HB1110: Development & Redevelopment Impacts

Puget Sound Regional Council

SHB1110 Analysis: Methodology & Summary

Part 1: Identify parcels subject to the proposed legislation

Part 2: Determine which parcels are more likely to develop/redevelop under the proposed legislation

Part 3a: Estimate additional capacity for middle housing development created by the proposed legislation

Part 3b: Estimate middle housing production incentivized by the additional capacity created

Part 1: Identify parcels subject to the proposed legislation

- Select parcels within cities subject to the proposed legislation

- Select parcels zoned for residential or mixed use

Total parcels in region

1,302,000

↓

Within cities subject to proposed legislation

771,000

↓

Zoned for residential or mixed use

747,000

Cities subject to proposed legislation must provide for the following:

"(a) For cities with a population of at least 25,000 but less than 75,000 based on office of financial management population estimates:

(i) The development of at least two units per lot on all lots zoned predominantly for residential use; (ii) The development of at least four units per lot on all lots zoned predominantly for residential use within one-half mile walking distance of a major transit stop or community amenity; and (iii) The development of at least four units per lot on all lots zoned predominantly for residential use if at least one unit is affordable housing.

(b) For cities with a population of at least 75,000, or any city within a contiguous urban growth area with a city with a population above 200,000, based on office of financial management population estimates:

(i) The development of at least four units per lot on all lots zoned predominantly for residential use; (ii) The development of at least six units per lot on all lots zoned predominantly for residential use within one-half mile walking distance of a major transit stop or community amenity; and (iii) The development of at least six units per lot on all lots zoned predominantly for residential use if at least two units are affordable housing."

Substitute House Bill 1110, Section 3(1), p.9

Part 1: Identify parcels subject to the proposed legislation

- Exclude parcels already meeting the zoning requirements of the proposed legislation

- Specify which parcels are within or outside a major transit stop station area (per VISION 2050)

Parcels within cities subject to proposed legislation zoned for residential or mixed use

