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.

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Contents

Table of Contents

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

Abbreviations

ACS. American Community Survey, an annual product of the U.S. Census Bureau.
ADU. Accessory dwelling unit.
AHA. Anacortes Housing Authority.
AFC. Anacortes Family Center.
AMC. Anacortes Municipal Code (city law).
AMI. Area median income.
CHAS. Comprehensive Housing Affordability Strategy, a product of the U.S. Department of Housing and Urban Development.
GIS. Geographic information system.
GFC. General facilities charge.
HACS. Housing Affordability and Community Services, a committee of the Anacortes City Council.
HAP. Housing Action Plan.
HUD. U.S. Department of Housing and Urban Development.
LEHD. Longitudinal Employer-Household Dynamics, a product of the U.S. Census Bureau.
MFTE. Multifamily tax exemption program.
MSA. Metropolitan Statistical Area.
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.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
<th>Priority</th>
<th>Time</th>
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<td>2.2</td>
<td>Map the R3A zone and update its standards</td>
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<td>Streamline ADU regulations</td>
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<td>Adjust form and intensity standards</td>
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<tr>
<td>5.7</td>
<td>State advocacy</td>
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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,

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

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

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

Figure 2. Cost Burden Status by Household Income Level (Percent), 2020. Source: HUD CHAS
Other subgroups of Anacortes residents identified in the HAP Existing Conditions and Housing Needs Analysis Report include:

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

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.

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

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

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.

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.

<table>
<thead>
<tr>
<th>Residential Zones</th>
<th>R1</th>
<th>R2</th>
<th>R2A</th>
<th>R3</th>
<th>R3A</th>
<th>R4</th>
<th>R4A</th>
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### Residential Zones

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<td></td>
<td>(X) Max. 4 units</td>
</tr>
<tr>
<td>Transitional housing</td>
<td>P (X)</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td>(X) Max. 4 units</td>
</tr>
</tbody>
</table>

*Figure 5. Excerpt of Table 19.41.040*

### Commercial and Mixed-Use Zones

<table>
<thead>
<tr>
<th>Residential Uses</th>
<th>CBD</th>
<th>C</th>
<th>MMU</th>
<th>CM</th>
<th>CM2</th>
<th>LM</th>
<th>LM1</th>
<th>MS</th>
<th>I</th>
<th>HM</th>
<th>Conditions/Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Household living</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Single-family</td>
<td>C</td>
<td>C</td>
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<tr>
<td>Single-family, small lot</td>
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<tr>
<td>Cottage housing</td>
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<tr>
<td>Duplex</td>
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<tr>
<td>Triplex</td>
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<tr>
<td>Townhouse</td>
<td>P</td>
<td>P</td>
<td>P</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Multifamily dwellings, 4 or more units</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td>C</td>
<td>C</td>
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<tr>
<td><strong>Multifamily dwellings, single room occupancy</strong></td>
<td>P</td>
<td>P</td>
<td>P</td>
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<tr>
<td>Live-work</td>
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<td>P</td>
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<tr>
<td><strong>Group living</strong></td>
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<tr>
<td>Adult family home</td>
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<tr>
<td>Assisted living facility</td>
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<td>P</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Nursing homes</td>
<td>C P</td>
<td>C P</td>
<td>C P</td>
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<td></td>
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<td></td>
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<tr>
<td>Rooming houses</td>
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<tr>
<td><strong>Supportive living</strong></td>
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<td></td>
</tr>
<tr>
<td>Permanent supportive housing</td>
<td>P (X)</td>
<td>P (X)</td>
<td>P (X)</td>
<td>C (X)</td>
<td>C (X)</td>
<td>C (X)</td>
<td></td>
<td></td>
<td>(X) Same conditions as for multifamily</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional housing</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td></td>
<td></td>
<td>(X) Same conditions as for multifamily</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency housing</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency shelter</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Overnight Lodging</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Figures, tables, and data have been accurately transcribed and formatted as per the guidelines.*
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.

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 \( \frac{1}{2} \) 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:

<table>
<thead>
<tr>
<th>#. R2A zone standards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Triplexes located on a lot with alley access are permitted by right. Triplexes not located on a lot with alley access are prohibited.</td>
</tr>
<tr>
<td>b. Triplex units must have no more than ([1,000-1,200]) square feet gross floor area. Units meeting this standard are considered ( \frac{1}{2} ) a dwelling unit for density purposes.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>#. R2A zone standards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>b. Triplex units must have no more than ([1,000-1,200]) square feet gross floor area. Units meeting this standard are considered ( \frac{1}{2} ) a dwelling unit for density purposes.</td>
</tr>
</tbody>
</table>

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. 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.

