

Housing Element

Introduction

One of society's most basic needs is shelter. How we, as a society, preserve the housing stock we have and how we plan to accommodate our future housing needs reflect upon the quality of life we enjoy or want to enjoy. It is important to consider where we locate new residential areas, for this decision will drive the determination as to where public infrastructure (roads, utilities, parks, and schools) will be located.

Granite Falls' historic downtown is typical of a small town developed in the late 19th and early 20th centuries, with a grid street network, relatively small lots, and single family homes mixed with small commercial spaces. Today there is a mix of building ages downtown, but it still features a traditional small town character with a strong concentration of homes from the early 20th century. The City's outer edges predominantly feature homes constructed in the last 40 years, including many built in the past decade, reflecting the City's considerable growth during this period. Eighty three percent (83%) of all housing units were built after 1970. Among older homes, the largest portion was built before 1939, with 11% of all units.

This Element provides an inventory and analysis of the existing housing stock, assesses the needs of the community, and puts forth a strategy to implement Granite Falls' housing goals. It is also intended to provide City officials and the general public with the information necessary to guide housing growth in the direction that best addresses the desires of not only Granite Falls existing and anticipated residents, but those with special housing needs as well.

This Element is intended to be consistent with Countywide Planning Policies.

Population Projections

A complete analysis and discussion of projected population growth for Granite Falls to the year 2035 is presented elsewhere in this Comprehensive Plan. It is expected that the Granite Falls area will achieve a population level allocation target of approximately 7,842 as presented in Table H-1 by the year 2035.

Table H-1
City of Granite Falls and Environs
Alternative Population Scenarios: 2011 to 2035

Annual % Change	2011	2025	2035
3.3	3,370	4,259	7,843

Source: Snohomish County Tomorrow 2035 Population Targets

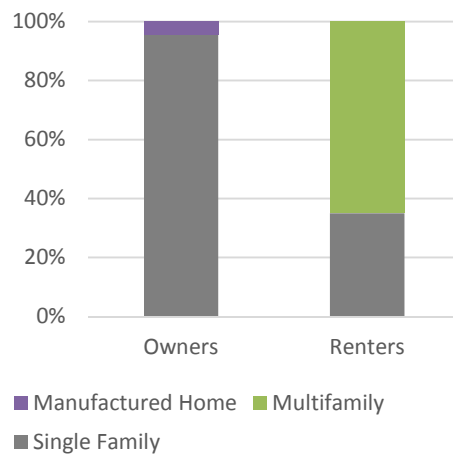
Therefore, the incremental increase in population for which housing will have to be provided over the next 20 years is expected to be approximately 4,500.

Housing Characteristics

Inventory by Housing Type

Overall, 76% of the City’s housing units are detached single family homes. Multifamily housing is split relatively evenly between units in buildings with less than ten units and more than ten units. Figure H-1 shows the distribution of renter and owner households among different types of households according to the U.S. Census Bureau 2008-2012 American Community Survey (ACS). It should be noted that ACS data is based on a sample survey, so there is a margin of error to consider. For example, while there weren’t any mobile home renters in that sample, someone could have put their mobile home up for rent after the sample was taken. The City’s multi-family units are almost exclusively occupied by renters, whereas mobile homes appear to provide a viable alternative for affordable home ownership.

Figure H-1
Dwelling Type by Housing Tenure, City of Granite Falls



Source: US Census Bureau; American Community Survey 2008 - 2012

Based on the City of Granite Falls 2014 Land Use Survey, Granite Falls has approximately 40 mobile homes or almost 3 percent of Granite Falls’ housing stock. It may reasonably be expected that mobile homes will constitute at least 3 to 5 percent of the City’s housing stock for the next 20 years.

Between 2001 and the 2014, housing in Granite Falls grew as follows:

**Table H-2
Granite Falls Washington
Additional Housing Units
2001-2014**

Unit Type	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Single Family	65	32	56	38	19	7	49	34	3	1	7	1		1	313
Duplex			6	4				6	6				6		28
Multi	6	53						13							72
Mobile Homes								1	8						9
Totals	71	85	62	42	19	7	49	54	17	1	7	1	6	1	422

Average Household Size

Nationwide, there is a long-established trend of declining household sizes. In the 1950s and early 1960s, the typical American family was comprised of three to four persons. Over the last 25 years, this number has been steadily shrinking to the point where, nationally, it now stands at about 2.5 persons per dwelling unit. Closer to home, the same declining pattern can be seen in Snohomish County and, to a lesser extent, the City of Granite Falls. In 1990, the County's average household size was calculated by the U.S. Census to be 2.57 persons. By 2000, this figure had dropped to 2.46 persons. The average household size in Granite Falls was 2.9 persons. It has declined to approximately 2.62 persons, according to the 2012 ACS estimate. It is important for Granite Falls to be aware of this downward trend in looking at future population growth, for it will mean that more housing will be needed to accommodate a given number of people.

As is to be expected, the number of persons living in single-family homes is, on average, greater than that residing in apartments. According to the 2011 U.S. Census Bureau American Community Survey, there were, on average, 2.70 persons per single-family home and 2.14 persons per apartment unit. For mobile homes, it is expected that the 2.18 persons per household rate will remain relatively constant over the next 20-year period. Tables H-3 presents the total number of dwelling units that will have to be built over the next 20 years and estimated future household size.

