

Land Capacity Analysis

CITY OF NORTH BEND

October 2024



Prepared for:

City of North Bend
Community Development Department
Rebecca Deming - Director

Prepared by:

LDC, Inc
Dane Jepsen, Associate Planner
Ciara Ortiz, Permit Technician
Yeni Li, Senior Planner

Table of Contents

Table Reference.....	2
Executive Summary.....	4
Background	4
Land Capacity Analysis Overview	4
Land Capacity Analysis Methodology	5
Land Capacity Analysis Results.....	7
Housing and Employment Targets 2020-2044.....	7
Employment Capacity	8
Alternative Zoning.....	19
Employment Capacity	21
Housing Capacity	22
Adequate Provisions	28
Moderate Density Housing Barriers	28
Low-Rise or Mid-Rise Housing Barriers	29
PSH and Emergency Housing Barriers	29
Accessory Dwelling Unit (ADU) Barriers.....	29
Addressing Affordable Housing Funding Gaps	30
Conclusion.....	30

Table Reference

Table 1 - 2019-2023 Permits.....	7
Table 2 - Growth Targets Progress.....	8
Table 3 - Commercial Capacity (Jobs).....	8
Table 4 - Employment	8
Table 5 - Housing Type	9
Table 6 - Permanent Housing (Units) by Affordability (AMI).....	9
Table 7 - Residential Capacity	10
Table 8 - ADU Development Capacity	11
Table 9 - Emergency Housing Capacity.....	12
Table 10 – Housing Capacity Subtotal	13
Table 11 - Zone Categories.....	13
Table 12 - North Bend Residential Zone Density Categories	14
Table 13 - Income Levels based on AMI	15
Table 14 - Zone Category Incomes Served	15
Table 15 - Zoned Capacity by Density	16
Table 16 - 2019-2023 Permitted housing Growth	16
Table 17 - Income Housing Target Capacity Summary	17
Table 18 – Housing Capacity Deficit	18
Table 19 - Zoned Acres - Alternative Summary	19
Table 20 - Employment Capacity - Alternative Zoning Summary.....	21

Table - Housing Capacity - Alternative Zoning Summary.....	22
Table - ADU Development Capacity - Alternative Summary.....	23
Table 23 - Emergency Housing Capacity – Alternative Zoning	24
Table 24 - Housing - Base and Alternative Zoning	24
Table 25 - Zoned Capacity by Density - Alternative Comparison	25
Table 26 - Income Housing Target Capacity Summary - Alternative Zoning	26
Table 27 - Affordable Housing Target Capacity - Alternative Comparison	27
Table 28 - North Bend 2024 Base LCA Zone Assumptions	31
Table 29 - North Bend 2024 Alternative LCA Zone Assumptions	32

Executive Summary

This Land Capacity Analysis (LCA) evaluates the inventory of developable and redevelopable land within the jurisdiction of the City of North Bend (North Bend), estimating whether the city can meet its projected growth targets. The assessment aims to understand available land for development, how it can be utilized to achieve projected growth targets, and identifies potential changes needed to achieve the land capacity to accommodate future housing and employment needs.

This LCA determined that North Bend has sufficient employment capacity for the 2024-2044 planning period (planning period) but lacks adequate capacity to meet projected housing needs for very low and extremely low-income households. To address this housing deficit, North Bend planned zoning changes. These changes include adding 664 units of housing capacity to the Low-Rise Multifamily density category, which would accommodate affordable housing needs for households earning less than 50% AMI, as well as other income categories.

This memorandum provides detailed background, methodology, and findings that update the city's capacity for housing and employment, building upon the Urban Growth Capacity Report (UGCR).

Background

North Bend is required to estimate its land capacity to support anticipated growth over the planning period in the land use element of its Comprehensive Plan (WAC 365-196-405).

In cities within King County, LCA relies on findings from the UGCR. The UGCR is an assessment completed by King County that helps determine the amount of land suitable for development within the County, evaluates each city's capacity for growth, and projects the future housing and employment capacity for each city. The UGCR bases its findings on recent development activity data provided by cities within King County.

King County and the cities within the county work together to create the UGCR. This report, last updated in 2021¹, evaluated the amount of land suitable for urban development and capacity-for growth within each jurisdiction and was based on a measurement of recent actual development activity; this is often referred to as the Buildable Lands Program (RCW 36.70A.215). The County uses data provided by each city to conduct an inventory of land that is vacant or underutilized and uses that data to estimate housing and employment capacity per zone within each jurisdiction. These data form the basis for updating the analysis of land capacity.

Land Capacity Analysis Overview

An LCA identifies the remaining developable and redevelopable land within a city's jurisdiction that may be used to achieve the city's growth targets. An LCA utilizes data available from the County Assessor, County Buildable Lands Report (King County UGCR), local permitting activities, and other available reports and resources to quantify the City's development potential for employment and housing and evaluate necessary changes to achieve the land capacity necessary to accommodate all housing and employment needs.

Washington Department of Commerce (Commerce) has developed guidance on conducting LCAs; see [Guidance for Updating your Housing Element](#), which is specific to housing capacity related to House Bill

¹ The 2021 Buildable Lands Report is based on an inventory of permits and property status as of January 2020 (King County Urban Growth Capacity Report, June 2021, pg. 18).

(HB) 1220, and [Urban Growth Area Guidebook](#), which addresses both housing and employment capacity in relation to the Growth Management Act (GMA).

In partnership with LDC, the City has analyzed development capacity for the planning period according to Commerce guidance. In this LCA Memorandum (memo), findings from the LCA are reported according to Commerce guidance with underlying analysis performed according to the King County UGCR methodology².

Land Capacity Analysis Methodology

The 2021 King County UGCR performed capacity analysis through the following steps:

- Phase One – Achieved Densities
- Phase Two – Land Supply
- Phase Three – Initial Capacity
- Phase Four – Final Capacity

This LCA incorporated these phases into its analysis as indicated below:

Phase One – Achieved Densities

Density assumptions from the 2021 UGCR were re-evaluated for this LCA; however, recently achieved densities confirmed the previous assumptions so no changes were made. Density assumptions used in the LCA are reported in Table 25. Additionally, the abbreviations of zoning designations referred to throughout this memo are not consistent with the current North Bend zoning code at the time of writing. They are based on changes to the structure of the zoning code that includes revised zone names – see Table 26 for a cross-over of the old and new zone abbreviations.

Phase Two – Land Supply

Parcels in North Bend were assessed for development potential. Parcels determined to have capacity were either vacant or evaluated to be redevelopable³. The following assessments were included to determine available land supply:

1. Critical Areas – This LCA did not include additional analysis of critical areas. The coverage of critical areas that were identified in the data reported to King County for the 2021 UGCR is summarized on the parcel level and included in this analysis.
2. Pipeline Projects – Parcels associated with development projects that were permitted after May of 2023 or those that are currently in the permitting process were removed from the analysis and their proposed residential units and/or commercial building square footage were used in Phase 4 of the LCA Methodology.
3. Permitted Projects – Parcels associated with development projects that were permitted between January 2019 and May 2023 were removed from the analysis and their achieved residential units and/or commercial building square footage were used in Phase 4 of the LCA Methodology.