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.

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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)](image)

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).

<table>
<thead>
<tr>
<th>19.43.010. Supportive housing.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Supportive Housing Use Category.</strong> 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.</td>
</tr>
<tr>
<td>Emergency housing. Defined by RCW 36.70A.030.</td>
</tr>
<tr>
<td>Emergency shelter. Defined by RCW 36.70A.030.</td>
</tr>
<tr>
<td>Permanent supportive housing. Defined by RCW 36.70A.030.</td>
</tr>
<tr>
<td>Transitional housing. Defined by RCW 84.36.043.</td>
</tr>
</tbody>
</table>

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7 What is Permanent Supportive Housing?” Jamboree. [https://www.affordablehousingpipeline.com/blogs/california-affordable-housing/what-is-permanent-supportive-housing](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):  

- 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.  

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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.

<table>
<thead>
<tr>
<th>Tiny Home Type</th>
<th>Considerations</th>
<th>Photo Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent ADU</td>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
| 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 unity 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.  

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. | ![Permanent Cluster Example](image1) |
| 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.                                                                                      | ![Mobile Example](image2) |

https://www.codepublishing.com/WA/Langley#!/Langley18/Langley1822.html#18.22.290
### Tiny Home Type

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Photo Example</th>
</tr>
</thead>
</table>
| **Temporary transitional housing**<br>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 Seattle Municipal Code 23.42.054 and 23.42.056. <br>https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=TIT23LAUSCO_SUBTITLE_III LAUSRE_CH23.42GEUSPR | ![Photo Example](image) |

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*Figure 10. Tiny home options*
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](image-url)

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.”

![Relax restrictions on accessory dwelling units to encourage more to be built](image)

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](image)

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.

---


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.

<table>
<thead>
<tr>
<th>Measure</th>
<th>R1</th>
<th>R2</th>
<th>R2A</th>
<th>R3</th>
<th>R3A</th>
<th>R4</th>
<th>R4A</th>
<th>OT</th>
<th>Conditions/Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lot Size &amp; Development Intensity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>See Chapter 19.43 AMC for minimum lot size adjustments for small unit duplexes, triplexes, and townhouses in some zones.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lot size for single-family dwelling, minimum (square-feet)</td>
<td>15,000</td>
<td>7,500</td>
<td>6,000</td>
<td>4,500</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Lot size for duplex, minimum (square-feet)</td>
<td>9,000</td>
<td>9,000</td>
<td>7,500</td>
<td>6,000</td>
<td>5,000</td>
<td>4,200</td>
<td>4,200</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>Additional lot size needed for additional attached dwelling unit beyond duplex, minimum (square-feet)</td>
<td>1,500</td>
<td>1,500</td>
<td>2,500</td>
<td>1,500</td>
<td>2,000</td>
<td>1,000</td>
<td>1,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Density minimum (dwelling units/gross acre)</strong></td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>See lot size min. above</td>
<td>15</td>
<td>None</td>
<td>18</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Density maximum (dwelling units/gross acre)</td>
<td></td>
<td></td>
<td></td>
<td>See lot size min. above</td>
<td>2</td>
<td>None</td>
<td>18</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Lot coverage, maximum percentage</td>
<td>35%</td>
<td>35%</td>
<td>40%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Landscaped area, minimum percentage</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td><strong>Height – Principal Structures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Height, maximum (feet)</td>
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<td>35</td>
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<td>35</td>
<td>35</td>
<td>40</td>
<td>35</td>
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<tr>
<td>Height, maximum with bonus</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50</td>
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<td><strong>SETBACKS (Feet)</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Street setback, minimum</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>20</td>
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<tr>
<td>Street setback - garage, minimum</td>
<td>25</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Side street setback, minimum</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Interior side setback, minimum</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>R1</td>
<td>R2</td>
<td>R2A</td>
<td>R3</td>
<td>R3A</td>
<td>R4</td>
<td>R4A</td>
<td>OT</td>
<td>Conditions/Reference</td>
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<tr>
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<td>----------------------</td>
</tr>
<tr>
<td>Interior side setback - upper floors, minimum</td>
<td>10</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>2.5</td>
<td>7.5</td>
<td>2.5</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Rear setback, minimum</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

*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).\(^\text{15}\)

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).

---

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.