Table H-3
Granite Falls, Washington
Projected Dwelling Units & Future Household Size: 2010-2035

Year	Population	Average Persons per Household	Number of Households	Increase Over Previous Period
2010	3,364	2.75	1,223	----
2025	4,259	2.63	1,619	396
2035	7,842	2.54	3,087	1,468

Source: Snohomish County Tomorrow Planning Advisory Committee Housing Characteristics and Needs in Snohomish County Report, January, 2014

The preceding table shows that there will be a need to build about 1,870 additional housing units within the City by the year 2035. Appendix B - Table 5 of the Countywide Planning Policies for Snohomish County establishes a housing target of 1,831 additional housing units for the City by the year 2035. The 2035 housing target for the entire Granite Falls UGA (City and unincorporated area within the UGA) is 2,104 additional housing units.

Household and Housing Unit Sizes

Table H-4, below, shows the percentage of households by size and the percentage of housing units by number of bedrooms in the City. While over half of Granite Falls' households consist of one or two individuals, less than 40% of its housing units have two bedrooms or less. This is typical of housing that is predominantly composed of single family homes, which are traditionally larger than multifamily units.

Table H-4
Distribution of Household and Housing Unit Sizes

Household Size		Housing Unit Size	
1	26.3%	0 Bed	8%
2	33.2%	1 Bed	6%
3	15.8%	2 Bed	20%
4+	24.7%	3 Bed	48%
		4 Bed	12%
		5+ Bed	6%

Source: American Community Survey, 2008 – 2012.

Age of Housing

Table H-5 indicates the age of Granite Falls' housing stock in 2000, according to the U.S. Census. Slightly more than 30 percent of the City's dwelling units were built between 1980 and 1990.

As construction activity has obviously continued since 1990, this means that more than two-thirds of the housing in Granite Falls is less than 25 years old. The implications of this fact are that the quality of housing is bound to be relatively high, as these units have been built in accordance with up-to-date building codes, and that the value of these homes is relatively high, considering their age and quality. This situation also means that, while rehabilitation activities will be important, they will not be as critical as in communities with higher percentages of older housing.

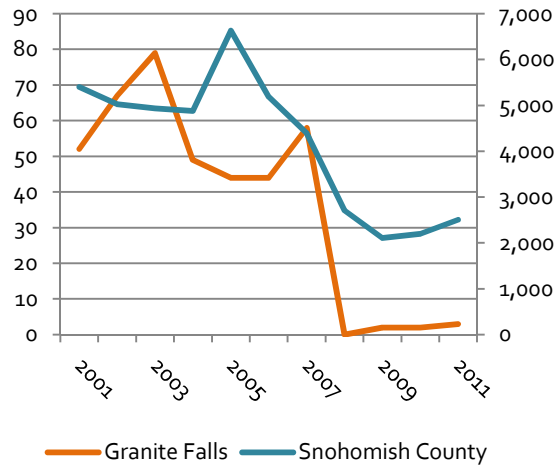
Table H-5
Granite Falls, Washington
Age of Housing: 2013

Year Housing Built	Number of Units	% of Total
2012 to 2013	7	0.5
2005 to 2011	147	9.8
2000 to 2004	381	25.3
1990 to 1999	469	31.1
1980 to 1989	80	5.3
1970 to 1979	151	10.0
1960 to 1969	58	3.9
1950 to 1959	22	1.5
1940 to 1949	30	1.9
1939 or earlier	161	10.7
TOTALS	1,506	100.0

Source: U.S. Census of Population and Housing Bureau American Community Survey 2011.

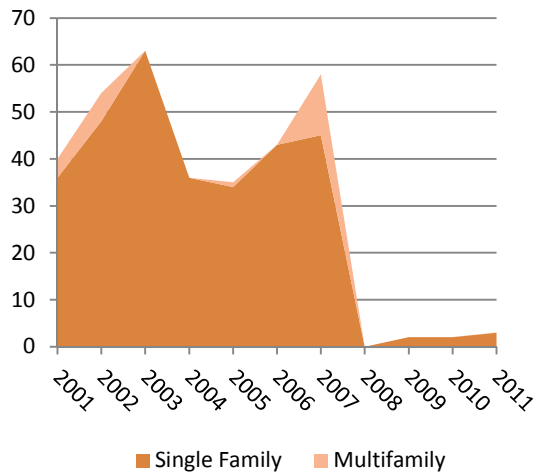
Figures H-2 and H-3 provide information on new construction in the City in recent years. Figure H-2 shows the total number of net new residential units per year from 2001 to 2011 for both the City and County, with the City on the left axis and the County on the right. Figure H-3 shows the share of the City's new units composed of single- and multi-family units. As shown, new residential development in the City was hit much harder by the recession than the overall trend in the County. This is also reflected in home sale data, discussed later.

Figure H-2
Net New Residential Units for City and County



Source: Puget Sound Regional Government.

Figure H-3
New Permit Types over Time for City of Granite Falls



Source: Puget Sound Regional Government.

Quality of Existing Housing

One of the statistical measures of quality of Granite Falls' housing stock is developed by the U.S. Census. Measures such as the lack of complete bathroom facilities, kitchens, or heating equipment, or the lack of a potable water system or means of disposing of sewage are all indicators of substandard housing conditions.

Measured according to the above criteria, the quality of housing in the City is high. Most all of the homes have complete plumbing facilities, and less than one percent did not have full kitchens. All of the dwelling units have some form of home heating, as well as an adequate potable water source and means of sewage disposal.