In this analysis buildable land capacity was inferred from the findings of the 2021 UGCR. This was accomplished by applying the land capacity designations of *Vacant*, *Vacant Single Unit*, and *Redevelopable* from those parcels with capacity in the 2021 UGCR to the City of North Bend's parcels⁴ and correcting them based on development permits for building construction and demolition in North Bend. Additionally, current

² Appendix A to the 2021 King County Urban Growth Capacity Report, Ch. 2 Methodology and Guidance Overview (p. 16-27)

³ For definitions of vacant and redevelopable parcels, see Appendix A to the 2021 King County Urban Growth Capacity Report, Ch. 2 Methodology and Guidance Overview (p. 20)

⁴ Parcel dataset used is from May of 2023.

King County Assessor property improvement data was incorporated to ensure redevelopable properties had exiting development accounted for.

Phase Three – Initial Capacity

Data of parcels with identified capacity were combined and attributed by zone, these data include number of Vacant Single Unit Parcels, Gross Acres, Critical Areas (acres), existing residential units, and existing commercial building square-footage. Net developable acres (Gross Acres – Critical Areas) were then calculated for each zone, and zoning assumptions including metrics such as assumed density, percent of right-of-way, etc. (see Appendix A) were applied to calculate the maximum build potential in residential units and commercial building square footage.

Phase Four – Final Capacity

The existing residential units or commercial building square footage was subtracted from maximum build potential to yield the net capacity which can result in negative numbers due to non-conforming uses being displaced. Finally, residential units and/or commercial building square footage from pipeline projects were added to their respective zones which yields Final Capacity.

This Final Capacity becomes the input for Step 1 of the Commerce LCA guidance (discussed on page six of this memo).

- Land Capacity Analysis Results on next page -

Land Capacity Analysis Results

The LCA produced projections of future capacity for housing and employment. The remainder of this memo will review the LCA's outcomes and options related to the North Bend 2024 Comprehensive Plan Update.

Housing and Employment Targets 2020-2044

According to the King County Countywide Planning Policies (amended August 15, 2023), North Bend has the following housing and employment targets to plan for during the 2024 Comprehensive Plan update:

- Housing Target: 1,748 residential units
- Employment Target: 2,218 jobs

Current Development

North Bend provided data for land development that has occurred since 2019. The 2019-2023 Permits table and the Growth Targets Progress table (Table 1 and Table 2, respectively) summarize the amount and type of building activity that was permitted in North Bend between January 2019 and April 2023. Any development applications not yet permitted as of April 2023 will be incorporated later in the LCA as Pipeline Projects.

2019-2023 Permits	
Development	Quantity
Single-Family Detached	396 Units
Townhouse ⁵	144 Units
Cottage	3 Units
Duplex	4 Units
Accessory Dwelling Unit (ADU)	1 Unit
Multi-Family	224 Units
Total Residential	772 Residential Units
Commercial Building	238,656 square feet
Total Commercial	406 Estimated Jobs⁶

Table 1 - 2019-2023 Permits

Permitted units and jobs can be directly counted against North Bend's current growth targets because they have effectively increased capacity for housing and employment.

Growth Targets Progress	
<i>Housing Target</i>	<i>1,748</i>
2019-2023 Permitted Growth	772
Target Remaining	976
<i>Employment Target</i>	<i>2,218</i>
2019-2023 Permitted Growth	406
Target Remaining	1,812

⁵ For the purposes of this analysis townhouses include units permitted as triplexes or fourplexes.

⁶ Estimated jobs from permitted development are based on a combination of density assumptions and local knowledge to approximate jobs provided by each development.

Table 2 - Growth Targets Progress

Employment Capacity

Employment capacity is provided by vacant and redevelopable land, and pipeline projects. Assumptions of floor-area-ratio (FAR) are applied to developable land to estimate potential commercial building square-footage; assumptions of employment density are applied to estimate the potential jobs yielded by development.

Commercial Capacity	Commercial Capacity (Jobs)			
Zone	Initial	(Displaced)	Pipeline	Total
NMU-MPOD	0	3	0	-3
NB	328	0	100	428
NMU	333	0	102	435
NMU - Redevelopable	504	11	0	493
DC	787	173	0	614
BP	789	7	971	1,753
EP	1,360	7	0	1,353
IC	993	23	60	1,030
IMU	442	34	0	408
POSPF	0	0	32	32
Total	5,536	258	1,265	6,543

Table 3 - Commercial Capacity (Jobs)

Employment capacity in North Bend is sufficient to satisfy its employment growth targets. The NMU, DC, BP, and EP zones have the highest volume of initial capacity and a large portion of North Bend's growth target is provided by permitted and pipeline projects. A total of approximately 1,671 jobs are anticipated to be provided through these developments.

With developable land providing approximately 5,278 jobs, and permitted and pipeline projects together providing approximately 1,671 jobs, North Bend is expected to exceed its adopted growth target by 4,731 jobs.

Employment	Jobs
Target 2019-2044	2,218
2019-2023 Permitted Growth	406
Pipeline projects	1,265
Zoned Employment capacity	5,278
Total Employment Capacity	6,949
Employment Capacity Surplus (or deficit)	4,731

Table 4 - Employment

Housing Capacity

Per the GMA, the LCA needs to take into consideration capacity for Affordable Housing, Permanent Supportive Housing, and Emergency Housing, as well as needs for traditional market rate housing⁷. These special needs housing types will be referenced throughout the LCA, their definitions from the GMA are available in the Housing Type table (Table 5):

Housing type	Definition from RCW
Affordable Housing RCW 84.14.010	Residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low- or moderate-income households.
Permanent Supportive Housing (PSH) RCW 36.70A.030	Subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services.
Emergency Housing RCW 36.70A.030	Temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

Table 5 - Housing Type

North Bend has adopted targets to add an additional 1,748 residential units and 334 emergency beds by 2044. These targets incorporate needs for Affordable Housing, Permanent Supportive Housing, and Emergency Housing, as well as needs for traditional market-rate housing. King County ordinance 19660, adopted August 15th, 2023, establishes North Bend's housing growth target allocations. The Permanent Housing (Units) by Affordability (AMI) table (Table 6) outlines permanent housing targets by income and emergency housing target in number of beds.

Permanent Housing (Units) by Affordability (AMI)								Emergency Housing (Beds)
0 - 30%		30 - 50%	50 - 80%	80 - 100%	100 - 120%	120% Plus	Total	
Non-PSH	PSH							
433	228	121	221	98	111	536	1,748	334 beds

Table 6 - Permanent Housing (Units) by Affordability (AMI)

⁷ RCW 36.70A.070(2)(c)

To demonstrate compliance with HB 1220, housing capacity is reported according to Commerce guidance⁸; this guidance outlines the demonstration of housing capacity through the following steps:

1. Summarize land capacity by zone
2. Categorize zones by allowed housing types and density level
3. Relate zone categories to potential income levels and housing types served
4. Summarize capacity by zone category
5. Compare projected housing needs to capacity
6. (If a deficit is found) Implement actions to increase capacity for one or more housing needs then re-assess capacity (Step 1) based on actions.