747,000

Excluding parcels meeting proposed zoning requirements

666,000

Within major transit stop station area

164,000

Outside major transit stop station area

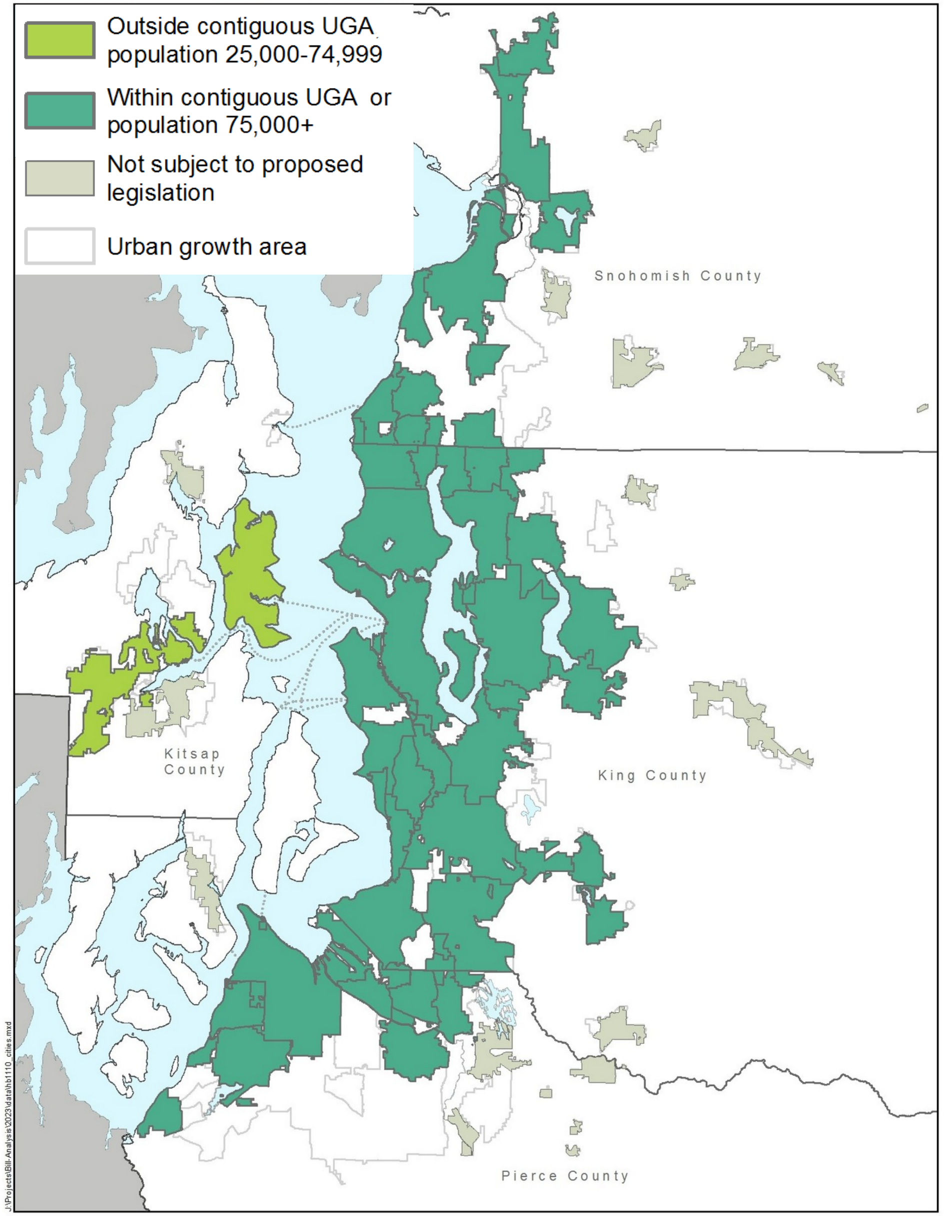
502,000

Note: This analysis utilizes VISION 2050's definition of major (or high-capacity) transit stops and station areas: Areas within ½ a mile of existing or planned light rail and streetcar