



## Memo

To: Hal Hart, Community Development Director  
Cc: Mayor Wiita; City Council; Planning Board  
From: Tyler Quinn-Smith – Framework  
Date: February 28, 2024  
Re: Background Material for Growth Strategies Workshop

## Overview

The purpose of this memo is to introduce technical background material that will be driving the growth strategies workshop on March 7<sup>th</sup> and subsequent meetings for Planning Board (March 12) and City Council (March 28). This document supplements the Existing Conditions Report and is designed to provide a deeper understanding of comprehensive planning mandates under the Growth Management Act, VISION 2050, and Snohomish County Countywide Planning Policies.

This memo also contains Sultan’s existing conditions for key land use factors: the City’s existing employment and housing characteristics and estimated parcel capacity for new jobs and homes. Based on the City’s parcel capacity, growth targets, and housing need allocation for 2044, Sultan needs to include well-calibrated growth strategies for more jobs and lower-income housing in its 2024 Comprehensive Plan.

## Policy Framework

### State, Regional, and County Context

The purpose of the Comprehensive Plan, as articulated by State legislation, is to create a policy framework that guides planning efforts across within agencies, adoption, and implementation of development regulations by the city and partner organizations, as well as both long- and short- term city priorities. It is intended to be a central resource linking goals, policies, and strategies at a municipal level, local standards, and implementing actions. Importantly, legislation includes a requirement that zoning, capital expenditures, and development regulations conform to the Goals, Policies, Strategies, and Actions articulated in the Comprehensive Plan. Beyond state and regional mandates, the Comprehensive Plan is a guiding document that drives the day-to-day work of the City.

### Washington State Growth Management Act

Sultan is guided by Washington State planning requirements that are contained in state legal codes and the Growth Management Act (GMA). As the name indicates, the GMA was adopted in 1990 to ensure strategic growth in the state preserves resource lands and coordinates density in jobs and housing within existing regional centers. This approach reduces infrastructure costs and resource consumption while preserving Washington’s environmental assets.

## Coordinating State, Regional, County and Local Growth

In advance of planning efforts, the Office of Financial Management (OFM) provides a range of population projections for Washington counties so that the counties can plan appropriately to accommodate anticipated growth. In the Puget Sound, members of Puget Sound Regional Council (PSRC) including Snohomish, Kitsap, King, and Pierce Counties as well as the region's tribes, cities, transit agencies, and port districts work together as an intermediary agency to set a regional growth target and then allocate growth to the respective counties. This ensures that large transit and other regional infrastructure investments are coordinated with growth in employment and housing.

Finally, the counties work with their constituent cities following the regional growth construct set by PSRC to allocate jobs and housing across different geography groups. These growth targets are formalized in the Snohomish County Countywide Planning Policies (CPPs). Each city must then plan for its assigned growth within its urban growth area and municipal boundary.

Sultan joins 42 "Cities and Towns" under PSRC's regional growth strategy, which are described as:

*Cities and Towns provide important housing, jobs, commerce, and services in their downtowns and local centers. The region's 42 Cities and Towns are expected to accommodate relatively less growth than historical trends and remain relatively stable for the long term (...) Their locally-designated city or town centers provide local job, service, cultural, and housing areas for their communities. These local centers should be identified in local comprehensive plans and become priority areas for future investments and growth at the local level.*

## Growth Targets + HB 1220

The 2024 periodic update is unprecedented due to new legislation related to affordable housing. HB 1220, passed in 2021, made significant changes to GMA directives for the Housing Element in local comprehensive plans:

*Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.*

HB 1220 requires cities to provide enough zoned capacity to accommodate housing affordable to all economic segments, including emergency housing and shelters. Cities must also identify and rectify policies with racially disparate impacts, map areas with displacement risk, and adopt anti-displacement policies.

The economic segments referenced by HB 1220 are based on percentages of area median income (AMI) and defined in the GMA (RCW 36.70A.030):

- **Extremely Low-Income:** 0-30% AMI, including permanent supportive housing (PSH) and non-permanent supportive housing.
- **Very Low-Income:** >30-50% AMI
- **Low-Income:** >50-80% AMI
- **Moderate Income:** >80-120% AMI

*Note: Snohomish County CPPs further disaggregate Moderate-Income into 80-100% AMI, 100-120%, and 120%+ AMI.*

The following terminology is defined in the GMA, VISION 2050, and Snohomish County CPPs and will be used throughout the comprehensive planning process:

- **Growth Target:** The amount of population, housing, or employment growth expected for the 20-year planning period that each jurisdiction has agreed to plan for through the collaborative process to adopt countywide growth targets. The growth targets are based on the 2022 Washington State Office of Financial Management’s Growth Management Act (GMA) population projections and represent the jurisdiction’s share of forecasted county growth.
- **Land Use Assumptions:** The amount of growth a jurisdiction is planning for throughout its comprehensive plan. Per direction in VISION 2050, the land use assumptions used throughout the comprehensive plan should be “substantially consistent” with the adopted countywide growth targets.
- **Housing Capacity:** The total amount of development that could be built under adopted zoning. GMA requires counties and cities, at a minimum, to provide capacity to accommodate the 20-year growth targets and projected housing needs. Capacity for growth can exceed the adopted growth targets, and many communities will need to increase capacity to accommodate lower-income housing need, along with state requirements for middle housing and accessory dwelling units. Documentation should be included in the comprehensive plan to show how this capacity is consistent with state law and regional policies.
- **Housing Need:** As determined by the countywide process, the number of housing units needed for each household income category. Jurisdictions must provide sufficient capacity to accommodate housing needed within each income bracket.

## Commerce Guidance

Washington State Department of Commerce issued guidance to cities for sufficiently meeting the affordable housing allocation directed by HB 1220. Figure 1 shows, according to Commerce, which housing types most feasibly provide housing affordable to each income level in moderate-cost communities like Sultan. For extremely low- and very low-income housing, the feasible housing types must be combined with subsidies and incentives outlined in Figure 2.

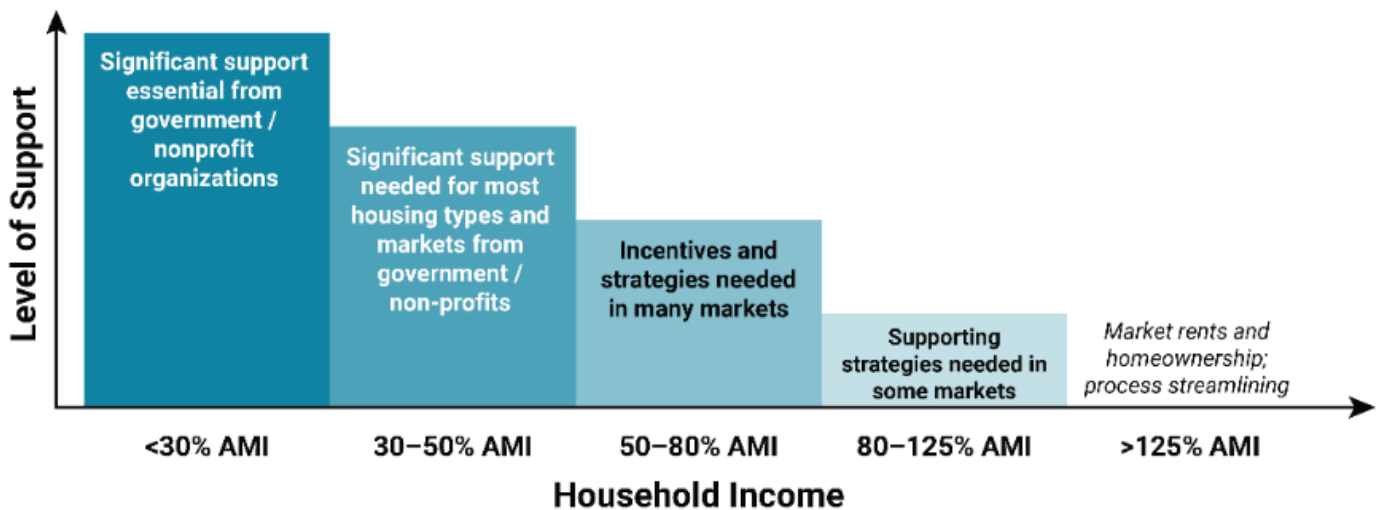
**Figure 1** Feasible housing types for each income level in moderate-cost communities as per Washington Department of Commerce guidance.