1. Summarize land capacity by zone

Using HB 1220 and HB 1337 North Bend has identified capacity for all housing needs in three areas:

1. Zoned capacity – capacity from vacant and redevelopable land or from pipeline development projects
2. Accessory Dwelling Unit Capacity (HB 1337) – potential capacity for the construction of ADUs on existing and future residential lots based on assumed production rates
3. Emergency Housing Capacity (HB 1220) – capacity for the City to provide for emergency housing needs based on available land and other opportunities

Zoned Capacity

Residential Capacity	Residential Capacity (Units)			
Zone	Initial	(Displaced)	Pipeline	Total
CLDR	21	0	40	61
LDR - Constrained	51	(14)	0	37
LDR	261	(53)	0	208
MDR	357	(17)	0	340
HDR	10	0	0	10
NMU-MPOD	9	(2)	0	7
NMU	76	0	0	76
NMU - Redevelopable ⁹	6	(2)	0	4
DC	270	0	0	270
BP	0	0	0	0
EP	0	0	0	0
IC	0	0	0	0
IMU	0	0	0	0
Total	1,061	(88)	40	1,013

Table 7 - Residential Capacity

⁸ Guidance for Updating your Housing Element (Book 2). Washington State Department of Commerce. <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updates-gma-housing-elements/>

⁹ The NDU zone has separate assumptions for redevelopable land, depicted on its own row for this analysis (see Table 25).

Accessory Dwelling Unit Capacity (House Bill 1337)

Recent changes in State law now mandate cities to permit up to two ADUs on all lots within zones designated for single-family homes, in North Bend those are the CLDR, LDR, MDR, and HDR zoning districts, encompassing 3,412 tax parcels. After excluding parcels deemed unsuitable due to current uses or containing critical areas, 2,831 lots are eligible for construction. Additionally, lots projected to be developed in single-family zones are included, increasing the total available lots for ADU construction to 3,103.

Commerce recommends estimating the projected number of newly constructed ADUs based on the real-estate market of the jurisdiction¹⁰. North Bend assumed a 2.5% participation rate, accounting for property owners who lack the financial resources or desire to build ADUs. Estimated participation rate was chosen based on North Bend's history of permitting ADUs and the anticipated increase in ADU development activity that will result from changes implemented by HB 1337. North Bend assumed an average of 1.25 ADUs per lot and while there are no lots identified in North Bend that have more than one ADU currently, when factoring in the new requirements of HB 1337 lots with two ADUs could exist in the future. Applying this analysis, North Bend has capacity for 97 ADUs on 78 lots.

ADU Development Capacity				
Available Lots	Participation Rate	Potential ADU Lots	ADUs per Lot	2044 ADU Capacity
3,103	2.50%	78	1.25	97

Table 8 - ADU Development Capacity

Emergency Housing Capacity (House Bill 1220)

HB 1220 includes requirements for Emergency Needs Housing capacity. These requirements are applicable to all jurisdictions that have been assigned Emergency Needs Housing targets, of which North Bend has been assigned 334 beds. The bill requires that jurisdictions allow for siting of indoor emergency housing or indoor emergency housing shelters where hotels are allowed or within "a majority of zones within a one-mile proximity to transit."

At time of writing, North Bend allows hotels as a permitted use in the NMU, IC, IMU, NBU, EP zoning districts and is required to demonstrate land capacity for emergency housing in addition to permanent housing if emergency housing is not allowed outright in all these zones. As of the writing of this analysis, North Bend has land use regulations for Emergency Housing "Indoor Emergency Shelter" and "Indoor Emergency Housing" and requires both uses to obtain a Conditional Use Permit for their operation.

Based on the City's current development regulations and developable land identified in this LCA, Emergency Housing capacity was assessed through an Emergency Housing Land Capacity Analysis (EHLCA). In an EHLCA, land for capacity is identified based on the zoning use code table found in [NMBC 18.10.030](#); due to the uncertainty of the Conditional Use process, only zones where the above listed emergency housing uses are outright permitted will be considered to have capacity for these housing needs. Additionally, residential and non-residential capacity are treated differently in an EHLCA; land identified for permanent residential development capacity can also be counted for emergency housing capacity but land identified for emergency housing capacity in commercial zones must be removed from the non-residential capacity in those zones. This difference is due to the assumptions behind the creation of the permanent and emergency housing targets which assume that if all permanent housing needs are met emergency housing should no longer be necessary and could be re-purposed.

¹⁰ Guidance for Updating your Housing Element (Book 2) - p. 28. Washington State Department of Commerce. <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updates-gma-housing-elements/>

Table 9 shows all zones evaluated in the EHLCA, their use code table level of permit approval, and any emergency housing capacity identified in them and compares the total identified emergency housing capacity to the City's emergency housing target.

Emergency Housing Capacity									
Zone	EH Use Code Table	Residential EH Acres	Commercial EH Acres	Total EH Acres	Density (beds/acre)	Capacity (beds)	Total Capacity	Total Need	Capacity Surplus (or Deficit)
CLDR	No	0.00	0.00	0.00	0	0	0	334	(334)
LDR - Constrained	No	0.00	0.00	0.00	0	0			
LDR	No	0.00	0.00	0.00	0	0			
MDR	No	0.00	0.00	0.00	0	0			
HDR	Conditional Use	0.00	0.00	0.00	0	0			
NMU-MPOD	Conditional Use	0.00	0.00	0.00	0	0			
NMU	Conditional Use	0.00	0.00	0.00	0	0			
NMU - Redevelopable	Conditional Use	0.00	0.00	0.00	0	0			
DC	*	0.00	0.00	0.00	0	0			
BP	No	0.00	0.00	0.00	0	0			
EP	No	0.00	0.00	0.00	0	0			
IC	Conditional Use	0.00	0.00	0.00	0	0			
IMU	Conditional Use	0.00	0.00	0.00	0	0			
NB	Conditional Use	0.00	0.00	0.00	0	0			
POSPF	Conditional Use	0.00	0.00	0.00	0	0			

Table 9 - Emergency Housing Capacity

The initial EHLCA based on existing conditions identified no capacity for emergency housing uses, leaving a total capacity deficit of 334 beds. To address this deficit, North Bend needs to plan for an additional 334 beds by 2044 to meet emergency housing needs.

Housing Capacity Subtotal

Housing capacity by zoning, pipeline projects, and ADU construction contributes toward North Bend's total housing target of 1,748 residential units by 2044. Without factoring in housing needs by income brackets, North Bend has capacity for 1,8829 residential units providing a surplus of 134 units of residential capacity.

Housing Capacity Subtotal	Units
Target 2020-2044	1,748
2020-2023 Permitted Growth	772
Pipeline projects	40
Zoned Housing capacity	973
ADU Capacity	97
Total Housing Capacity	1,882
Housing Capacity Surplus (or deficit)	134

Table 10 – Housing Capacity Subtotal

2. Categorize zones by allowed housing types and density level

Commerce has established a framework to assess potential housing affordability. This involves compiling permitted housing types and maximum allowed densities for each zone, categorizing them into "Zone Categories." These categories help gauge how effectively the identified capacity in the LCA serves the housing needs of all demographics.

*Housing costs and affordability can vary significantly by housing type, and housing types and densities are determined in part by zoning and other local development regulations. For example, subsidized affordable housing projects are most feasible to produce in low-rise or mid-rise multifamily zones that allow for multi-unit housing production, such as apartment buildings.*¹¹

The Zone Categories table (Table 11) shows zone categories from Commerce guidance that are applicable to zones in North Bend.