Overcrowding is also an indicator of substandard housing. According to the U.S. Bureau of Census, a substandard condition exists if there are more than 1.01 persons per room living in a dwelling unit. In making these computations, it must be understood that a "room" is a living room, dining room, kitchen, bedroom, finished recreation room, or enclosed porch suitable for year-round use. Excluded are bathrooms, open porches, balconies, halls, and utility rooms. The U.S. Census 2006-2010 American Community Survey shows that only 31 dwelling units, or 2.6 percent of the occupied homes, in Granite Falls were considered to be overcrowded. This figure is lower than the county average of 4.6 percent.

Housing Affordability

Introduction

Across the state of Washington, housing affordability continues to be a serious problem. Under the Growth Management Act, local governments are asked to analyze the impacts of policies and regulations of the Comprehensive Plan on the development of various types of housing, at various densities, and across a range of costs. This analysis takes into account the current and projected housing needs of Granite Falls' residents. The outcome of this process is policies that will provide opportunities for the development of the types and amounts of housing expected to be needed over the next 20 years.

For the purposes of the following analysis, Granite Falls' housing stock is divided into owner occupied dwelling units (home ownership), market rate rental units (both single- and multi-family), and subsidized rental units defined as follows:

- Owner occupied dwelling units include freestanding single-family homes, common wall single-family homes (townhomes), manufactured homes, and condominiums.
- Market rate rental units are simply the stock of all housing units available for rent in the open market. These are units that are privately owned and whose rents are determined by market supply and demand pressures. A market rate rental unit can also be a subsidized

rental unit, as is the case with the Federal Section 8 Housing Choice Voucher (HCV) Program. Section 8 vouchers can be used to rent any unit, as detailed below.

- Subsidized rental units are targeted toward households with the lowest incomes, typically less than 30% Area Median Income (AMI). Populations targeted for subsidized rental units often include the disabled, elderly, and other populations living on fixed incomes with special needs. A subsidized property is one that receives funding, perhaps rental assistance or an operating subsidy, to insure that its residents pay rents that are affordable for their income level. Some properties only apply their subsidy to select units. It is also common for subsidized units to be restricted to certain groups like families, the elderly, or homeless.

Owner Occupied Dwelling Units

Between 2008 and 2012, 58% of single family homes sold in Granite Falls were 3 bedrooms in size. This includes freestanding single family homes, common wall single family homes (townhouses), manufactured homes, and condominiums. Fifteen percent (15%) of homes sold were four bedrooms in size, meaning that three and four bedroom homes together represented 73% of sales. Twenty-one percent (21%) were two bedrooms and less. Homes listed as having zero bedrooms, 10% of total sales, were frequently manufactured homes.

In 2012, the median sale price for a single family home in Granite Falls was \$140,000. Assuming a 20% down payment and using average rates of interest, property taxes, and insurance as determined by the Federal Housing Funding Board, the monthly payment for this home would be \$674. For a family to afford this payment without being cost burdened, they would require an annual income of at least \$27,354 in 2013 dollars, well below City median income, Snohomish County median income, and the Seattle-Bellevue HMFA (HUD Metro Fair Market Rent) median income. This is considered very low income for a three or four person household, and extremely low income for a five person household.

Appendix H-1 provides high level statistics on sales of single family homes from 2008 - 2012 as well as the minimum income necessary to afford the median sale home by year. As shown, the minimum income to afford a median home in the City dropped from \$60,938 in 2008 to \$27,354 in 2012, with an even bigger percentage drop in the total number of sales. Combined with data on new housing units referenced at the beginning of the section, it suggests that the recession had a particularly dramatic effect on the City's home sale market, and may have a longer recovery than other areas.

Table H-6, below, displays the percentage of 2012 sales of homes of different sizes that are affordable to each income level. "Not affordable" means that the minimum income required is higher than the middle income upper cutoff. All of the percentages specify the portion of homes of that size that someone in the particular income group could afford, adjusting for household size.

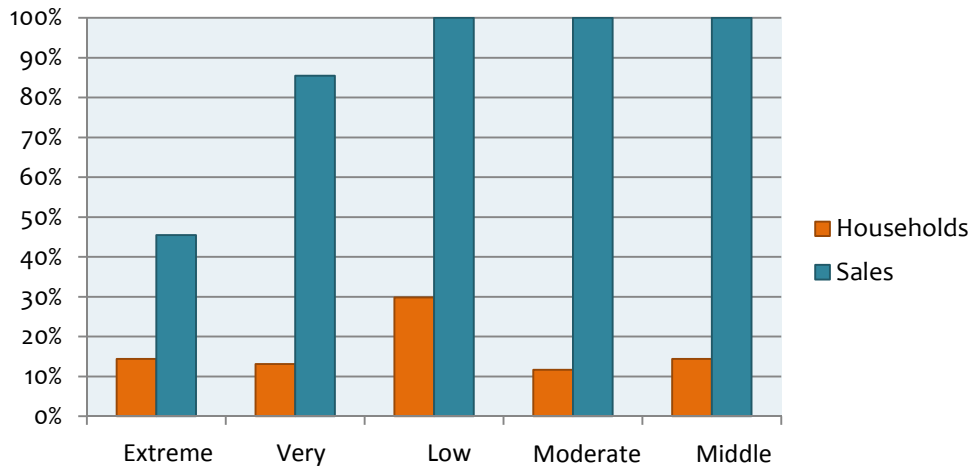
Table H-6
Affordable Home Sales by Size, 2012

Bedrooms	Extremely Low	Very Low	Low	Moderate	Middle	Not Affordable	Total Sales
0	67%	100%	100%	100%	100%	0%	3
1	100%	100%	100%	100%	100%	0%	2
2	67%	100%	100%	100%	100%	0%	6
3	42%	87%	100%	100%	100%	0%	38
4	17%	50%	100%	100%	100%	0%	6

Source: Snohomish County Assessor.