stations, commuter rail stations, ferry terminals, and within ¼ mile of all bus rapid transit stations.

The analysis does not account for parcel location relative to "community amenities."

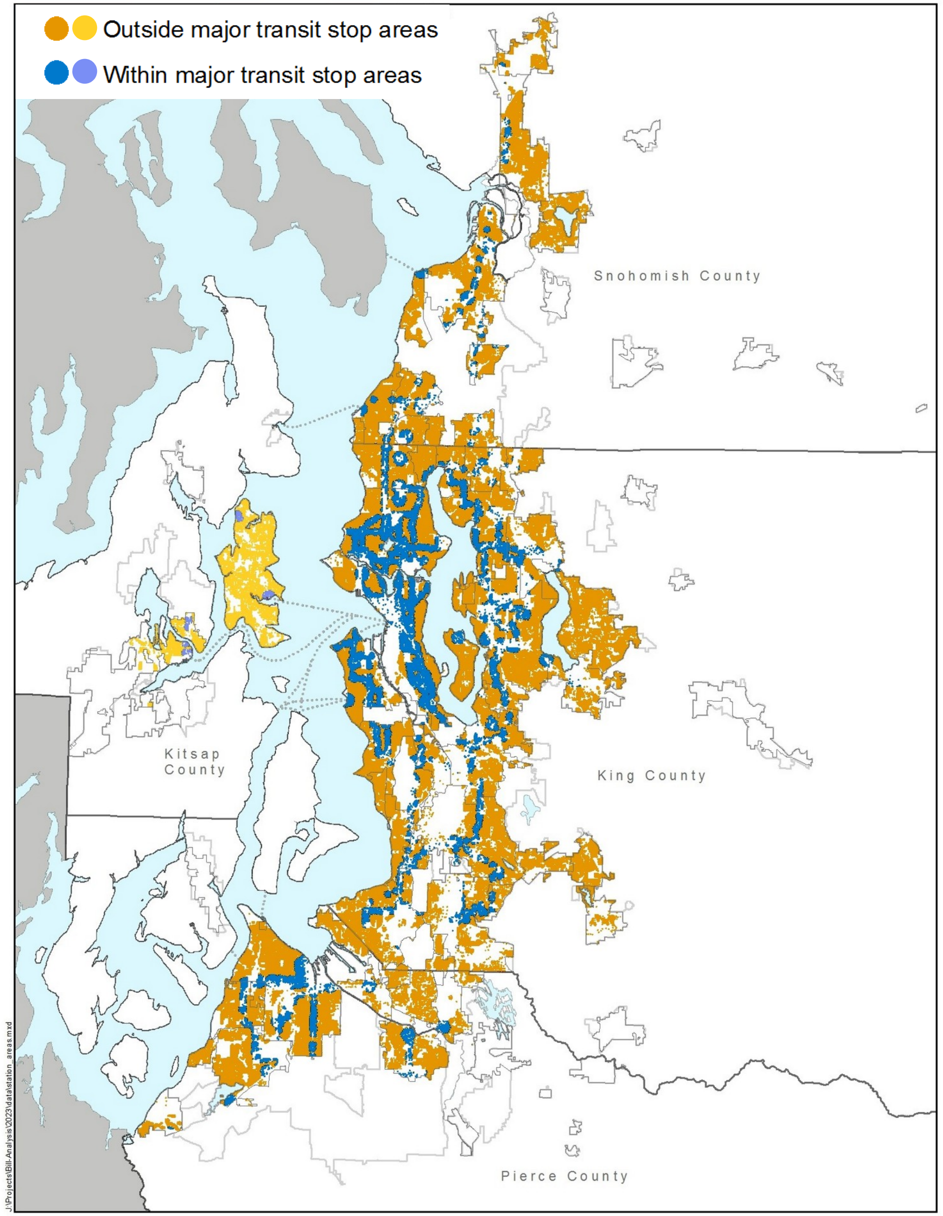
The analysis considers all parcels zoned for residential or mixed residential/non-residential use in lieu of "lots zoned predominantly for residential use."