Zone Category	Typical Housing Types Allowed
Low Density	Detached single-family homes
Moderate Density	Townhomes, duplex, triplex, quadplex
Low-Rise Multifamily	Walk-up apartments or condominiums (2 to 3 floors)

Table 11 - Zone Categories

¹¹ Guidance for Updating your Housing Element (Book 2) - p. 30. Washington State Department of Commerce. <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/>

Based on this framework, North Bend's residential zones can be classified into the following categories:

North Bend Residential Zone Density Categories			
Zone	Housing Types Allowed	Max Density Allowed	Assigned Zone Density Category
HDR	Detached single-family homes, Townhomes, Duplexes, Triplexes, Fourplexes, Apartments	21 du/ac	Low-Rise Multifamily
NMU	Apartments	15 du/ac	Low-Rise Multifamily
NMU - Redevelopable	Apartments	15 du/ac	Low-Rise Multifamily
DC	Apartments	32 du/ac	Low-Rise Multifamily
IC	Apartments	15 du/ac	Low-Rise Multifamily
IMU	Apartments	32 du/ac	Low-Rise Multifamily
MDR	Detached single-family homes, Duplexes, Cottages	14 du/ac	Moderate Density
NMU-MPOD	Detached single-family homes	4 du/ac	Low Density
CLDR	Detached single-family homes	2 du/ac	Low Density
LDR - Constrained	Detached single-family homes, Cottages	2 du/ac	Low Density
LDR	Detached single-family homes, Cottages	4 du/ac	Low Density

Table 12 - North Bend Residential Zone Density Categories

3. Relate zone categories to potential income levels and housing types served

The types of housing allowed in a zone can influence which income levels' housing needs are met. The Zone Category Incomes Served table (Table 14) shows the potential income levels served by different housing types, whether market rate or subsidized, based on a standard table from Commerce¹². Income levels are determined by the Area Median Income (AMI). Income levels are based on the Area Median Income (AMI), see Income Levels based on AMI table (Table 13) for details.

Income Levels	
Income Level	Relative AMI
Extremely Low Income	<=30% AMI
Very Low Income	>30% and <=50% AMI
Low Income	>50% and <=80% AMI
Moderate Income	>80% and <=120% AMI
High Income	>120% AMI

Table 13 - Income Levels based on AMI

Zone Category Incomes Served				
Zone Category	Housing Types Served	Lowest Potential Income Level Served		Assumed Affordable Income Level for LCA
		Market Rate	With Subsidies	
Low Density	Single-Family Detached	High Income	Not feasible at scale	High Income
Moderate Density	Townhomes, duplex, triplex, quadplex	High Income	Not feasible at scale	High Income
Low-Rise Multifamily	Walk-up apartments, condominiums, PSH (2-3 floors)	Low Income	Extremely Low - Very Low Income	Low - Extremely Low Income and PSH
ADUs (all zones)	ADUs on developed residential lots	Moderate Income	N/A	Moderate Income

Table 14 - Zone Category Incomes Served

¹² Guidance for Updating your Housing Element (Book 2) - Exhibit 13, p. 33. Washington State Department of Commerce. <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/>

4. Summarize capacity by zone category

Zoned Capacity

Zoned capacity is derived from developable or redevelopable land as identified in the LCA. The Zoned Capacity by Density table (Table 15) shows zoned capacity from the LCA, compiled based on the density category.

Zoned Capacity by Density			
Zone	Capacity (LCA)	Zone Density Category	Capacity in Zone Density Category
HDR	10	Low-Rise	360
NMU	80		
DC	270		
IC	0		
IMU	0		
MDR	340	Moderate Density	340
NBU-MPOD	7	Low Density	273
LDR	208		
LDR - Constrained	37		
CLDR	21		
ADUs (any zone)	97	ADUs	97
Total	1,167		

Table 15 - Zoned Capacity by Density

Permitted Housing Growth

Housing development projects completed between 2019 and 2023 are included as permitted capacity. The units developed from these projects are the most reliable measure of North Bend's progress toward its housing targets. Units are categorized by their development form and affordability. Two of the included projects provided income-restricted units (two at <50% AMI and 30 at <80% AMI). Although some units were provided as townhomes¹³, all these units are categorized in the "Low-rise Multifamily" density category for this analysis. The 2019-2023 Permitted Housing Growth table (Table 16) shows permitted housing growth used in the LCA, compiled by density category.

2019-2023 Permitted housing Growth			
Type	Permitted Units	Density Category	Capacity Built Density Category
Income Restricted (<50% AMI)	2	Low-Rise Multifamily	2
Income Restricted (<80% AMI)	30	Low-Rise Multifamily	30
Multi-Family	199	Low-Rise Multifamily	199
Duplex	4	Moderate Density	148
Townhouse	144		
Cottage	3		
Single-Family Detached	389	Low Density	392
ADU	1	ADU	1
Total	772		

Table 16 - 2019-2023 Permitted housing Growth

¹³ See River Run Apartments and Habitat for Humanity - Tyler Town development.

Pipeline Capacity

Pipeline projects are not included in this categorization. Detailed information about the built condition or proposed pipeline projects provides a more accurate measure of the income levels being served. At the time of this LCA, one residential development in the permitting pipeline planned to provide 40 single-family detached units, categorized as Low Density units.

North Bend's projected housing needs by income bracket were compared to the LCA findings to determine if there is sufficient capacity to accommodate needs at all income levels. The first two columns in the Income Housing Target Capacity table (Table 17) transpose data from the tables on the previous pages (Table 15 and Table 16); the remaining columns show calculations based on the category capacity established on the previous page. Some of the income categories are served by more than one Zone Category. Since zone density assumptions are based on the lowest potential income served, zoned density is assumed to serve the highest income bracket with a deficit first; this is expressed through math included in parentheses with each zoned capacity numbered combined from more than one Zone Category.

Income Housing Target Capacity Summary							
Income Level	Projected Housing Need	Aggregated Housing Needs	Zone Categories Serving These Needs	2020-2023 Permitted Growth	Total Pipeline Capacity	Total Zoned Capacity	Capacity Surplus (or Deficit)
0 - 30% PSH	228	782	Low-Rise Multifamily	2	0	169	(611)
0 - 30% Non-PSH	433						
>30 - 50%	121						
>50 - 80%	221	221	Low-Rise Multifamily	30	0	191	0
>80 - 100%	98	209	Low-Rise Multifamily and ADUs	200	0	97	88
>100 - 120%	111						
>120%	536	536	Moderate and Low Density	540	40	613	657
Total	1,748			772	40	1,070	

Table 17 - Income Housing Target Capacity Summary

Sufficient Capacity

The current zoned and pipeline capacity is sufficient to meet the needs of low to high-income households (incomes greater than 80% AMI). This capacity is primarily achieved through the substantial area of moderate-density developable land and the significant number of single-family residential units permitted since 2019.

Insufficient Capacity

Current housing capacity falls short of meeting the needs of very low and extremely low-income households (both PSH and non-PSH). Between 2019 and 2023, the city did not experience any non-market or subsidized

housing development. Additionally, the land zoned for densities that support affordable housing development is in short supply, making it infeasible to meet the projected needs of all households earning less than 50% AMI.

