/upshot/starter-home-prices.html>

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

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

³⁰ "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
Rents and Payments	
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.
Evictions and Discrimination	
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.
Administration	
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.³¹ 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.³²

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.^{33, 34, 35}

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

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

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

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

³⁵ "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.³⁶

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

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.³⁸ 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.³⁹ 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.⁴⁰

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.

³⁶ "A Case for Public Investment in Shared-Equity Homeownership." SquareOne Villages. September 2020. <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/20717>

³⁷ 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/>

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

³⁹ National Low Income Housing Coalition, "Out of Reach: The High Cost of Housing." 2022. https://nlihc.org/sites/default/files/2022_OOR.pdf

⁴⁰ "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.⁴¹ 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.⁴² 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.⁴³

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 2022.⁴⁴ 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

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

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

⁴³ “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>

⁴⁴ “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.⁴⁵ 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

⁴⁵ “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.

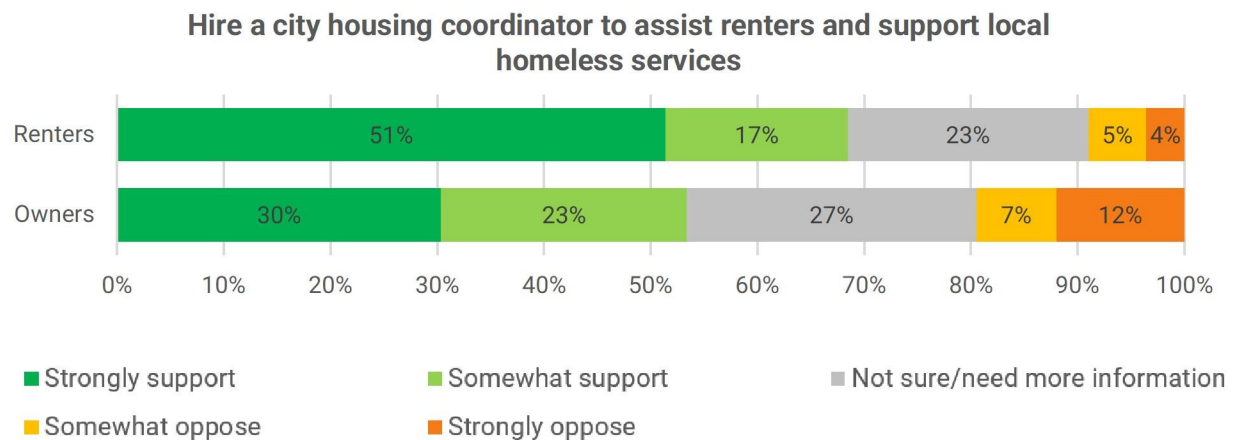
4.1 – Hire a Housing Coordinator

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.

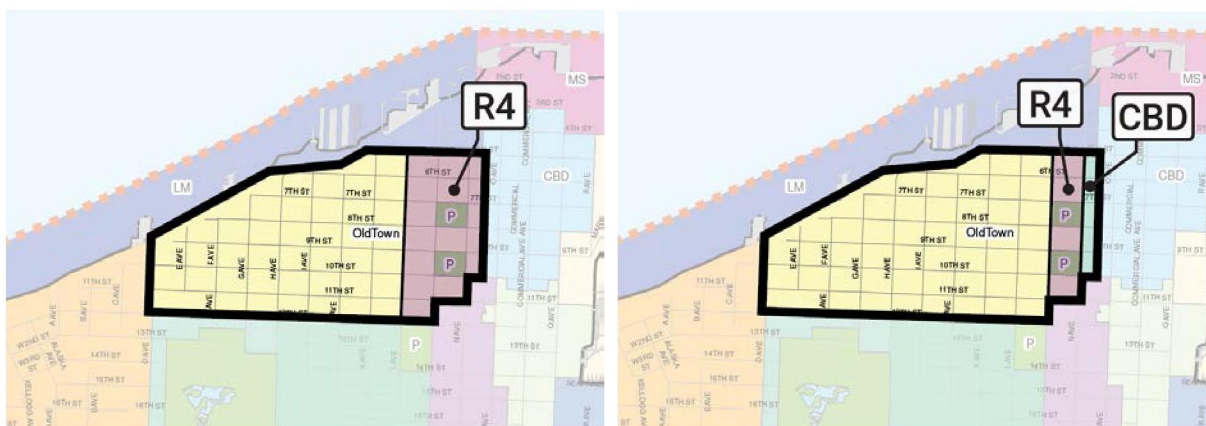


Figure 19. Two options for future consideration of zoning changes in the Old Town zone adjacent to downtown



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 feet 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).