Cities subject to proposed legislation



Darrington, Stanwood and Eatonville (not pictured) are not subject to the proposed legislation

Parcels subject to proposed legislation



Part 2: Determine which parcels are more likely to develop/redevelop under the proposed legislation

- Account for environmental constraints Select parcels with developable land area of at least 2,500 sqft

- Consider current use Select parcels that are vacant or have a current use of 1 dwelling unit

Total parcels subject to proposed legislation

666,000

Developable land area 2,500+ sqft

616,000

Vacant or SF use (1 dwelling unit)

592,000

Part 2: Determine which parcels are more likely to develop/redevelop under the proposed legislation

- Apply market criteria Land value > Improvement value AND Built square footage < 1,400

- Specify which parcels are within or outside a major transit stop station area (per VISION 2050)

Total parcels subject to proposed legislation, filtered by developable land area (2,500+ sqft) and current use (vacant or 1 DU)

592,000

Meeting market criteria: Land value > Impr value + Built sqft < 1,400

110,000

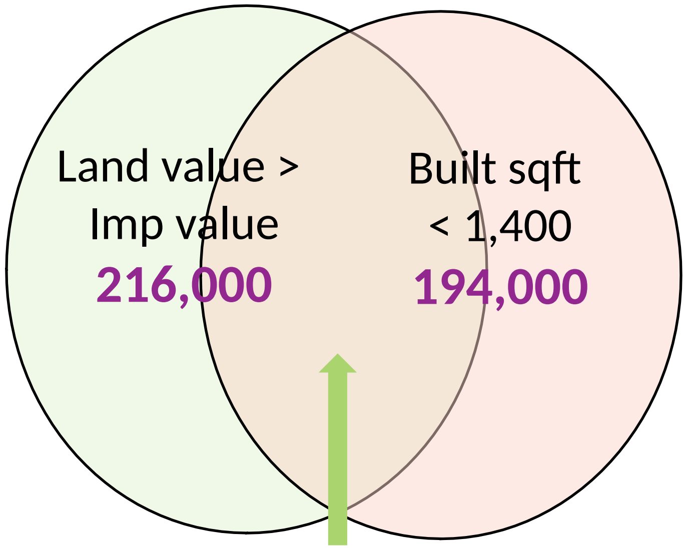
Within major transit stop station area

28,000

Outside major transit stop station area

82,000

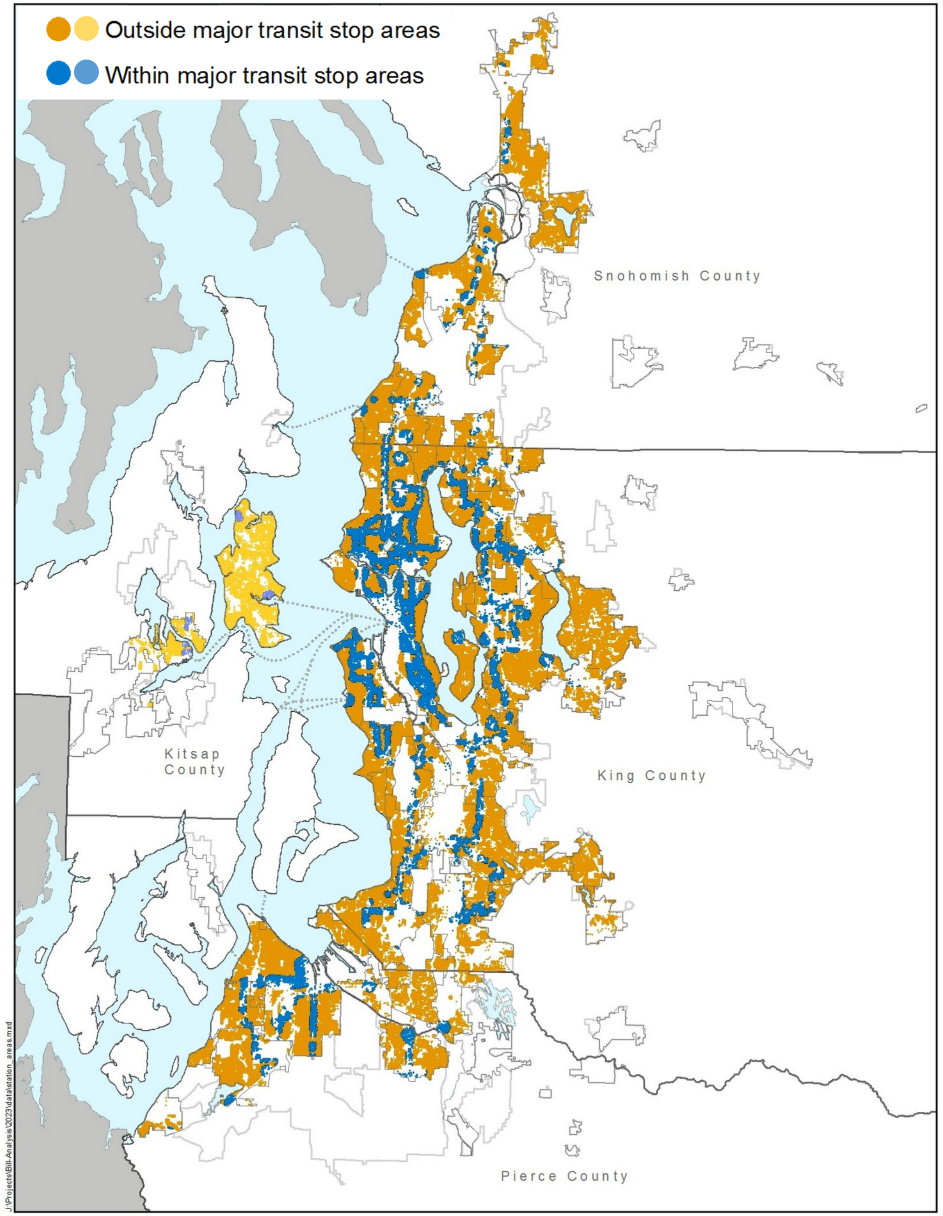
Market Criteria



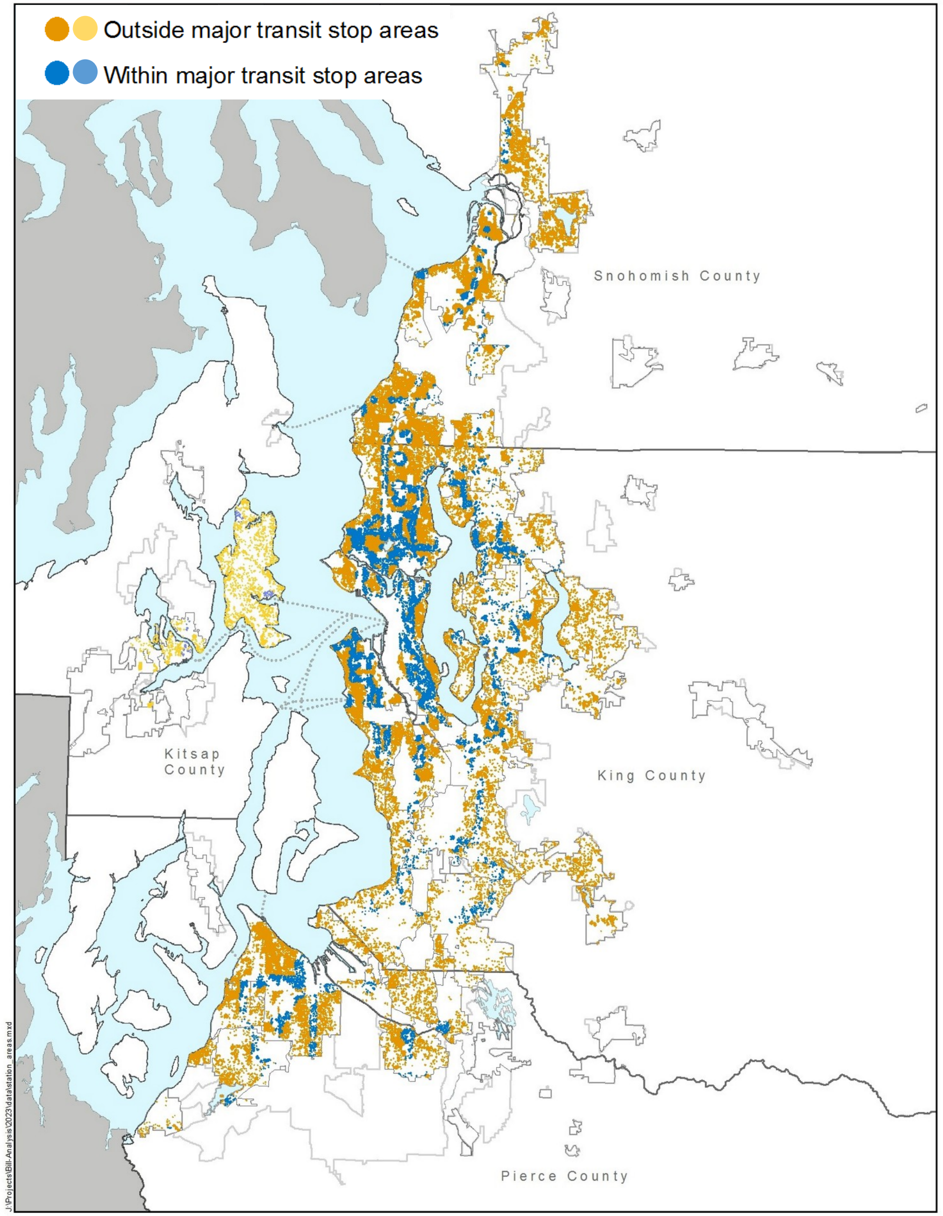
Both Value and Size criteria met parcels more likely to develop/redevelop

110,000

Parcels subject to proposed legislation



Parcels more likely to develop/redevelop