Income Level	Extremely Low Income (PSH)	Extremely Low Income (Non-PSH)	Very Low Income
Capacity Surplus (or Deficit)	(611)		

Table 18 – Housing Capacity Deficit

The surplus of residential units for high income households does not alleviate the shortfall in housing capacity for other income brackets. To address this shortfall, North Bend needs to plan for an additional 611 residential units by 2044 to meet the housing needs of very low and extremely low-income households (both PSH and non-PSH).

Additionally, the EHLCA summarized on pages 11-12 did not identify any emergency housing capacity resulting in a deficit of the total target of 334 beds by 2044.

5. (If deficit is found) Implement actions to increase capacity for one or more housing needs. Then re-assess capacity (Step 1) based on actions.

North Bend has demonstrated sufficient capacity to meet its 2044 housing target for high-to-low-income households but falls short of its target for very low and extremely low-income households as well as emergency housing. To address these housing capacity deficits, North Bend has planned zoning changes. The following section outlines the changes and assesses their impacts on housing and employment capacity.

- Alternative Zoning on next page -

Alternative Zoning

The alternative zoning changes were comprehensively evaluated for every base parcel in North Bend. Similar to the base LCA, the land capacity designations from the 2021 UGCR remain unchanged, but new zoning designations are applied according to the changes. The Zoned Acres – Alternative Summary table (Table 19) illustrates the changes to the gross acreage of each zone as implemented by the alternative zoning.

Zoned Acres - Alternative Summary			
Zone	Area (Acres)		
	Base Zoning	Alternative Zoning	
		Total Acres	Change Addition or (Reduction)
CLDR	374.8	359.3	(15.47)
LDR - Constrained	176.5	175.2	(1.33)
LDR	964.6	941.7	(22.82)
MDR	60.4	56.3	(4.11)
HDR	37.1	51.9	14.75
NMU-MPOD	10.4	0.0	(10.36)
NB	101.5	101.5	0.00
NMU	53.1	124.2	71.18
DC	66.7	81.9	15.19
BP	312.2	186.2	(125.99)
EP	145.1	132.2	(12.86)
IC	76.8	73.5	(3.25)
IMU	39.7	39.7	0.00
POSPF	727.7	822.7	95.06
ROW	13.8	13.8	0.00
Total	3,160.3	3,160.3	

Table 19 - Zoned Acres - Alternative Summary

The alternative zoning primarily focuses on increasing development capacity in North Bend's mixed-use zones. This includes reducing areas designated as low-density residential and purely commercial zones, while enhancing a few zones with higher density residential and commercial development standards. As part of these changes, land previously in the NMU-MPOD zone has been rezoned to LDR to better align with neighborhood priorities within that special planning area. Additionally, parcels dedicated to open space have been rezoned to the POSPF zone to better reflect planned land use in North Bend.

The alternative zoning includes adjustments to the zoning use code table and dimensional regulations. Zoning code changes to the use code table were proposed to address the emergency housing capacity deficit identified in the initial LCA. These changes include allowing emergency housing uses as a permitted use in the EP, IC, IMU, and NB zones.

Proposed amendments to dimensional regulations were aimed at better facilitating residential development in the IC and IMU zones. Previously, the IC zone prohibited nearly all residential land uses and the IMU zone allows multi-family but limits building height to 30 feet. To address these limitations on residential development, North Bend will implement code revisions to allow second floor residential and mixed-use development in the IC zone and an increased height limit in the IMU zone. These revisions are

intended to promote multi-family and mixed use development that is able to serve lower income households. Considering these revisions, analysis of the alternative zoning includes revised assumptions including a mixed-use approach for the IC and IMU zones; revisions are documented in Table 32 of the revised LCA assumptions.

- Alternative Zoning Results on next page -

Alternative Zoning Results

In this analysis, the capacity of the alternative zoning is summarized and presented in a format consistent with how housing and employment capacity were presented in the LCA. This comparison will assess the capacity outcomes of the alternative zoning against those determined under previous zoning in the LCA.

Employment Capacity

The employment capacity identified in the LCA exceeded North Bend's employment growth targets. However, the alternative zoning plan included reducing the area designated for BP, EP, IC, and IMU zones to accommodate housing capacity needs and revised assumptions for emergency housing development in EP, IC, IMU, and NB zones. These zoning adjustments resulted in changes to the projected employment capacity. The Employment Capacity – Alternative Zoning Summary table (Table 20) provides a summary of these capacity changes and compares them against the employment growth target.

Employment Capacity - Alternative Zoning Summary			
Zone	Base Zoning	Alternative Zoning	
		Total Jobs	Change Addition or (Reduction)
NMU-MPOD	-3 ¹⁴	0	3
NB	328	328	0
NMU	333	1163	830
NMU - Redevelopable	493	625	132
DC	614	1223	609
BP	782	85	(697)
EP	1353	1153	(200)
IC	970	357	(613)
IMU	408	79	(329)
Total	5,278	4,964	(314)
2019-2023 Permitted Growth	406	406	
Pipeline projects	1,265	1,265	
Total Employment Capacity	6,949	6,635	
(Employment Target)	(2,218)	(2,218)	
Employment Capacity Surplus (or deficit)	4,731	4,417	

Table 20 - Employment Capacity - Alternative Zoning Summary

Although the area of the IMU zone remained unchanged and the IC zone was reduced by only 3.25 acres, both zones experienced significant reductions in capacity due to the mixed-use split outlined in the new zoning assumptions (Table 27). While the alternative zone boundaries resulted in a net increase of job capacity of approximately 21 jobs, overall job capacity decreased a net 314 due to a 10% reduction of developable land in the EP, IC, IMU, and NB zones due to the allowance of emergency housing in those zones. Under the alternative zoning there is still a substantial surplus of employment capacity.

¹⁴ Negative values represent existing commercial buildings that are on land identified as redevelopable but redevelopment assumes 100% residential.

Housing Capacity

To demonstrate housing capacity for the alternative zoning, it should encompass affordable housing options for all economic segments. The evaluation of housing capacity will follow the LCA process using assumptions and guidance from Commerce. The alternative involves changes to the zoning map without altering existing zone regulations, thereby obviating the need to re-evaluate Steps 2 and 3 for capacity demonstration. Step 6 was addressed in this memo's analysis of growth targets for the alternative. The analysis of housing capacity for growth alternatives will include the following steps:

1. Summarize land capacity by zone.
4. Summarize capacity by zone category.
5. Compare projected housing needs to capacity.

1. Summarize land capacity by zone

The alternative resulted in different outcomes for zoned, ADU, and emergency housing capacity.

Zoned Capacity

The Housing Capacity – Alternative Zoning Summary table (Table 21) summarizes zoned housing capacity identified from the alternative zoning comparing it to the capacity identified in the LCA. Zoned capacity represents the net result of initial units minus displaced units.