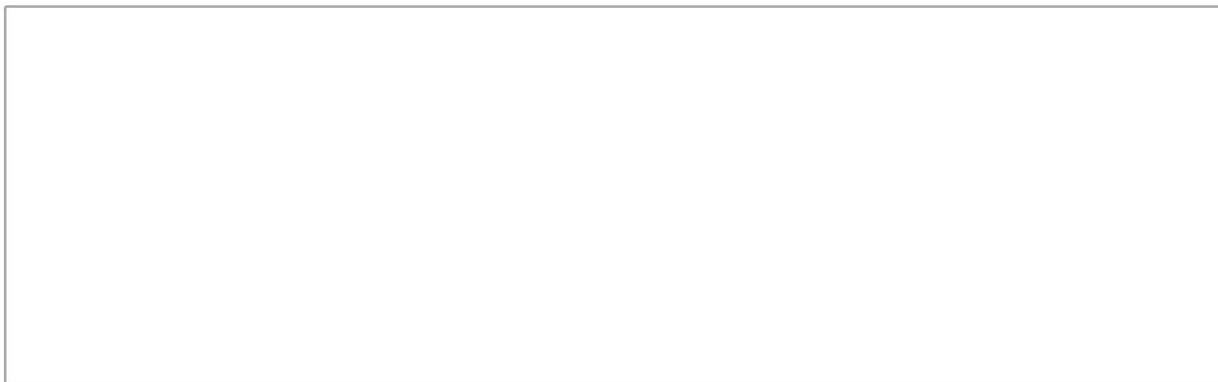


Figure 21. Excerpt of the zoning map showing the R1 zone.

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.

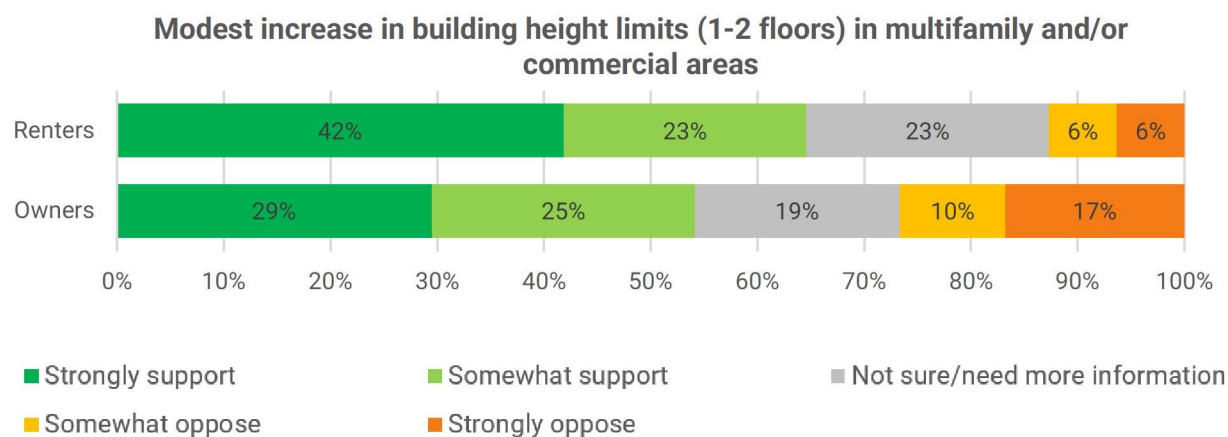
The areas zoned Central Business District (CBD) and Commercial (C) are desirable areas for new development because they offer the best access to the jobs, services, and transit. More housing options and diversity are needed in this area, but it has seen limited residential development activity in recent 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.^{46, 47}

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.⁴⁸ 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.⁴⁹

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.

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

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

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

⁴⁹ "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.

