

# **CHAPTER VII**

## **HOUSING ELEMENT**

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### **INTRODUCTION**

The purpose of the Housing Element is to assess the housing status in the City of Mill Creek in regard to its condition, availability and affordability and to develop goals and policies that will ensure that adequate housing is available to future residents of the City. The City recognizes that if housing needs for its residents are addressed, it will contribute to the overall wellbeing of the community. In planning for the future housing needs of the community, it is essential to maintain the integrity and quality of the existing residential neighborhoods. As well, it is important that the City work on a regional basis to ensure that there is an equitable distribution of housing for all levels of income.

Included in this element is an assessment of existing housing conditions, goals and policies to address the housing needs of the community and strategies to maintain and provide adequate housing in the City of Mill Creek.

Information included in this chapter is based upon the 2000 U.S. Census data generated by Snohomish County and surveys conducted by the City of Mill Creek.

### **GROWTH MANAGEMENT ACT AND COUNTYWIDE PLANNING POLICIES**

The Washington State Growth Management Act requires a Housing Element to be included in the Comprehensive Plan. The housing goal of the GMA is to "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types and encourage preservation of existing housing stock." At a minimum, the element must address:

- An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to accommodate projected growth;
- A statement of goals, policies and objectives for the preservation, improvement and development of housing;
- Identification of sufficient land for housing, including but not limited to, government-assisted housing, housing for low-income families, manufactured housing, group homes and foster care facilities; and
- Adequate provisions for existing and projected housing needs of all economic segments of the community.

In addition, the City's Comprehensive Plan must be in substantial agreement with the Countywide Planning Policies developed by Snohomish County Tomorrow. These policies provide a framework for the development of the Comprehensive Plan and will help to ensure that the City's Comprehensive Plan will be consistent with the plans of the County and surrounding jurisdictions.

## **ISSUES**

The median value of housing in the City of Mill Creek has increased by 68 percent between 1990 and 2000, out-pacing the increase in incomes for the same time period (28 percent increase in the median household income). Contributing to the increase in the cost of housing is the price of available, developable land within the City, as well as increasing costs of land development, building materials and construction. As housing costs continue to rise and income levels do not keep pace, it will become more difficult for many people to purchase their own homes. According to the 2000 Census, the median home sale price in the City of Mill Creek was \$290,000. The average median home sale price countywide was \$188,000.

Mill Creek's population is largely comprised of families with children and adults over the age of 55. The housing needs vary greatly for these population groups. Thus, the challenge for the City is to provide a broad range of housing and other services to meet the needs of its population groups.

In accordance with the Growth Management Act, the City must plan for and have development regulations that allow a variety of housing including manufactured housing, accessory dwelling units, group homes for special needs populations, multifamily and mixed uses (e.g., residential over retail and/or office).

Providing opportunities for those who work in the City to also live in the City is a goal of the Growth Management Act. Approximately 35 percent of the jobs in the City of Mill Creek and its Municipal Urban Growth Area are lower income jobs. Because the cost of housing within the City and the surrounding area is higher than in other parts of the County, it may be difficult for these workers to find housing in the City.

## **EXISTING CONDITIONS/INVENTORY**

### **Age and Condition of Housing**

Mill Creek is a relatively new City, incorporated in 1983. The majority of the City is a planned residential development, centered around a golf course and a natural area with a trail system. A portion of the planned community was developed in unincorporated Snohomish County before the City incorporated. Prior to the construction of this planned community, the area was forested and mostly rural.

In 1990 there were 3,136 housing units within the City of Mill Creek. Of these units, approximately 2,367 were built between 1980 and 1990. In 2000, there were a total of 4,769 housing units, which represents an increase of 2,402 housing units between

1990 and 2000. A housing survey conducted by the City in 2003 revealed that an additional 2,001 units were added to the City's housing stock since the 2000 census was taken, resulting in a total of 6,770 residential units. These numbers include both new construction and annexation of existing residential units.

Because the majority of the houses in Mill Creek are less than 20 years old, the upkeep and maintenance problems associated with older housing do not yet exist within the City. As the housing stock ages, however, this may become an issue. The surrounding Municipal Urban Growth Area contains a mixture of housing types and conditions, although many of the subdivisions were developed at the same time that the planned community of Mill Creek was being developed.

**Housing Composition and Household Size**

Mill Creek contains a variety of housing types including single-family detached units, single-family attached units and multifamily units. Table 1 illustrates housing composition within the City of Mill Creek as of November 2003.