<table>
<thead>
<tr>
<th>Measure</th>
<th>City of Port Orchard Residential Zones</th>
<th>City of Port Angeles Residential Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R1</td>
<td>R2</td>
</tr>
<tr>
<td>Minimum lot size (no alley access), square feet</td>
<td>6,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Minimum lot size (with alley access), square feet</td>
<td>5,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Maximum hard surface coverage (i.e. impervious surface)</td>
<td>50%</td>
<td>70%</td>
</tr>
</tbody>
</table>

*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. 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.

---

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 feet setbacks from the street to provide adequate space for parking cars in driveways and to de-emphasize garage doors.

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

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

2.4.6 – Height Bonus Program

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

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

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

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

2.4.7 – Elevator Penthouse

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

However, these two features are difficult to combine due to the limitations of AMC 19.42.120(B)(1)(b). This subsection limits structures screening elevators to 15 feet in height where the elevator is accessing a roof deck.
Elevator technology is evolving. Over the past decade the “Machine Room-Less” elevator has become a cost-effective option for buildings over four stories tall and it avoids the environmental impacts of hydraulic piston designs which penetrate deep into the ground below the building (a technology which was previously typical for buildings up to eight stories). The Machine Room-Less design uses a hoistway and mounts mechanical equipment on top of the cab, which increases the overrun above the roof level beyond that assumed by the code.

To achieve a 10-feet 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.

<table>
<thead>
<tr>
<th>“Family” means:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. One person or two or more related persons living together.</td>
</tr>
<tr>
<td>2. <strong>No more than five unrelated</strong> persons living together as a single nonprofit housekeeping unit.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>4. In a single-family dwelling, one roomer or boarder is permitted in addition to the family.</td>
</tr>
</tbody>
</table>

### 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:**

<table>
<thead>
<tr>
<th>19.61.020 Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. The provisions of this chapter apply to all nonresidential, and multifamily, and townhouse development. The following are exempt:</td>
</tr>
</tbody>
</table>

**Site planning standards:**

<table>
<thead>
<tr>
<th>19.62.020 Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. The provisions of this chapter apply to all nonresidential and multifamily development. The following are exempt:</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>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.</th>
</tr>
</thead>
</table>

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.

<table>
<thead>
<tr>
<th>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 &amp; Hedges).</th>
</tr>
</thead>
</table>

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.

<table>
<thead>
<tr>
<th>3. Minimum Width and Length. Planting areas must have a minimum average width of 7.5 feet (measured inside the curb) and must be the same length as the parking stall or column.</th>
</tr>
</thead>
</table>

| 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. |

<table>
<thead>
<tr>
<th>b. For parking lots along internal lot lines, use Type A, B, or C landscaping at least five feet deep, except where a greater buffer width is required per the standards in subsections A and B of this section.</th>
</tr>
</thead>
</table>

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:

<table>
<thead>
<tr>
<th>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:</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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:

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

![Modest decrease in parking requirements for some types of housing](image)

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. 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.

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

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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_IILAUSTRS_C
23.42GEUSPR_23.42.070PARELEMUDWUNCOS
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.

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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.”

| Tighten regulations on vacation rentals to discourage the use of regular housing for tourists |
|---|---|---|---|---|---|---|
| Renters | 56% | 17% | 15% | 5% | 7% |
| Owners | 31% | 21% | 20% | 12% | 16% |

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

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 were 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

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25 Chapple and Loukaitou-Sideris.
in poverty. Three of the indicators can be most directly affected by municipal policies, noted in the table below.

<table>
<thead>
<tr>
<th>Inclusion Indicator</th>
<th>How Anacortes Can Affect This Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased housing density</td>
<td>Zoning standards that directly regulate the density of residential development.</td>
</tr>
<tr>
<td>Higher rates of homeownership</td>
<td>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</td>
</tr>
<tr>
<td>Presence of community organizations</td>
<td>Financial and/or staffing support for community organizations.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
</tbody>
</table>

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

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

### Local Tenant Protection Option

<table>
<thead>
<tr>
<th>Rents and Payments</th>
<th>Other Considerations and Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of monthly rent increases 90-180 days before the effective date, with more notice required for larger increases</td>
<td>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.</td>
</tr>
<tr>
<td>No increase in rent allowed if the property is in poor condition</td>
<td>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.</td>
</tr>
<tr>
<td>Increases over 10% of monthly rent over a 12-month period requires landlord to pay relocation assistance for economically-displaced tenants.</td>
<td>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).</td>
</tr>
<tr>
<td>Move-in fees capped at one month’s rent and require offer of installment plans</td>
<td>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.</td>
</tr>
<tr>
<td>Caps on rent payment late fees</td>
<td>The KCBA approach is a cap of $10 per month and the tenant is not responsible for any legal fees or other services.</td>
</tr>
<tr>
<td>Leases must allow rent to be paid on different days of the month</td>
<td>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.</td>
</tr>
</tbody>
</table>