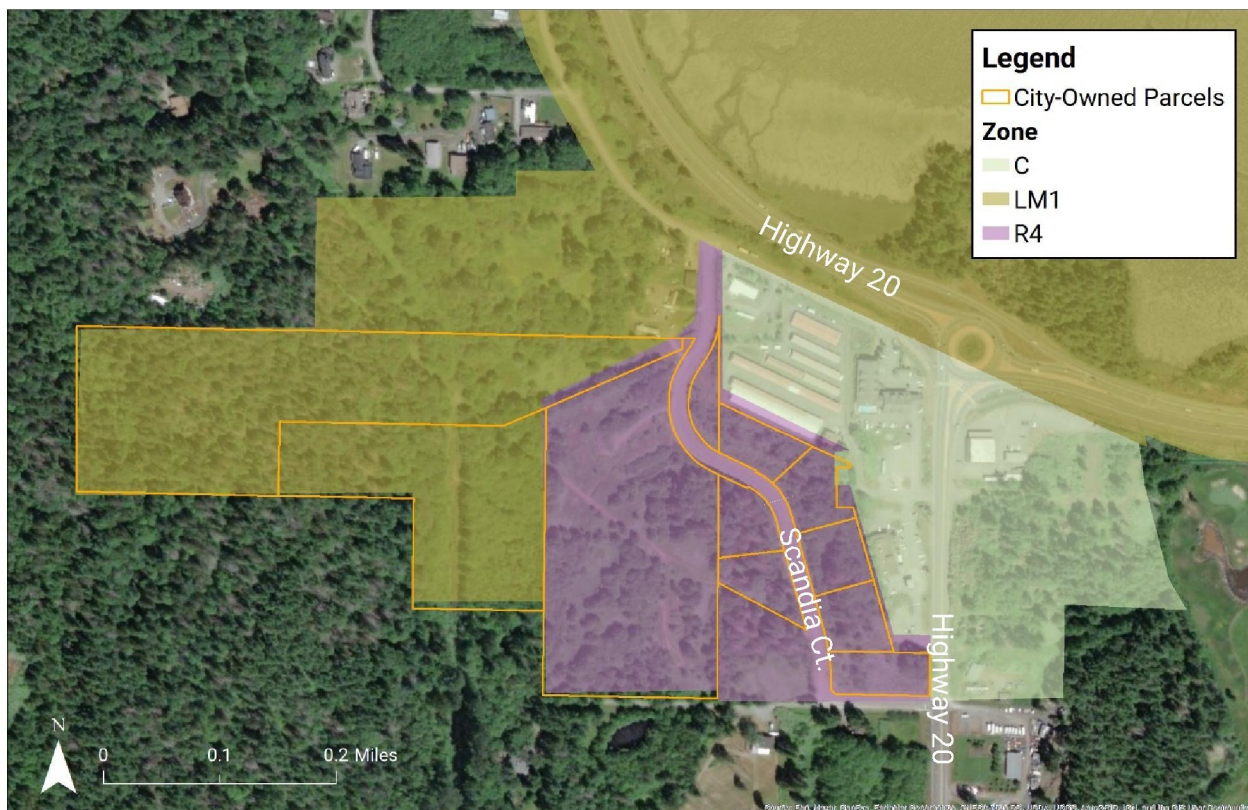


Figure 23. Aerial map and zoning of the City-owned Sharpe’s Corner property

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.^{50, 51}

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.

⁵⁰ “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>

⁵¹ 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.⁵²

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

⁵² "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.

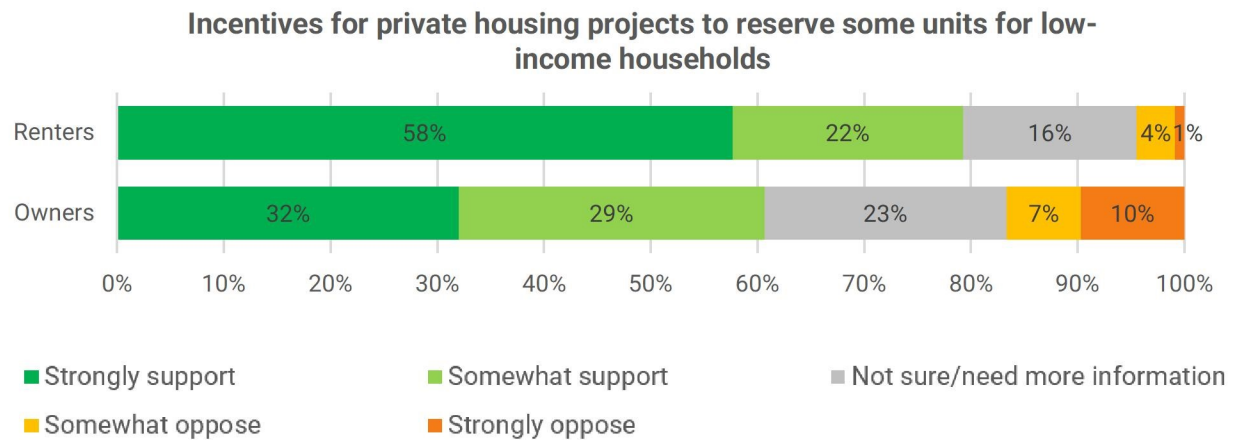
Starting in 2021, cities may also offer a 20-year tax exemption if at least 25 percent of condominium units are sold as permanently affordable ownership housing.⁵³ For cities under 20,000 residents, the 20-year program requires the development to be in a zone that allows at least 15 dwelling units per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

⁵³ "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.⁵⁴

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	8-year program: CBD, C, R4, and R3A zones 12-year program: CBD, C, R4, and R3A zones 20-year program: CBD, C, and R4 zones
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.