Housing Capacity - Alternative Zoning Summary			
Zone	Base Zoning	Alternative Zoning	
		Total Units	Change Addition or (Reduction)
CLDR	21	21	0
LDR - Constrained	37	37	0
LDR	208	245	37
MDR	340	340	0
HDR	10	10	0
NMU-MPOD	7	0	(7)
NMU	76	267	191
NMU - Redevelopable	4	5	1
DC	270	472	202
BP	0	0	0
EP	0	0	0
IC	0	134	134
IMU	0	136	136
Total	973	1,667	694
2019-2023 Permitted Growth	772	772	
Pipeline projects	40	40	
ADU Capacity	97	98	
Total Housing Capacity	1,882	2,577	
(Housing Target)	(1,748)	(1,748)	
Housing Capacity Surplus (or deficit)	134	829	

Table 21 - Housing Capacity - Alternative Zoning Summary

Accessory Dwelling Unit Capacity (HB 1337)

Projected ADU capacity fluctuated due to rezones affecting the future production of single-family lots which could potentially develop with ADUs. The alternatives analysis utilized the same assumptions as the LCA: 2.5% participation factor for available lots and 1.25 ADUs constructed per participating lot. The ADU Development Capacity – Alternative Summary table (Table 22) outlines ADU capacity for each alternative.

ADU Development Capacity - Alternative Summary		
	Base Zoning	Alternative Zoning
Available Lots	3,103	3,144
Potential ADU Lots	78	79
2044 ADU Capacity	97	98

Table 22 - ADU Development Capacity - Alternative Summary

Emergency Housing Capacity (House Bill 1220)

The Emergency Housing Capacity – Alternative Zoning table (Table 23) summarizes emergency housing capacity identified from the alternative zoning. Proposed changes to the zoning use code table have allowed emergency housing uses to be outright permitted in the EP, IC, IMU, and NB zones and removed development regulations on emergency housing restricting its occupancy and spacing.

The portion of land considered developable for residential development in these zones is entered in the "Residential EH Acres" column and the portion of land considered developable for non-residential development that was removed from non-residential capacity in these zones is entered in the "Commercial EH Acres". Based on examples provided by Commerce, land that was identified to have capacity for emergency housing was assumed to be developed at a density of 18 beds per acre; this is a conservative assumption that could fit the form of many emergency housing types including:

- Emergency congregate shelters
- Hotel conversions
- Tiny home villages

- Table 23 on next page -

Emergency Housing Capacity – Alternative Zoning									
Zone	EH Use Code Table	Residential EH Acres	Commercial EH Acres ¹⁵	Total EH Acres	Density (beds/acre)	Capacity (beds)	Total Capacity	Total Need	Capacity Surplus (or Deficit)
CLDR	No	0.00	0.00	0.00	0	0	378	334	44
LDR - Constrained	No	0.00	0.00	0.00	0	0			
LDR	No	0.00	0.00	0.00	0	0			
MDR	No	0.00	0.00	0.00	0	0			
HDR	Conditional Use	0.00	0.00	0.00	0	0			
NMU-MPOD	No	0.00	0.00	0.00	0	0			
NMU	No	0.00	0.00	0.00	0	0			
NMU - Redevelopable	No	0.00	0.00	0.00	0	0			
DC	*	0.00	0.00	0.00	0	0			
BP	No	0.00	0.00	0.00	0	0			
EP	Permitted	0.00	6.25	6.25	18	112			
IC	Permitted	8.96	0.90	9.86	18	177			
IMU	Permitted	4.26	0.18	4.44	18	80			
NB	Permitted	0.00	0.50	0.50	18	9			
POSPF	Conditional Use	0.00	0.00	0.00	0	0			

Table 23 - Emergency Housing Capacity – Alternative Zoning

Utilizing reasonable assumptions, the alternative zoning increased emergency housing capacity sufficiently to meet the emergency housing target of 334 beds by 2044.

Housing Capacity Subtotal

Housing capacity provided by zoning, pipeline projects, and ADU construction contributes toward the City's total housing target of 1,748 residential units by 2044. Without considering housing needs for income brackets, total housing capacity provided by alternative zoning exceeds housing targets by 829 units.

Housing	Base Zoning	Alternative Zoning
2019-2044 Housing Target	1,748	1,748
2019-2023 Permitted Growth	772	772
Pipeline projects	40	40
Zoned Housing capacity	973	1,667
ADU Capacity	97	98
Total Housing Capacity	1,882	2,577
Housing Capacity Surplus (or deficit)	134	829

Table 24 - Housing - Base and Alternative Zoning

¹⁵ Includes 10% of developable non-residential land in zones with emergency housing capacity.

4. Summarize capacity by zone category

Zone density categories identified in the LCA are applicable in the analysis of the alternatives. Zoned, pipeline, and built capacity were totaled by zone density category; zoned capacity had different quantities than were presented in the LCA; built and pipeline capacity were not affected by the zoning changes.

The Zoned Capacity by Density – Alternative Comparison table (Table 25) shows zoned capacity from the alternative LCA and compiles them based on the zone density category.

Zoned Capacity by Density - Alternative Comparison						
Zone Density Category	Zone	Base Zoning		Alternative Zoning		
		Zoned Capacity	Capacity in Zone Density Category	Zoned Capacity	Capacity in Zone Density Category	Change Addition or (Reduction)
Low-Rise Multifamily	DC	10	360	10	1,024	664
	NMU	80		272		
	HDR	270		472		
	IC	0		134		
	IMU	0		136		
Moderate Density	MDR	340	340	340	340	0
Low Density	NMU-MPOD	7	273	0	303	30
	LDR	208		245		
	LDR - Constrained	37		37		
	CLDR	21		21		
ADUs	ADUs (any zone)	97	97	98	98	1
Total		1,167		1,864		

Table 25 - Zoned Capacity by Density - Alternative Comparison

The alternative zoning significantly increased housing capacity in the "Low-Rise Multi-family" density category. It more than doubled the projected housing capacity in the NMU zone, nearly doubled the capacity in the DC zone, and introduced 270 units of mixed-use development potential between the IC and IMU zones, resulting in a total increase of 664 units over the base zoning in that category. Moderate changes in unit projections were observed in the Low Density category and for ADUs, while no change was projected for the Moderate Density category.

5. Compare projected housing needs to capacity

The alternative zoning analysis compared capacity projections to projected housing needs to assess the impact of changes on North Bend's overall housing capacity relative to its projected needs. The first two columns in the Income Housing Target Capacity Summary – Alternative Zoning table (Table 26) transpose data from the table on the previous page (Table 25), while the remaining columns present calculations based on the category capacity established earlier.

Income Housing Target Capacity Summary - Alternative Zoning							
Income Level	Projected Housing Need	Aggregated Housing Needs	Zone Categories Serving These Needs	2020-2023 Permitted Growth	Total Pipeline Capacity	Total Zoned Capacity	Capacity Surplus (or Deficit)
0 - 30% PSH	228	782	Low-Rise Multifamily	2	0	833	53
0 - 30% Non-PSH	433						
>30 - 50%	121						
>50 - 80%	221	221	Low-Rise Multifamily	30	0	191	0
>80 - 100%	98	209	Moderate Density and ADUs	200	0	98	89
>100 - 120%	111						
>120%	536	536	Low Density	540	40	643(340+303)	687
Total	1,748			772	40	1,765	

Table 26 - Income Housing Target Capacity Summary - Alternative Zoning

The alternative zoning significantly increased housing capacity in the Low-Rise Multifamily zone density category by expanding the DC and NMU zones and revising the IC and IMU zones to promote residential development. The additional capacity provided by the alternative is adequate to meet North Bend's affordable housing targets.