### 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. 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

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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

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33 “Housing Rehabilitation Loan Program.” City of Vancouver. [https://www.cityofvancouver.us/eph/page/housing-rehabilitation-loan-program](https://www.cityofvancouver.us/eph/page/housing-rehabilitation-loan-program)
34 “Home Rehabilitation.” City of Spokane. [https://my.spokanecity.org/housing/affordable/](https://my.spokanecity.org/housing/affordable/)
35 “Home Rehabilitation Loan Program.” Pierce County. [https://www.piercecountywa.gov/3093/Home-Rehabilitation-Loan-Program](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.

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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. Homelessness is a government concern because it relates to the health, safety, and welfare of individuals and the community at-large. 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. 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.

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. 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 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

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. This is because it is extremely difficult or impossible to address the personal, financial, mental, or physical problems that underly 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

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](image)

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

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.

<table>
<thead>
<tr>
<th>Height Limits (feet)</th>
<th>CBD</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Height, maximum</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Height, maximum with bonus</td>
<td>65</td>
<td>55</td>
</tr>
</tbody>
</table>

![Figure 22. CBD and C zone height limits](image)

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.

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46 “Parking Reform Network.” [https://parkingreform.org/resources/mandates-map/](https://parkingreform.org/resources/mandates-map/)
47 “Rethinking Parking Minimums.” Institute of Transportation Engineers. February 2019. [https://www.dropbox.com/s/1becvqm8ebznwj2/ITE%20journal.pdf?dl=0](https://www.dropbox.com/s/1becvqm8ebznwj2/ITE%20journal.pdf?dl=0)
48 “End Parking Mandates & Subsidies.” Strong Towns. [https://www.strongtowns.org/parking](https://www.strongtowns.org/parking)
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](https://laws.wa.gov/bureau/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](image-url)
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.

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

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](https://laws.wa.gov/RCW/84). 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. 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.

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53 “Overview of 2021 Changes to the Multifamily Housing Tax Exemption Program.” Washington State Department of Commerce. [https://deptofcommerce.box.com/shared/static/7k5p88yv41m8ot882g8tzafwlofkf05.pdf](https://deptofcommerce.box.com/shared/static/7k5p88yv41m8ot882g8tzafwlofkf05.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.

<table>
<thead>
<tr>
<th>Program Characteristic</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption duration offered</td>
<td>Offer the 8-, 12-, and 20-year exemptions to provide flexibility and meet a range of housing needs.</td>
</tr>
</tbody>
</table>
| 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. |