Note: The relatively simple market criteria used to identify parcels with a greater propensity to develop or redevelop may under-capture parcels with larger units in stronger markets that are reasonable candidates for redevelopment and over-capture parcels with lower improvement values in weaker markets.

Part 3a: Estimate additional capacity for middle housing development created by the proposed legislation

- Estimate net total dwelling unit capacity created on parcels subject to the proposed legislation

Parcels within major transit stop areas	Capacity multiplier	Dwelling units	Parcels outside major transit stop areas	Capacity multiplier	Dwelling units
Tier 1 Res – 1,000	**4x**	5,000	Tier 1 Res – 17,000	**2x**	31,000
Tier 1 Mixed – <1,000	**2.7x**	1,000	Tier 1 Mixed – <1,000	**1.5x**	<1,000
Tier 2 Res – 157,000	**6x**	942,000	Tier 2 Res – 479,000	**4x**	1,916,000
Tier 2 Mixed – 6,000	**4x**	23,000	Tier 2 Mixed – 7,000	**3x**	20,000
Total capacity:		971,000			1,968,000
Minus existing units:		143,000			487,000
Net total capacity:		**828,000**			**1,481,000**
				TOTAL:	**2,309,000**

Note: The methodology assumes a 67%/33% split between residential and non-residential capacity on mixed use parcels within major transit stop station areas, and a 75%/25% split on mixed use parcels outside major transit stop station areas. Parcels are assumed to retain their original zoned use of residential or mixed use when upzoned. The analysis does not account for additional capacity provided through density bonuses for affordable units.