**Table 1  
Housing Composition**

| <b>Housing Type</b>    | <b>Quantity<br/>(in units)</b> | <b>Percentage of Total</b> |
|------------------------|--------------------------------|----------------------------|
| Single-Family Detached | 3,377                          | 50%                        |
| Single-Family Attached | 857                            | 13%                        |
| Single-Family Combined | 4,234                          | 63%                        |
| Multifamily            | 2,536                          | 37%                        |
| <b>Total Units</b>     | <b>6,770</b>                   |                            |

Source: Based on inventory of housing units as of November 2003

In 2000 the average number of persons per household in the City was slightly lower than in the County--2.42 persons in the City compared to 2.65 persons in the County. In Mill Creek the average number of persons per owner-occupied household was 2.66, while there was an average of 2.04 persons in renter-occupied households. Countywide, the average number of persons was 2.82 per owner-occupied household and 2.31 persons in renter-occupied households.

**Household Income and Housing**

Affordable housing is defined by the U.S. Department of Housing and Urban Development as decent, safe housing that costs no more than 30 percent of a household's gross monthly income for mortgage/rent and utility payments. Households with incomes that fall below the median area income are less likely to be able to afford to purchase their own home or to be able to afford to rent an apartment.

Since 1980 and continuing during the 1990s, there has been a decrease in the availability of affordable housing throughout the state. In the Puget Sound area, rapid population growth has led to higher demands for housing, which has in turn escalated housing costs. With less developable land available and higher costs for materials and labor, the cost of new housing has increased significantly. In addition, incomes have not increased enough to counteract the effects of inflation and rising home prices.

Housing in the City of Mill Creek is more expensive than in most other portions of Snohomish County. The median value of a home in Mill Creek in 2000 was \$300,700 while the median value of a home in Snohomish County was \$196,500. Median incomes within the City were also higher in 2000 in comparison to the median income in the County (\$69,702 compared to \$53,060).

According to the 2000 U.S. Census, there were 869 households (including owners and renters) out of 4,360 households in the City of Mill Creek that earned less than 95 percent of the County median income (\$53,060), and were spending more than 30 percent of their incomes on housing costs (mortgage/rent and utilities). This means that nearly 20 percent of the households in the City, including both homeowners and renters, are in need of more affordable housing. In addition, many of the people working in the City cannot afford to live within the City. If recent trends continue, including rising housing costs and a forecasted increase in service related jobs, it will become more and more difficult for people employed in the City to afford to live in the City. The strategies included in this element address ways the City can help to influence the provision of affordable housing in the City.

One of the contributing factors to the high cost of housing is the high cost of developable land in the City. In order to mitigate these escalating costs, the Growth Management Act encourages local governments to use a variety of innovative land use management techniques in order to enhance the opportunities to provide affordable housing. Some of the techniques available to influence the cost of land and thus aid the development of affordable housing include: increased densities, zero lot lines, cluster development, density bonuses, accessory apartments, mixed-use development, and inclusionary zoning (see Glossary for definitions).

#### Identification of Sufficient Land for Housing

The Countywide Planning Policies establish 2025 population targets for individual jurisdictions and for establishing appropriate land uses within their Comprehensive Plan. For the City of Mill Creek, the 2025 population target recommended by Snohomish County Tomorrow is 16,089.

Based upon an average of 2.42 people per household (2000 Census), an analysis of the City's existing, approved and under construction residential units, in conjunction with the supply of residentially-zoned undeveloped/underdeveloped land within the City, shows that adequate land is available to meet the City's 2025 housing supply needs (See Table 2 below).

The City has also established population targets for the unincorporated portion of its MUGA. The 2025 population target for the unincorporated portion of the City's MUGA is 56,232. Again, based upon an average of 2.42 people per household, an analysis of the existing residential units and recently platted properties, in conjunction with the supply of residentially-zoned undeveloped/underdeveloped land within the City's MUGA, shows that adequate land is available to meet the City MUGA's 2025 housing supply needs (See Table 2 below).