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<table>
<thead>
<tr>
<th>Program Characteristic</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible properties</td>
<td>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.</td>
</tr>
<tr>
<td>Definitions</td>
<td>“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.</td>
</tr>
<tr>
<td></td>
<td>“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.</td>
</tr>
<tr>
<td></td>
<td>“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.</td>
</tr>
<tr>
<td></td>
<td>“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.</td>
</tr>
<tr>
<td>Affordable housing criteria</td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• In the 12-year exemption, 20% of units must be rented or sold at prices affordable to low-income or moderate-income households.</td>
</tr>
<tr>
<td></td>
<td>• In the 20-year exemption, at least 25% of units must be sold at prices affordable to low-income or moderate-income households.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Design requirements</td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• In new developments with 20 units or more, no more than 80 percent of total units may be studios or one-bedroom units.</td>
</tr>
<tr>
<td>Other characteristics</td>
<td>Follow the other standards of state law regarding definitions, application review and procedures, issuance of certificates, annual compliance review, and cancellations.</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Water Meter Size</th>
<th>GFC</th>
<th>Housing Type</th>
<th>Sewer Housing Type</th>
<th>GFC</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4 &amp; 3/4</td>
<td>$8,885</td>
<td>Single-family</td>
<td>$9,942</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$22,213</td>
<td>Multifamily</td>
<td>$7,953</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>$44,426</td>
<td>Manufactured Home In Park</td>
<td>$6,462</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$71,082</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$142,163</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$222,130</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 25. Anacortes General Facility Charges (GFCs). Source: City of Anacortes
<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Anacortes</th>
<th>Mount Vernon</th>
<th>Burlington</th>
<th>Oak Harbor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>$ 1,471.70</td>
<td>$ 855.00</td>
<td>$ 655.00</td>
<td>$ 1,673.00</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$ 1,060.33</td>
<td>$ 789.00</td>
<td>$ 655.00</td>
<td>$ 1,344.00</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>$ 3,043.58</td>
<td>$ 5,714.00</td>
<td>$ 2,665.00</td>
<td>$ 907.00</td>
</tr>
<tr>
<td>Multifamily</td>
<td></td>
<td></td>
<td>$ 2,665.00</td>
<td>$ 907.00</td>
</tr>
<tr>
<td>Duplex</td>
<td>$ 1,887.02</td>
<td>$ 5,714.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cottage</td>
<td>$ 1,887.02</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment (low-rise 1-2 levels)</td>
<td>$ 1,187.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment (mid-rise 3-10 levels)</td>
<td>$ 1,065.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment (high-rise 10+ levels)</td>
<td>$ 1,582.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condo/Townhome (low-rise)</td>
<td>$ 1,156.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condo/Townhome (high-rise)</td>
<td>$ 1,795.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily (50 units or less)</td>
<td></td>
<td>$ 5,714.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily (51 units and more)</td>
<td></td>
<td>$ 3,507.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Housing (50 units or less)</td>
<td></td>
<td>$ 1,471.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Housing (51 units and more)</td>
<td></td>
<td>$ 621.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>$ 503.67</td>
<td>$ 152.00</td>
<td>$ 253.73</td>
<td>$ 0</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$ 426.85</td>
<td>$ 152.00</td>
<td>$ 253.73</td>
<td>$ 0</td>
</tr>
<tr>
<td>School</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family</td>
<td>$ 0</td>
<td>$ 9,421.00</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Duplex</td>
<td>$ 0</td>
<td>$ 9,421.00</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$ 0</td>
<td>$ 1,134.00</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

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. 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.

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. 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.


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. 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. 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.

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59 ADU Aid Programs Across the U.S.” Villa. [https://villahomes.com/blog/adu-aid-programs/](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).

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:

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

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

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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. Further, the HAP Public Engagement Report found a total of 66% of the 648 respondents supported “additional funding for public transit to help people access jobs and services without a car.” Statewide in recent years, voters have approved the vast majority of all proposed TBD sales taxes.

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

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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. 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 downsize, but they are rarely built in Washington State due to the liabilities placed on developers under state law. 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.

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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.

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

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Priority</th>
<th>Lead Department</th>
<th>Time</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>Land Use Element updates</td>
<td>Medium</td>
<td>Planning Services</td>
<td>12-24 months</td>
<td>Comprehensive Plan annual amendment and major periodic update</td>
</tr>
<tr>
<td>4.4</td>
<td>Public land for affordable housing</td>
<td>Medium</td>
<td>City Council (with Planning Services)</td>
<td>Ongoing</td>
<td>Partnerships, City budget, policy in resolution or Comprehensive Plan, and future ordinances</td>
</tr>
</tbody>
</table>

#### 5.1 Multifamily tax exemption program
- **Priority**: High
- **Lead Department**: Planning Services (with City Treasurer and City Council)
- **Time**: 0-6 months
- **Method**: MFTE Ordinance

#### 5.2 Development fee adjustments
- **Priority**: Low
- **Lead Department**: Planning Services
- **Time**: 0-6 months
- **Method**: Fee schedule update

#### 5.3 Tax increment financing
- **Priority**: Low
- **Lead Department**: Planning Services (with City Treasurer)
- **Time**: 6-12 months
- **Method**: Further study and future ordinance

#### 5.4 Funding for ADU development
- **Priority**: Medium
- **Lead Department**: Planning Services (with City Treasurer)
- **Time**: 6-12 months
- **Method**: City budget

#### 5.5 Inclusionary zoning and fee-in-lieu
- **Priority**: Low
- **Lead Department**: Planning Services
- **Time**: Long term
- **Method**: Monitor multifamily housing production for need and feasibility

#### 5.6 Transit and sidewalk funding
- **Priority**: Medium
- **Lead Department**: Planning Services (with Public Works and City Treasurer)
- **Time**: 6-12 months
- **Method**: Transportation planning, ballot measure, interlocal agreement with Skagit Transit

#### 5.7 State advocacy
- **Priority**: Low
- **Lead Department**: City Council
- **Time**: Ongoing
- **Method**: Legislative agenda and engagement with American Planning Association WA and Association of Washington Cities

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### 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.

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