⁵⁴ "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

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	"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. "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. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 80 percent of the median family income 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. "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than 80 percent but is at or below 115 percent of the median family income 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.
Affordable housing criteria	• 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. • In the 12-year exemption, 20% of units must be rented or sold at prices affordable to low-income or moderate-income households. • In the 20-year exemption, at least 25% of units must be sold at prices affordable to low-income or moderate-income households. 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.
Design requirements	• 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. • In new developments with 20 units or more, no more than 80 percent of total units may be studios or one-bedroom units
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
Parks				
Single-Family	\$ 1,471.70	\$ 855.00	\$ 655.00	\$ 1,673.00
Multifamily	\$ 1,060.33	\$ 789.00	\$ 655.00	\$ 1,344.00
Transportation				
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		
Fire				
Single-Family	\$ 503.67	\$ 152.00	\$ 253.73	\$ 0
Multifamily	\$ 426.85	\$ 152.00	\$ 253.73	\$ 0
School				
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.⁵⁵ 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.⁵⁶

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.⁵⁷ 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.

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

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

⁵⁷ "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.⁵⁸ 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.⁵⁹ 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.

⁵⁸ 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

⁵⁹ 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.⁶⁰ 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.⁶¹

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).

⁶⁰ 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.

⁶¹ 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:⁶²

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

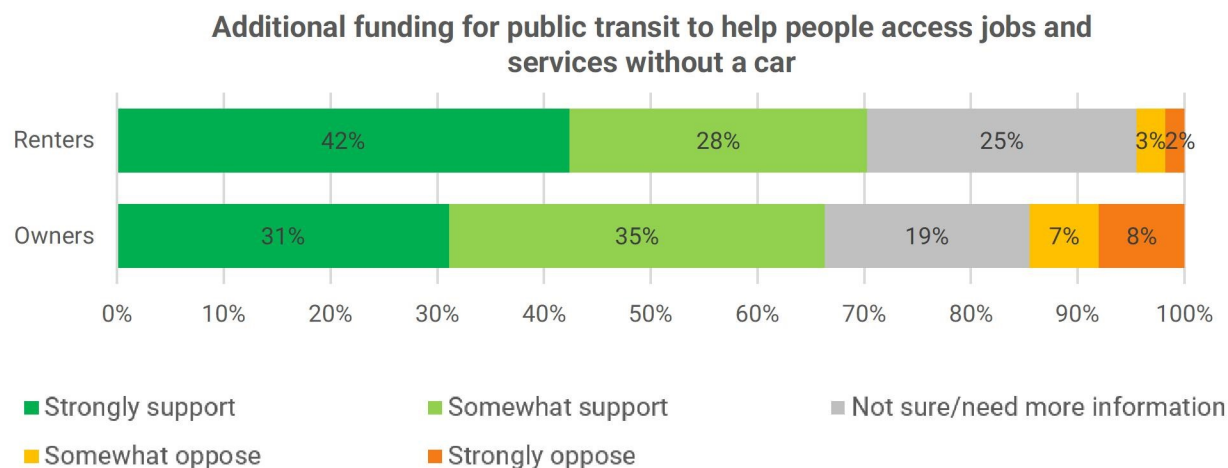
It is the recommendation of this HAP to increase the revenue of the Anacortes Transportation Benefit District. Most of the additional funding would bolster Skagit Transit service through an interlocal agreement. Improved transit should be focused on connecting Anacortes's multifamily areas to commercial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

⁶² "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.⁶³ 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](https://leg.wa.gov/RCW/default.aspx?cite=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.

⁶³ “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.⁶⁴ 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.^{65, 66} 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.

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

⁶⁵ “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/>

⁶⁶ “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
Regulatory Strategies					
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
Programmatic Strategies					
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 Other strategies: Further study, City budget, and future ordinances
3.3	Homelessness strategies	High	City Council	Ongoing	Intermediate actions Other actions: Further study and City budget
Citywide Planning Strategies					
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
Funding Strategies					
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