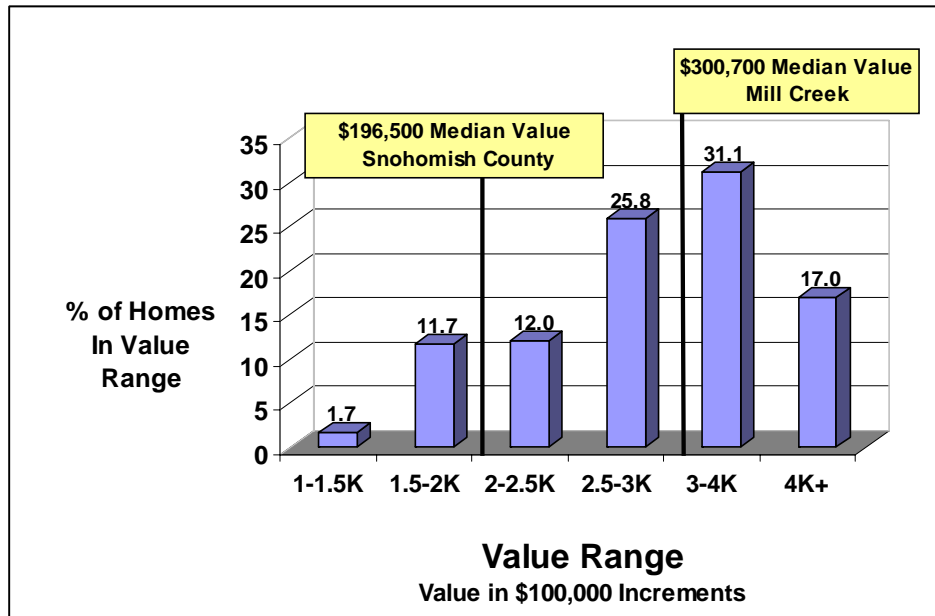
**Table 2  
Population/Housing Capacity**

|                             | 2003<br>Estimated<br>Population | 2006<br>Estimated<br>Population | 2025<br>Population<br>Target | Estimated 2025<br>Population<br>Capacity |
|-----------------------------|---------------------------------|---------------------------------|------------------------------|--|
| City Limits                 | 12,260                          | 17,460                          | 16,089                       | 19,490                                   |
| City Unincorporated<br>MUGA | N/A                             | 34,785                          | 72,321                       | 75,417                                   |
| <b>Totals</b>               | <b>12,260</b>                   | <b>52,245</b>                   | <b>88,410</b>                | <b>94,907</b>                            |

Source: Population estimates based upon average Mill Creek Household (2000 Census), OFM statistics, 2007 Buildable Lands Report for Snohomish County, existing and approved residential units, and permitted densities of undeveloped land.

Note: The 2025 Population Target for the city limits is based on the 2002 city boundaries.

**Figure 1  
City of Mill Creek 2000 Housing Values**

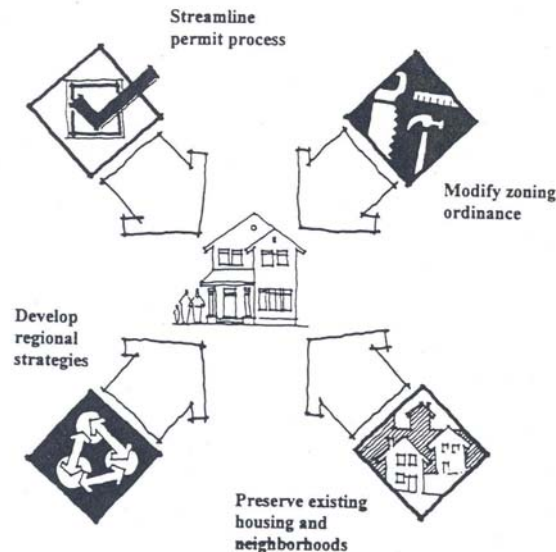


## HOUSING POLICIES

### *Policy 1.01*

The City will work with the development community to encourage affordable housing within the City.

**Figure 2**  
**Elements to Create Affordable Housing**



### *Policy 1.02*

The City will cooperate with surrounding jurisdictions and the County to provide housing for all economic segments of the community.

### *Policy 1.03*

The City will work with Snohomish County and other cities and towns in the County to develop a methodology that fairly allocates affordable housing throughout the County.

### *Policy 1.04*

The City shall pursue strategies that encourage a variety of housing choices to be developed. Examples of the types of housing that will be considered are accessory dwelling units, congregate care facilities, retirement homes, mixed-use development, multifamily complexes, inclusionary zoning, manufactured housing and home-sharing programs.