Part 3b: Estimate middle housing production incentivized by the additional capacity created

- **Max Scenario:** Estimate maximum net new dwelling units possible on developable/redevelopable parcels

Parcels within major transit stop areas	Development multiplier	Dwelling units	Parcels outside major transit stop areas	Development multiplier	Dwelling units
Residential – 27,000	**5.2x**	141,000	Residential – 81,000	**3.2x**	262,000
Mixed use – 1,000	**3.7x**	4,000	Mixed use – 1,000	**2.7x**	3,000
Net total units:		**145,000**			**265,000**
				TOTAL:	**410,000**

Note: The Max Scenario estimates the maximum number of net new dwelling units that can be constructed on parcels identified as likely candidates for development or redevelopment (110,000 parcels per slide 6). This scenario represents the maximum development envelope for these parcels, which is unlikely to be achieved. The methodology assumes a 67%/33% split between residential and non-residential capacity on mixed use parcels within major transit stop station areas, and a 75%/25% split on mixed use parcels outside major transit stop station areas. Parcels are assumed to retain their original zoned use of residential or mixed use when upzoned. The analysis does not account for additional dwelling units that may be created through the bill's density bonus provision for affordable housing.

Part 3b: Estimate middle housing production incentivized by the additional capacity created

- **Scenario 1:** Adjust development assumptions downward

Parcels within major transit stop areas	Development multiplier	Dwelling units	Parcels outside major transit stop areas	Development multiplier	Dwelling units
Residential – 27,000	4.0x	109,000	Residential – 81,000	2.5x	202,000
Mixed use – 1,000	3.0x	3,000	Mixed use – 1,000	2.0x	3,000
Net total units:		**112,000**			**205,000**
				TOTAL:	**317,000**

Note: Scenario 1 pivots off the MAX Scenario and reduces the development assumptions (multipliers) applied to parcels identified as being likely candidates for development or redevelopment (110,000 parcels per slide 6). This scenario represents a more viable, but still optimistic, estimate of middle housing production that may be incentivized under the proposed legislation. The analysis does not account for additional dwelling units that may be created through the bill's density bonus provision for affordable housing.

Part 3b: Estimate middle housing production incentivized by the additional capacity created

- **Scenario 2:** Adjust development assumptions further downward

Parcels within major transit stop areas	Development multiplier	Dwelling units	Parcels outside major transit stop areas	Development multiplier	Dwelling units
Residential – 27,000	**3.0x**	82,000	Residential – 81,000	**1.5x**	121,000
Mixed use – 1,000	**2.0x**	2,000	Mixed use – 1,000	**1.0x**	1,000
Net total units:		**84,000**			**122,000**
				TOTAL:	**206,000**

Note: Scenario 2 pivots off Scenario 1 and further reduces the development assumptions (multipliers) applied to parcels identified as being likely candidates for development or redevelopment (110,000 parcels per slide 6). This scenario represents a more probable estimate of middle housing production that may be incentivized under the proposed legislation. The analysis does not account for additional dwelling units that may be created through the bill's density bonus provision for affordable housing.

Data Sources and Notes:

- *Cities subject to SHB1110 were defined using [OFM's April 1, 2022 population estimates]; the language "contiguous urban growth area" was interpreted as applying to all contiguous urban growth areas within King, Pierce, and Snohomish counties combined*
- *This analysis utilizes VISION 2050's definition of high-capacity transit station areas:*
    - *Areas within ½ a mile of existing or planned light rail and streetcar stations, commuter rail stations, ferry terminals, and within ¼ mile of all bus rapid transit stations*
    - *This differs from the definition in the proposed bill as it includes areas within ½ mile of ferry terminals and uses a smaller ¼ mile (instead of ½ mile) buffer around bus rapid transit (BRT) stations*
- *Parcel data and attributes are from PSRC's 2018 UrbanSim model database, derived from:*
    - *Assessor data circa early 2019*
    - *Zoning information from PSRC's 2015/2016 future year land use (FLU) file*
- *Data representing environmental development constraints are also from PSRC's 2018 UrbanSim model database, derived from critical areas data collected from local jurisdictions and supplemented by additional state and local environmental data sets*

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[Link to full survey report]()