The Affordable Housing Target Capacity – Alternative Comparison table (Table 27) presents the final affordable housing target results from both the base zoning and the alternative for comparison. The alternative offers ample capacity to meet all of North Bend's projected affordable housing needs without reducing housing capacity in any income category. While it does not fully meet the projected housing need, the alternative enhances the availability of developable land capable of supporting affordable housing.

Affordable Housing Target Capacity - Alternative Comparison					
Income Levels	Aggregated Housing Needs	Base Capacity		Alternative Zoning	
		Total Capacity	Capacity Surplus (or Deficit)	Total Capacity	Capacity Surplus (or Deficit)
0 - 50% PSH & Non-PSH	782	158	(611)	835	53
>50 - 80%	221	221	0	221	0
>80 - 120%	209	297	88	298	89
>120%	536	1,193	657	1,223	687
	1,748	1,882		2,577	

Table 27 - Affordable Housing Target Capacity - Alternative Comparison

Sufficient Capacity

Both the base capacity and the alternative zoning meet the projected needs for low-to-moderate income households and emergency housing needs. The alternative zoning performed better than the base zoning in every income category except for low-income, where both provided the minimum necessary to meet projected needs. Specifically, the alternative zoning added 664 more units of Low-Rise Multifamily housing capacity, which is adequate to address North Bend's affordable housing needs for households with incomes less than 50% AMI. Additionally, the alternative increased low density and ADU housing capacity by replacing the NMU-MPOD zone with LDR.

Insufficient Capacity

Analysis of the alternative zoning identified sufficient affordable housing capacity for the 2044 housing targets, no shortfalls were identified in this analysis.

- Adequate Provisions on next page -

Adequate Provisions

GMA requirements for housing elements include a demonstration of adequate provisions for needed housing development which involves a broad review of development regulations, zoning, funding gaps, and comprehensive plan policies.

[RCW 36.70A.070\(2\)\(d\)](#) *"Makes adequate provisions for existing and projected needs of all economic segments of the community, including:*

- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;*
- (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;*
- (iii) Consideration of housing locations in relation to employment location; and*
- (iv) Consideration of the role of accessory dwelling units in meeting housing needs;"*

Commerce has prepared a checklist to assist cities in identifying and addressing this requirement of the GMA called "Appendix B: Adequate provisions checklists"; this checklist reviews many subjects in housing policy and development regulations within the following categories:

- Moderate Density Housing Barriers
- Low-Rise or Mid-Rise Housing Barriers
- PSH and Emergency Housing Barriers
- Accessory Dwelling Unit (ADU) Barriers
- Addressing Affordable Housing Funding Gaps

The following narrative has been prepared to summarize the findings of LDC's assessment of the City of North Bend's development code for barriers to housing availability and the programs or actions needed to overcome these barriers within the categories outlined in the "Appendix B: Adequate provisions checklists".

Moderate Density Housing Barriers

North Bend's zoning ordinance includes provisions for Moderate Density Housing in its residential and commercial zones. The City's use code table permits Cottages, Townhomes, Duplexes, Triplexes, and Fourplexes in their residential zones; many of these uses are permitted in only the HDR and IMU zones which does limit development potential for moderate density housing in other residential zones. The City's low density residential zones (LDR, CLDR, and MR) have relatively large minimum lot sizes typical of residential development on the edges of small cities, but the HDR and IMU zones have small minimum lot sizes and have maximum lot sizes as well which is favorable for the development of moderate density housing types. Setbacks and impervious cover limits are generally accommodating to moderate density housing types and provide options for developers. Definitions for some moderate density housing types are missing or overlap; townhome is not defined within [NMBC 18.06](#) and the only building with multiple units permitted to be on separate lots per this chapter is a duplex. The maximum building height for residential development in the IMU zone is five feet less than in most residential zones which the City has observed noticeably restricts development in this zone. Parking requirements for multifamily uses not in the DC zone require two parking spaces per each unit with two or more beds which may pose a barrier to moderate density housing development. All new residential development in the City is subject to design standards in [NMBC 18.34](#); while necessary, design standards like these can often complicate the development process and could disincentivize denser development. Additionally, since townhomes are not clearly defined in [NMBC 18.06](#) it is difficult to determine how to apply these design standards to their development.

An increase to the maximum building height in the IMU zone was outlined in the above-described alternative zoning changes and the City plans to adopt these changes before the end of 2024. To address the remaining potential barriers to moderate density housing development, the City could consider

amending its minimum parking requirements for Multifamily units outside the DC zone (found in [NBMC 18.16.090](#)) and revising its Design Standards to accommodate smaller scale multifamily developments such as Duplexes and Triplexes independent of the existing standards for multifamily developments.

Low-Rise or Mid-Rise Housing Barriers

North Bend's zoning ordinance includes provisions for Low-rise Housing in its residential and commercial zones. In addition to the multifamily housing types listed above, multifamily housing structures greater than four units are permitted in the HDR, DC, and IMU zones and residential over commercial apartments are permitted in the NB zone in addition to the previously listed zones. Development in the DC zones utilizes a form-based code that permits a wide range of development potential and is composed of clear standards and guidelines. The same design review mentioned in moderate density housing above is applicable to low-rise housing but is better suited to the scale of development and would likely not pose as a barrier to low-rise housing development. The same issue with the maximum building height in the IMU zone impacting moderate density housing also impacts low-rise housing development potential. Additionally, multifamily structures in the HDR, NB, and IMU zones are limited to 10 units per structure which could limit low-rise housing development on smaller in-fill parcels.

An increase to the maximum building height in the IMU zone was outlined in the above-described alternative zoning changes and the City plans to adopt these changes before the end of 2024. No other potential barriers to Low-rise development were identified; the City is not required to identify barriers to Mid-rise housing development.

PSH and Emergency Housing Barriers

HB 1220 introduced new Emergency Needs Housing Requirements applicable to all jurisdictions with assigned Emergency Needs Housing targets. The City has been allocated a target of 334 emergency beds. The bill mandates that jurisdictions must allow indoor emergency housing or shelters where hotels are permitted or within "a majority of zones within a one-mile proximity to transit."

At time of writing, North Bend's land use regulations allow for certain emergency housing types, such as "Indoor Emergency Shelter", "Indoor Emergency Housing", and "Permanent Supportive Housing" but only as a conditional use in some of their zones. Additionally, these supportive housing types are subject to special performance standards in [NMBC 18.10.050](#) that substantially restrict supportive housing developments through limitations of occupancy and buffers from other supportive housing uses.

To address these barriers to emergency housing development, the City has proposed amendments to its zoning use code table to allow emergency housing uses as an outright permitted use in the EP, IC, IMU, and NB zones as well as remove the restrictive performance standards from emergency housing development in those zones. The City is also has proposed revisions to the use code table to allow permanent supportive housing as an outright permitted use in residential zones as well as remove the restrictive performance standards from permanent supportive housing development in those zones.

Accessory Dwelling Unit (ADU) Barriers

HB 1337 is a Washington State law aimed at increasing housing availability by streamlining the development of Accessory Dwelling Units (ADUs) and aims to reduce barriers to ADU development, promoting more flexible zoning and permitting processes to help address the housing crisis in the state.