The “affordability gap” describes situations where there are more households at a given income level than there are housing options affordable to those households. Figure H-4 displays the percentage of households in Granite Falls at each income level as well as the percentage of all home sales in 2012 that each income level could afford.

Figure H-4
2012 Home Sale Affordability Gap

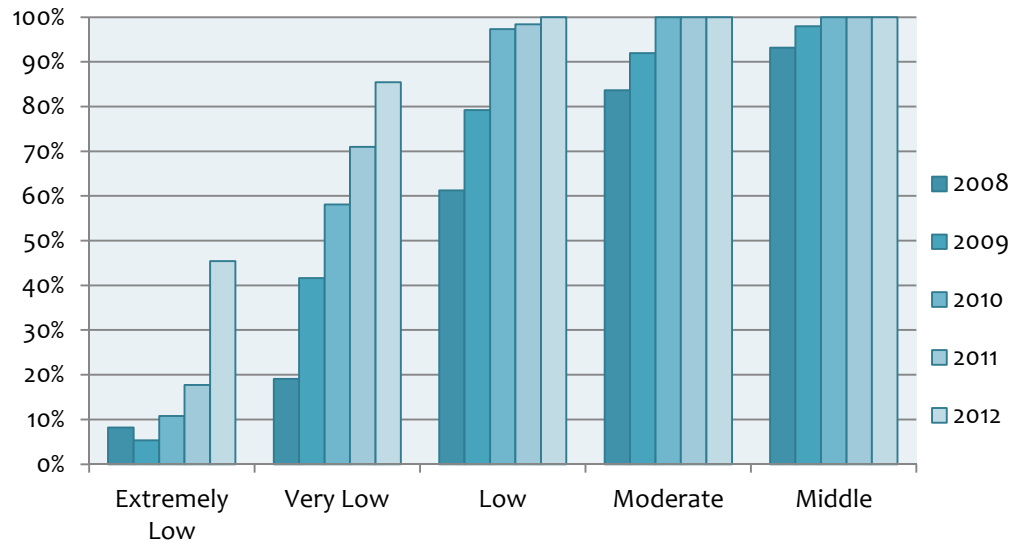


Source: ACS, Snohomish County Assessor.

Figure H-5 shows how the estimated percentage of home sales affordable to each income level changed from 2008 to 2012, tracing the trajectory of the recession. As shown, affordability by this estimate was theoretically not a challenge for households earning at least 80% AMI during this time – those moderate income and higher. At the same time, this estimate only holds for

households seeking a home that suits their household size when homes in Granite Falls tend to be larger than households.

**Figure H-5
Home Sale Affordability, 2008-2012**



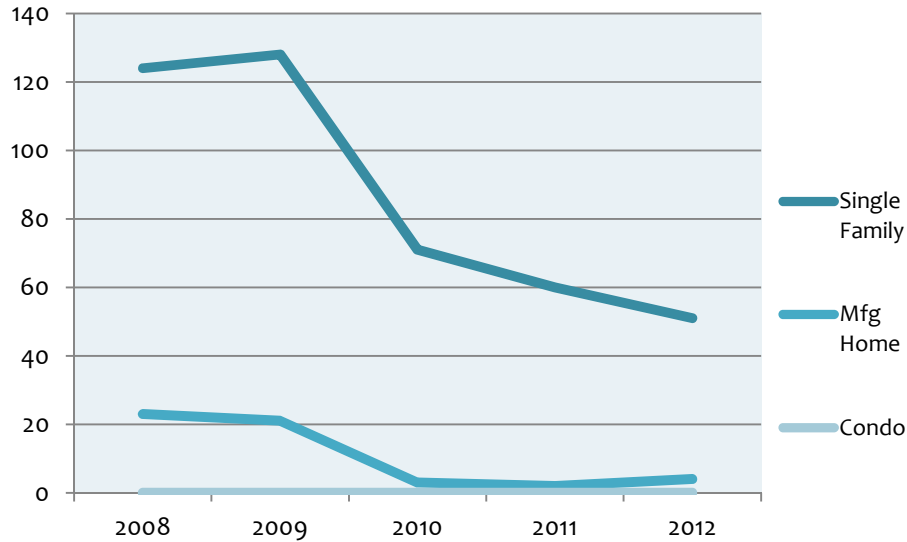
Source: Snohomish County Assessor.

While these measures consider the ongoing affordability of home ownership, there are other important factors not easily measured. While a 20% down payment is assumed in calculating the monthly debt service, the question of whether or not a household can obtain the funds necessary for a down payment is another important question. This also assumes that a very low income household could be approved for a mortgage. Due to ongoing repair and maintenance costs, home ownership may not be the best choice for many lower income households. For all these reasons, home ownership is generally targeted for households earning at least 80% AMI.

Further, many of the most affordable sales were likely only so affordable because they were foreclosed homes sold by banks. For example, there is a 4 bedroom home in Granite Falls that Fannie Mae sold for \$119,900 in 2012. At that price, a household with a minimum income of \$23,427 could afford the monthly debt service of around \$577. This same home sold for \$211,340 in 2005, well out of reach to the household with the minimum income necessary to afford it in 2012. While low priced foreclosed homes can put home ownership within reach for more households, this is accomplished at the expense of previously displaced homeowners. Additionally, these sales contribute to ongoing uncertainty about market home values. Low income home buyers could also become cost burdened by higher property taxes on these “bargain” homes.