### *Policy 1.05*

The City will strive to accommodate the special needs of various segments of the community including the elderly, developmentally disabled, physically handicapped and others with housing needs.

*Policy 1.06*

The City will take steps to ensure that development regulations and housing policies will preserve existing residential neighborhoods.

*Policy 1.07*

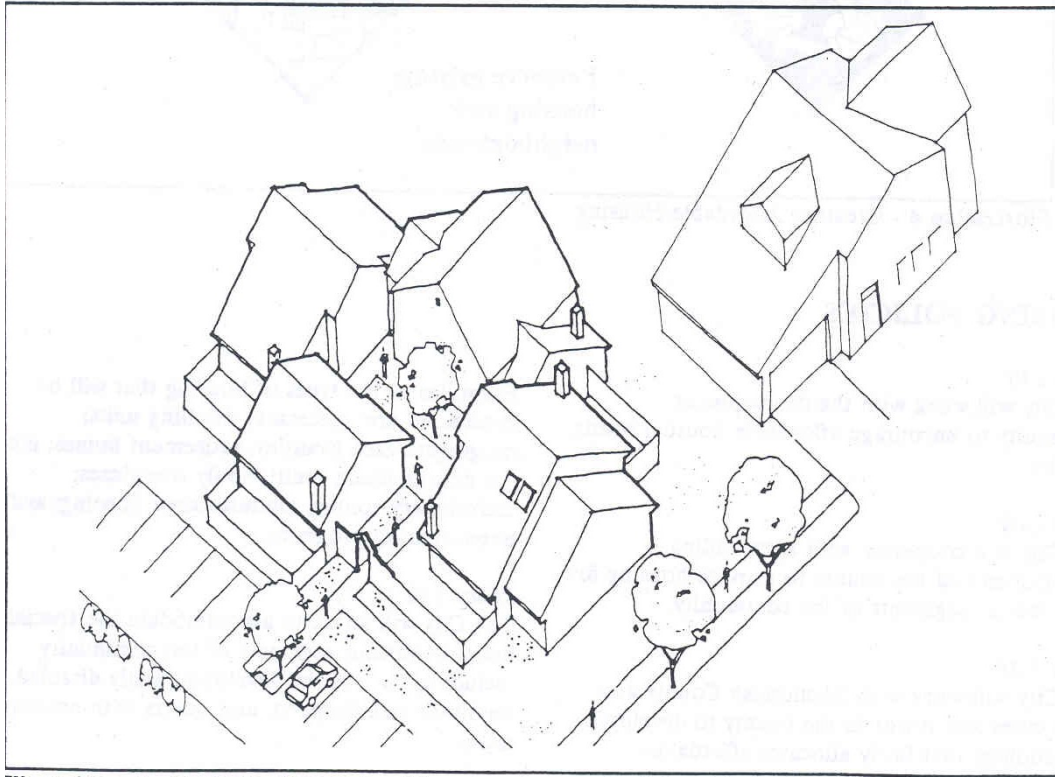
The City will consider the effect new regulations will have on existing residential neighborhoods as well as the impact on future construction within the community, prior to enacting changes in the zoning and development codes.

**STRATEGIES**

The following strategies are actions that the City may pursue in order to implement the goals and policies of the element. These strategies may also specify future planning activities for the City.

- The City will participate in regional discussions on how to plan for adequate affordable housing for very low, low, moderate and middle income households consistent with the Countywide Planning Policies.
- The City will participate in the development of any Countywide monitoring program that will determine the Countywide status of housing.
- As a part of its implementation of the Comprehensive Plan, the City will continue to consider zoning mechanisms and development standards that can increase density in appropriate areas. These mechanisms include compact development, minimum densities for selected residential zone districts, planned residential development, zero lot line development and density bonuses for up-zoning. Most of these mechanisms are available in the City's development regulations and have been used in the SR 527 Corridor Subarea, as well as other areas in the City.
- The City will continue to update its zoning ordinance to include strategies that encourage affordable housing and provide housing for special needs populations such as mixed-use development, congregate care facilities, retirement homes, accessory apartments and inclusionary zoning.
- To keep the costs of new housing to a minimum, the City will review its permit process to ensure that it is efficient and does not add significantly to development costs.

**Figure 3** - Example of ways to address housing needs of the elderly. This illustrates a four unit cluster of homes for seniors that can provide a shared common space



**Figure 4** - Options to create a wider range and more affordable owner occupied housing.