North Bend's municipal code outlines clear regulations for developing Accessory Dwelling Units (ADUs) within the City's Low-Density Residential (LDR) zoning. The code also allows for smaller setback requirements and flexibility in placing accessory structures.

While North Bend's regulations do not hinder ADU development, other city code requirements do create barriers. The Land Use Performance Standards section conflicts with HB 1337, which mandates that

jurisdictions allow two ADUs per lot in urban growth areas and set a minimum size of 1,000 square feet for each ADU. In contrast, North Bend permits only one ADU and limits its size to 10% of the lot area or 800 square feet. Additionally, the city lacks clear and accessible information about the permitting process and associated fees. Although there are guidelines for permit submissions, more straightforward details about the overall process and timelines are needed.

The City's off-street parking requirements also present additional barriers for ADUs. While the code clearly outlines the number of parking spaces and their locations, it does not address lot size or proximity to transit. To comply with HB 1337, the city needs to incorporate these provisions into the code.

Addressing Affordable Housing Funding Gaps

In addressing affordable housing funding gaps, North Bend provides two funding options within their municipal code. First, under the affordable housing property tax levy (RCW 84.52.105), the City of North Bend provides Sales and Use Tax for Affordable Housing (Chapter 3.10 NBMC) which establishes sales and use tax specifically for funding affordable housing initiatives. This chapter outlines the authority for the city to impose an additional sales tax of 0.1% on retail sales and use within the city limits. The revenue generated is designated for projects that create or improve affordable housing options, supporting efforts to address housing shortages and enhance housing stability for residents.

Second, within the provisions of the Multifamily Tax Exemption (MFTE) program under RCW 84.14, Chapter 3.78 of the North Bend Municipal Code outlines the Multifamily Property Tax Exemption program in which provides tax incentives for the development of multifamily housing that includes affordable units. This chapter specifies eligibility criteria for developers, including the requirement to designate a percentage of units as affordable for low- and moderate-income households. The exemption can last for up to 12 years, encouraging the construction of more multifamily housing and helping to address local housing needs.

The City should continue to search for additional affordable housing funding solutions and consider adopting impact fees or fees in-leu-of provision of affordable housing for market rate development.

Conclusion

In collaboration with LDC, North Bend has conducted an analysis of development capacity for the 2024-2044 planning period following the King County UGCR methodology and Commerce guidance, incorporating new State regulations under HB 1220. This LCA updates the capacity reported in the 2021 UGCR and documents North Bend's progress towards its Housing and Employment growth targets.

The LCA determined that North Bend has adequate employment capacity for the 2024-2044 period but lacked sufficient capacity to meet the projected housing needs for very low and extremely low-income households and emergency housing needs. To address this housing capacity deficit, North Bend planned zoning changes including changes to the zoning map and development regulations. These changes added 664 units of housing capacity to the Low-Rise Multifamily density category, which is sufficient to accommodate the City's affordable housing needs for households with incomes less than 50% AMI, as well as all other income categories, an additional 378 beds of emergency housing capacity was identified from the changes. With the chosen alternative zoning, the City has demonstrated sufficient capacity for development of jobs and housing and adequate provisions for housing development consistent with [RCW 36.70A.070\(2\)](#).

Table 28 - North Bend 2024 Base LCA Zone Assumptions

North Bend 2024 LCA Base Zone Assumptions											
Old Zone Names	New Zone Names	Zone Type	Residential		Employment				Plat Deductions (%)		Market Factor
			Mixed-Use Split	Density (Du/ac)	Mixed-Use Split	Density (FAR)	Density (SF/Jobs)	Emergency Housing Deduction	Right of Way	Public Purpose	
CLDR	CLDR	RES	100%	2	0%	0	0	0%	10%	12%	30%
LDR - Constrained	LDR - Constrained	RES	100%	2	0%	0	0	0%	10%	12%	10%
LDR	LDR	RES	100%	4	0%	0	0	0%	10%	12%	10%
CR	MDR	RES	100%	14	0%	0	0	0%	10%	12%	4%
HDR	HDR	RES	100%	21	0%	0	0	0%	0%	5%	10%
NB-MPOD	NMU-MPOD	MIX	100%	4	0%	0	500	0%	10%	12%	10%
NB	NMU	MIX	50%	15	50%	0.75	500	0%	8%	8%	16%
NB - Redevelopable	NMU - Redevelopable	MIX	5%	15	95%	0.75	500	0%	8%	8%	16%
DC	DC	MIX	70%	32	30%	1.5	300	0%	8%	8%	16%
EP-1	BP	NON-RES	0%	0	100%	0.3	800	0%	8%	8%	16%
EP-2	EP	NON-RES	0%	0	100%	0.3	600	0%	8%	8%	16%
IC	IC	NON-RES	0%	0	100%	0.4	350	0%	8%	8%	16%
IMU	IMU	NON-RES	0%	0	100%	0.75	450	0%	8%	8%	16%
NB-2	NB	NON-RES	0%	0	100%	0.75	500	0%	8%	8%	16%
POSPF	POSPF	NON-RES	0%	0	0%	0	0	0%	0%	0%	0%
ROW	ROW	NON-RES	0%	0	0%	0	0	0%	0%	0%	0%

Table 29 - North Bend 2024 Alternative LCA Zone Assumptions

North Bend 2024 LCA Alternative Zone Assumptions											
Old Zone Names	New Zone Names	Zone Type	Residential		Employment				Plat Deductions (%)		Market Factor
			Mixed-Use Split	Density (Du/ac)	Mixed-Use Split	Density (FAR)	Density (SF/Jobs)	Emergency Housing Deduction	Right of Way	Public Purpose	
CLDR	CLDR	RES	100%	2	0%	0	0	0%	10%	12%	30%
LDR - Constrained	LDR - Constrained	RES	100%	2	0%	0	0	0%	10%	12%	10%
LDR	LDR	RES	100%	4	0%	0	0	0%	10%	12%	10%
CR	MDR	RES	100%	14	0%	0	0	0%	10%	12%	4%
HDR	HDR	RES	100%	21	0%	0	0	0%	0%	5%	10%
NB-MPOD	NMU-MPOD	MIX	100%	4	0%	0	500	0%	10%	12%	10%
NB	NMU	MIX	50%	15	50%	0.75	500	0%	8%	8%	16%
NB - Redevelopable	NMU - Redevelopable	MIX	5%	15	95%	0.75	500	0%	8%	8%	16%
DC	DC	MIX	70%	32	30%	1.5	300	0%	8%	8%	16%
EP-1	BP	NON-RES	0%	0	100%	0.3	800	0%	8%	8%	16%
EP-2	EP	NON-RES	0%	0	100%	0.3	600	10%	8%	8%	16%
IC	IC	MIX	50%	15	50%	0.4	350	10%	8%	8%	16%
IMU	IMU	MIX	70%	32	30%	0.75	450	10%	8%	8%	16%
NB-2	NB	NON-RES	0%	0	100%	0.75	500	10%	8%	8%	16%
POSPF	POSPF	NON-RES	0%	0	0%	0	0	0%	0%	0%	0%
ROW	ROW	NON-RES	0%	0	0%	0	0	0%	0%	0%	0%