Figure H-6, below, shows how sales have been divided between single family homes, condominiums, and manufactured homes over time. Table H-7 shows how many sales of each type were affordable to each income level in 2012. As shown, there were no condominiums sold during this period in the City.

Figure H-6
Home Sales by Type, 2008-2012



Source: Snohomish County Assessor.

Table H-7
Affordable Home Sales by Type, 2012

	Single Family	Mobile Home	Condo
Extremely Low	23	2	0
Very Low	21	1	0
Low	7	1	0
Moderate	0	0	0
Middle	0	0	0
Not Affordable	0	0	0
Median Sale Price	\$140,000	\$108,450	n/a

Source: Snohomish County Assessor.

Shared Rental Housing. A popular market rate affordable housing option is to split housing costs with roommates. These arrangements include renting a room, suite, or accessory dwelling unit (ADU) from a homeowner living on site. While few of the listings posted provided an address to verify their location in the planning area, shared rooms advertised as being located in Granite Falls generally ranged in monthly rent from \$450 to \$650, including utilities.

Rents in this range are easily within reach for very low income single individuals, and possibly even extremely low income couples. Individuals seeking roommates are able to discriminate in who they choose to share their housing, however, and often stipulate a preferred gender or bar couples from sharing a room. It may be difficult for families with children and households with disabilities or other special needs to find a suitable shared housing situation. In these cases, a household’s ability to find shared housing will likely depend on whether or not they have local connections to help them find understanding roommates without depending on strangers.

Market Rate Rental Units

There are an estimated 44 multifamily complexes in Granite Falls, ranging in size from 2 to 20 units providing an estimated total of 194 dwelling units. According to the U.S. Census Bureau American Community Survey (ACS), there are an estimated total of 443 renter-occupied housing units, indicating that there are around 249 rental units outside of multifamily complexes. This is primarily composed of single family homes, but there is also one 20-space manufactured home park located in the City where units are rented.

Table H-8 - Average Rent and Affordability by Size

	Average Rent (With Utilities)	Minimum Hourly Wage	Minimum Annual Wage	Hours/Week at Minimum Wage	Range
1 Bedroom	\$711.50	\$13.69	\$28,480	60	\$665 - \$762
2 Bedroom	\$902.76	\$17.37	\$36,120	76	\$625 - \$1,403
3 Bedroom	\$1,386.12	\$26.65	\$55,440	116	\$1,048 - \$1,549
4+ Bedroom	\$1,668.80	\$32.10	\$66,760	140	\$1,584 - \$1,784

Source: Dupre & Scott, 2014; HASCO, 2013; National Low Income Housing Coalition, 2014.

To provide an idea of what a household looking for a home today could expect to pay in rent and utilities for a new home in Granite Falls, rent data was obtained from Dupre and Scott, an apartment market research company, and the Housing Authority of Snohomish County (HASCO) tenant information. This data, which includes both multifamily and single family rental units, is summarized in Table H-8. In addition to the average rent by bedroom size in the sample, the minimum full time hourly wage to afford each average rent, along with that wage translated into annual terms, and the number of hours someone would have to work per week earning minimum wage to afford the unit. As shown, the average one bedroom apartment is affordable to very low-income one or two-person households. Adjusting for household size, the minimum income required rises to low, or between 50 and 80% AMI, for 3 bedroom and larger units. However, while households with one or two individuals comprise 60% of all households in the City, only 34% of housing units have one or two bedrooms according to the US Census Bureau; American Community Survey, 2008-2012.

The difference in minimum required income by size between single- and multi-family units is shown in Table H-9, below. Again, larger and single family homes are generally more expensive to rent, despite the fact that the demand for smaller units should be higher than the current supply. This mismatch could be explained by a general preference for larger homes, or that the stock of smaller units does not suit the needs of smaller local households.

Table H-9 - Average Rent by Size, Single- and Multi-family

Bedrooms	Multi-family Average Rent	Minimum Income	Single Family Average Rent	Minimum Income
1	\$722.56	Very Low	No Data	n/a
2	\$849.86	Very Low	\$1,006.20	Low
3	\$1,138.50	Low	\$1,406.75	Low
4+	\$1,674.00	Low	\$1,667.50	Low

Source: Dupre & Scott, 2014; HASCO, 2013.

In addition to households living in homes larger than necessary, there will also be households who could afford to live in more expensive homes. Due to this range of personal preferences, even if there is a unit for every low income household that is affordable to them in the open market, a portion of these low income households may not find available affordable units.

Subsidized Housing Units

The subsidized housing in Granite Falls is supported by two federal funded programs: Section 8 Housing Choice Vouchers (HCVs) and United States Department of Agriculture (USDA) rental assistance. There are 43 Section 8 HCVs-in use in Granite Falls, and the USDA rental assistance program supports 30 units of housing for low income seniors and disabled individuals located in two separate apartment complexes. The 43 HCVs are administered by the Housing Authority of Snohomish County (HASCO). The City’s stock of subsidized units is summarized by unit size and income level served in Table H-10.

Table H-10 - Assisted Unit Summary

Assisted Units by Number of Bedrooms		Assisted Units by Income Level Served	
1 Bedroom	37	Extremely Low	33
2 Bedrooms	16	Very Low	38
3 Bedrooms	10	Low	2
4 Bedrooms	3	Moderate	0

Source: HASCO.

Of the 36 vouchers, 27 support extremely low income households. Seven vouchers go to very low income households, and two to low income households. The size of the voucher holders' units is varied, with 11 one bedrooms, 12 two bedrooms, 10 three bedrooms, and three with four or more bedrooms. Several of the vouchers are from pools reserved for individuals with disabilities and veterans.

A local apartment complex owned and operated by a national nonprofit affordable housing provider provides ten units of housing to low income seniors and disabled individuals. Ongoing funding for rental assistance is provided by the United States Department of Agriculture's rural rental assistance program, which means that all residents pay 30% of their monthly income in rent.

The units in another local apartment complex owned and operated by a private owner are for seniors and disabled individuals. The property has 18 one-bedroom and two two-bedroom units, with three of these units featuring project-based rental assistance through the USDA rental assistance program. Households must make less than 50% AMI to be eligible for the project-based subsidy units, with a preference for households making even less.

Affordable Housing: Definition and Its Application to Granite Falls

Affordability, when it is applied to spending money on shelter, is the amount of money that can be spent on housing. The U.S. Census defines "affordable" as spending no more than 30 percent of gross income on housing. For example, if a family has a total gross annual income of \$24,000, it is bringing in \$2,000 per month. That family should be spending no more than \$600 a month for shelter, including utility costs ($\$2,000 \times 30\% = \600). In Granite Falls, as is the case elsewhere, those families that must be targeted for affordable housing are those that fall in the extremely low, very low, low and moderate income categories based on the community's average medium income (AMI). The 2012 U.S. Census Bureau American Community Survey established that the median income level for Granite Falls was \$65,389.

- Extremely Low – According to the U.S. Census Bureau, Extremely Low Income families are those with a household income between 0 and 30% of the City's average medium income. Therefore, all families whose gross incomes were lower than \$19,615 in 2012 were included in the extremely low income category.
- Very Low Income - The U.S. Census defines Very Low Income families as those with household income levels between 31 and 50 percent of the City's median income. Therefore, all of those families whose gross incomes were between \$19,615 and \$32,695 in 2012 were in the Very Low Income category.

- Low Income - Low Income families are defined by the U.S. Census whose household income levels fall between 51 and 80 percent of the City's median income. For Granite Falls, this means that those families whose gross incomes were between \$32,695 and \$52,311 were ranked in the Low Income category.
- Moderate Income - The Census definition for Moderate Income families is those whose household income levels are between 81 and 95 percent of the City's median income. This means that those families whose gross annual incomes were between \$52,311 and \$62,120 are classified as Moderate Income.

Extremely Low, Very Low, Low, and Moderate Income Families in Granite Falls

As the above parameters are applied to Granite Falls, an estimated 881 families fell into the extremely low, very low, low, and moderate income levels as of the 2012 U.S. Census Bureau American Community Survey. The number of households in each of these categories¹ is as follows:

- 184 households, or 14% of Granite Falls' total, are considered to be extremely low income earning less than 30% of area median income (AMI);
 - 167 households, or 13%, are considered very low income, earning between 30% and 50% of AMI;
 - 381 households, or 30%, are considered low income, earning between 50 and 80% of AMI; and
 - 149 households, or 12%, are considered moderate income, earning between 80 and 90% of AMI.
1. *The percentages are based on HUD's regional AMI of \$88,000 so the upper limits of each category do not match those mentioned in the previous section.*

It is worth noting that these percentages are not adjusted for household size due to data constants. A household consisting of two adults with an income level equal to another household consisting of two adults and three children would both be placed at the same percentage of AMI, even though the larger family would likely be more constrained financially.

Special Housing Programs and Requirements

Elderly Oriented Group Homes

There are a number of different types of housing, which have emerged over the past 15 to 20 years to serve the elderly population in a group setting. The two major types are generally divided into life-care communities and Adult Congregate Living Facilities (ACLFs).

Life-care communities are generally larger scale developments with a minimum of 150 units and a typical density range of 10 to 15 units per acre. They offer guaranteed health care, as well as other services. They are costly to develop and, due to their expensive entry fees (averaging \$20,000 to \$200,000) plus monthly payments, these communities are geared toward affluent elderly people.

The other form of service-oriented housing for the elderly is the ACLF, also known as elderly group care housing. This version of senior adult congregate living is normally a smaller scale development than life-care and generally does not have medical facilities on the premises. It often includes units without kitchens for individuals requiring help in dressing, bathing, and eating. Such facilities typically are comprised of one-bedroom units and are targeted toward middle-income elderly people. Recent trends in this type of housing include double-sized, one-bedroom units for couples, as well as some double-sized, two-bedroom units. Areas within the facility are designated for different congregate or common functions such as meeting rooms, dining areas, library, etc.

The following locational criteria are recommended when developing these elderly congregate housing types in existing or designated residential areas:

- They should be located in areas that are or are proposed to be residential in character and within close proximity (15-minute driving or response time) to hospitals, emergency medical units, neighborhood shopping, banks, restaurants, and other essential commercial services. Additionally, they should be within reasonable proximity to local cultural, recreational, educational, and entertainment facilities. Also, such housing should be located where residents can easily be served by specialized demand-oriented transportation services such as "Dial-A-Ride" programs.
- The intensity of the development should be compatible with that of the general area in which it is located.
- Congregate living facilities may be located in predominantly commercial areas if the adjacent uses are compatible, sufficient buffers are provided, and pedestrian networks are in place.
- Additional yard requirements and special buffering provisions should be included in the zoning code whenever these facilities are located adjacent to single-family housing areas.

Specialized Congregate Living Facilities/Group Homes

Two other categories of group housing are those for the physically and developmentally disabled and halfway houses. The need for these types of facilities is more difficult to forecast than that for elderly housing. However, provisions for these types of housing arrangements should be discussed in this Housing Element and provisions made in the zoning code to accommodate them.

A. Group Homes for the Developmentally and Physically Disabled

This is a broad category that includes housing for the physically handicapped as well as for those with mental disabilities. The principal difference between this classification and elderly housing is one of scale. Group homes for the disabled generally house fewer residents than facilities for the elderly. They also tend to occupy existing vacant homes rather than new, purpose-built structures. The locational criteria and siting provisions for these types of group homes are similar to those for elderly congregate facilities. Group homes for the developmentally and physically disabled should be allowed in areas that permit higher density single-family homes and/or multi-family housing.

B. Halfway Houses

This is generally the most controversial type of facility and requires the most carefully considered siting criteria. The group housing facilities in this category include approved homes for juvenile offenders, halfway houses to be used in the rehabilitation process for adult offenders in lieu of institutional sentencing, facilities providing residential care for persons leaving mental institutions, and rehabilitation centers for alcohol and drug users. These facilities would not be appropriate in single-family residential areas. The most compatible surroundings would be multi-family and commercial areas. Careful attention must be given in the zoning code to provisions for yards, buffering, and security needs for these facilities.

C. Emergency Group Home Facilities

There are several group home types that have come into being in response to changing societal demands. These include facilities for abused and battered wives and children and homes for individuals with eating disorders. These groups come close to sharing the same characteristics of those occupying halfway houses. Therefore, the same siting criteria for halfway houses should be used for these types of housing.

Conclusions: Although general provisions should be made for the inclusion of group homes in Granite Falls in the future, specific parcels will not be designated. Specific requirements for the various types of group homes will be included in the zoning code that will have to be revised and updated to be in conformance with this Comprehensive Plan. These requirements will cover minimum site areas, off-street parking, yard setbacks, and buffering requirements. One general guideline that is to be noted is that group homes should be dispersed throughout the City to the maximum extent possible. No one area or neighborhood should contain all or most of the group housing in Granite Falls.

Accessory Dwelling Unit - Apartments

Accessory dwelling unit apartments are independent living units installed in the surplus space of a single-family residence. This results in two independent households living under one roof. This program is supported by the American Association of Retired Persons.

The general picture of a successful accessory dwelling unit apartment program results in the maintenance of an independent living environment for the elderly while providing companionship for them and offers security and assistance to both households.

Detached Accessory Dwelling Units

Detached accessory dwelling units, sometimes known as "Granny Flats" or "Elder Cottages", are small, permanent housing units placed in the yards of single-family homes. They are designed for long-term living facilities, in most cases, for elderly individuals and range in size from 400 to 600 square feet.

Shared Housing Program for the Elderly

Another concept that assists the elderly to maintain an independent living environment is the one of shared housing. This is an innovative living arrangement where two or more unrelated individuals live in the same residence, each having separate bedrooms. The major difference between shared housing and other elderly programs is that under this concept, the individuals share common areas.

Shared housing programs can involve either a government agency or a private non-profit housing corporation. The agency or corporation provides assistance in structuring this communal living environment, and assumes the ultimate responsibility for the arrangement.

Tenant-Homeowner Match Program

A concept similar to the shared housing program is the tenant-homeowner match program. The principal difference is that in the tenant-homeowner match program, the services to be rendered by the tenant to the elderly homeowner is more formalized than in shared housing. These services are spelled out in an official contract between the parties. Another difference is that in shared housing, the two parties are generally elderly individuals, while the tenant-homeowner match program usually involves either a young single person or a young couple and an elderly homeowner. The tenant, in return for paying a minimum rent to the homeowner, provides such stipulated services as yard work, home maintenance, errand running, house cleaning, etc., free of charge.

Current Challenges and Opportunities

Granite Falls features a good supply of market rate rental housing for households above 50% AMI, and a limited supply of affordable to small households between 30 and 50% AMI. However, while the City has a similar share of renters compared to the County overall, its renter households are smaller on average than renter households countywide, and much smaller than local owner households. As the City's housing stock is predominantly composed of larger homes, smaller renter households may struggle to find smaller affordable units. While a three bedroom home may be affordable to a low income household between 3 and 6 individuals in size, it may not be affordable to a low income household between 1 and 2 individuals in size.

Home ownership is also currently attainable in the City for households with a wide range of incomes. Local home values and sales took a significant hit during the recession, and are still recovering. Accordingly, home prices will likely rise to a more moderate level in the future, but the timing and degree of that correction is not predictable with any degree of accuracy. Lower home values could also mean that current homeowners may be underwater on homes purchased at the market's peak.

The character of the City's housing supply is driven by residents' preference for a rural, small town lifestyle. In order to maintain this atmosphere while supporting an increased diversity of housing types, the City has pursued a number of policies, including:

- Allowing Accessory Dwelling Units (ADUs), adaptive reuse, conversions of existing structures, and manufactured housing
- Maintaining a small lot zoning district (2,500 sf)
- Offering developers density bonuses
- Preventing subdivisions downtown to preserve existing older housing
- Allowing manufactured housing in standard residential zones as well as parks

These strategies are all very well suited to achieving the City's housing affordability and diversity goals. In addition to promoting and providing incentives for these policies where appropriate, the City should continue to monitor their use and evaluate policies to make sure there are not unnecessary regulatory barriers to use. There are a number of additional strategies the City could consider, including allowing cottage housing and townhomes. Additionally, when opportunities arise, the City could partner with nonprofit organizations developing housing for households earning below 30% AMI, the income group generally not served by the traditional housing market.

The City is also working to support increased commercial activity in its downtown. If successful, these efforts will increase the demand and viability of higher density mixed use multifamily development downtown and assist in the housing market's general recovery. While beneficial for the City as a whole, economic development will likely result in upward pressure on housing prices. To manage affordability challenges, the housing supply must increase to accommodate growth, balanced with the need to preserve older, more affordable housing. Increased commercial activity and employment in the city can also help with affordability by reducing transportation costs for resident commuters and stabilizing the market for home owners.

Housing Goals and Policies

Goal H-1 To provide a range of housing types to ensure an adequate choice of living accommodation for all Granite Falls residents.

H-1.1 Designate multi-family housing areas within the existing sewer service area and phase it into the projected sewer service areas as shown in the City Sewer Collection and Treatment Capacity Section of the Capital Facilities Element.

H-1.2 Designate multi-family housing close to the downtown, transportation facilities, public services, and employment centers in the Urban Growth Area.

H-1.3 Allow HUD-certified manufactured homes on single-family lots, the same as site-built homes, as well as in manufactured/mobile home parks.

H-1.4 Adopt and periodically update residential land use regulations to allow for development that will accommodate a range of incomes by providing for a variety of housing types and cost. Regulations shall include provisions such as:

1. Allowing for accessory dwelling units in single-family houses and on single-family lots subject to specific development, design and occupancy standards.
2. Encouraging mixed-use (commercial/residential) developments in the downtown.
3. Providing for flexible subdivision standards subject to adopted criteria.
4. Allowing cottage housing development in areas with adequate services

H-1.5 Promote regulatory efficiency to minimize the cost of housing development.

H-1.6 Promote home ownership through flexible lot size requirements and by encouraging alternatives to conventional detached single family housing, including townhouses and condominiums.

H-1.7 Promote the development of housing for seniors of all incomes.

H-1.8 Encourage the maintenance and preservation of existing manufactured housing units as an affordable home ownership resource.

H-1.9 Encourage development and preservation of small to mid-size single-family housing units.

H-1.10 Encourage infill housing on vacant or underutilized parcels with adequate services.

H-1.11 Consider providing incentives that encourages public agencies, private property owners, and developers to build housing that helps fulfill housing policy objectives.

H-1.12 Work in concert with Snohomish County and other AHA cities in the development and implementation of housing strategies and timelines to advance the housing goals and policies for the Granite Falls community and the region.

Goal H-2 To provide fair and equal access to housing for all persons regardless of race, color, religion, gender, sexual orientation, age, national origin, family status, source of income or disability.

H-2.1 Encourage housing opportunities for those with housing assistance needs through the use of available regional and federal funding programs.

H-2.2 Disperse housing for low income and special needs individuals throughout the residential neighborhoods. Special needs housing provides living arrangements for those with physical, mental, or emotional disabilities.

H-2.3 Require ADA compliance and handicapped access pursuant to state law in residential structures.

H-2.4 Participate and cooperate with the Alliance for Affordable Housing, the Housing Authority for Snohomish County and other service providers of various housing programs.

Goal H-3 To ensure strong, stable residential neighborhoods through public investment in infrastructure and in preserving existing housing stock.

H-3.1 Preserve and rehabilitate homes through the use of low interest loan programs and other available housing subsidy programs

H-3.2 Publicize funding sources and programs to help lower income homeowners who are at risk of losing their homes to foreclosure.

H-3.3 Encourage the protection of the existing single-family residential neighborhoods by not allowing high-density apartments, but allowing accessory dwelling units and like design duplexes.

Housing Element Appendix H-1 - Single Family Home Sales

	2008	2009	2010	2011	2012
Number of Sales	147	149	74	62	55
Average Sale Price	\$237,463	\$207,961	\$192,751	\$172,267	\$155,817
Median Sale Price	\$234,950	\$188,500	\$182,061	\$161,250	\$140,000

**Median Home
Affordability**

	2008	2009	2010	2011	2012
Mortgage Amount	\$187,960	\$150,800	\$145,649	\$129,000	\$12,000
Interest Rate	6.1%	5.1%	4.8%	4.6%	3.7%

Monthly PITI

Principal + Interest	\$1,138	\$ 815	\$ 767	\$ 660	\$ 513
Property Taxes	\$ 196	\$ 157	\$ 152	\$ 134	\$ 117
Insurance	\$ 74	\$ 60	\$ 58	\$ 51	\$ 44
TOTAL	\$1,408	\$1,032	\$ 976	\$ 845	\$ 674

Minimum Annual

Income	\$ 56,320	\$ 41,274	\$ 39,047	\$ 33,808	\$ 26,959
in 2013 Dollars	\$ 60,938	\$ 44,817	\$ 41,716	\$ 35,013	\$ 27,354

**First Quartile Home Sale
Affordability**

	2008	2009	2010	2011	2012
Mortgage Amount	\$142,734	\$123,600	\$125,051	\$105,582	\$ 94,860
Interest Rate	6.1%	5.1%	4.8%	4.6%	3.7%

Monthly PITI

Principal + Interest	\$ 864	\$ 668	\$ 658	\$ 540	\$ 434
Property Taxes	\$ 149	\$ 129	\$ 130	\$ 110	\$ 99
Insurance	\$ 56	\$ 49	\$ 49	\$ 42	\$ 38
TOTAL	\$1,069	\$ 846	\$ 838	\$ 692	\$ 571

Minimum Annual

Income	\$ 42,769	\$ 33,829	\$ 33,525	\$ 27,671	\$ 22,834
in 2013 Dollars	\$ 46,276	\$ 36,734	\$ 35,816	\$ 28,657	\$ 23,168