Zone category	Typical housing types allowed	Lowest potential income level served		Assumed affordability level for capacity analysis
		Market rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (>120% AMI)	Not typically feasible at scale*	Higher income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate income (>80-120% AMI)	Not typically feasible at scale*	Moderate income (>80-120% AMI)
Low-Rise Multifamily	Walk-up apartments, condominiums (2-3-floors)	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
Mid-Rise Multifamily	Apartments, condominiums	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
ADUs (all zones)	Accessory Dwelling Units on developed residential lots	Low income (>50-80% AMI)	N/A	Low income (>50-80% AMI) – Group with Low-Rise and/or Mid-Rise Multifamily

Washington Department of Commerce, 2023

\*Keep in mind, in some communities, nonprofit affordable housing developers such as Habitat for Humanity build affordable housing projects at moderate or low-density levels. However, these projects are typically very small in scale, particularly compared to the overall volume of housing need. Higher density zoning that allows for multi-unit housing types like apartments is typically necessary to support projects that make the most efficient use of subsidies by reducing the cost of new housing per unit.

**Figure 2** Strategies needed for different income segments.

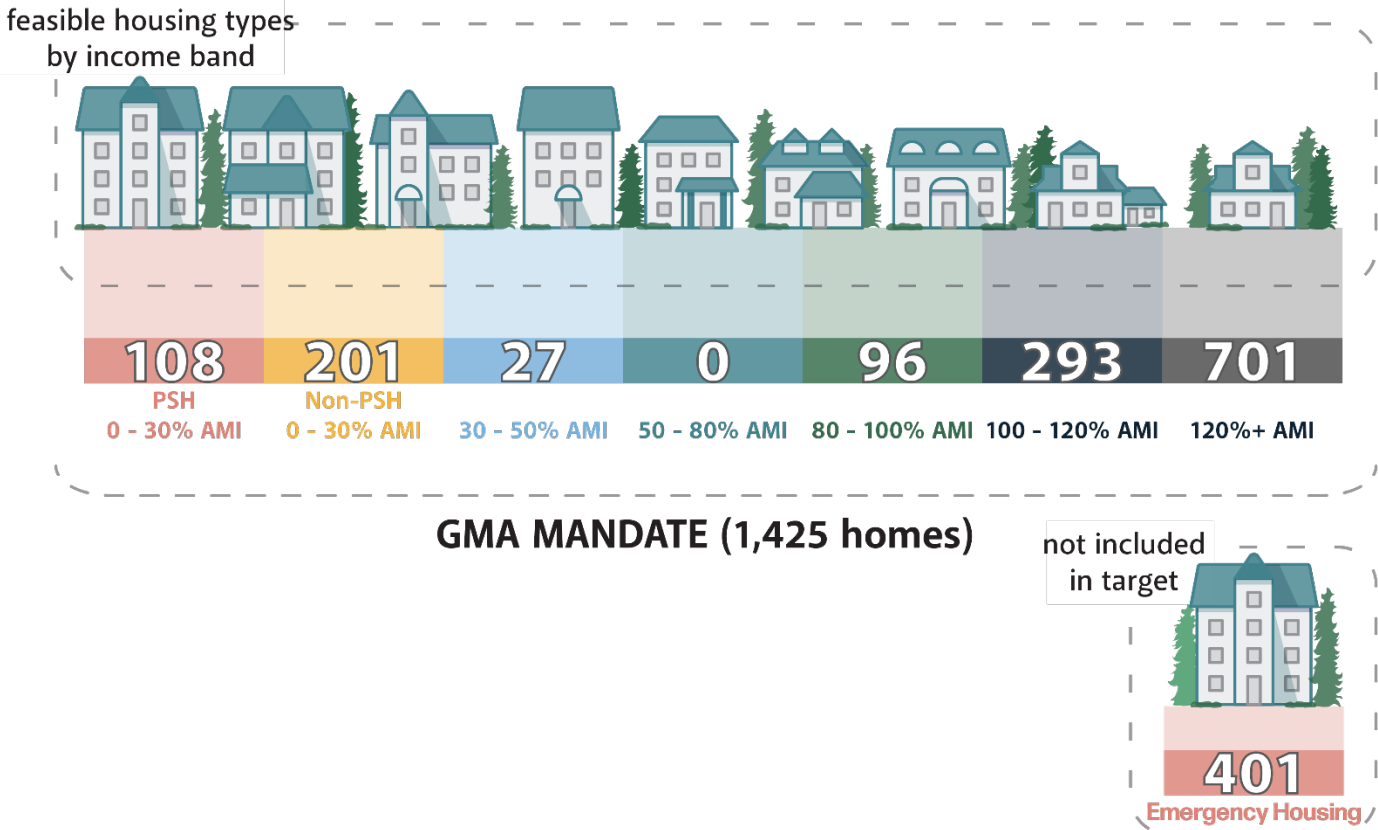


Washington Department of Commerce; BERK, 2023

## 2044 Growth Targets and Housing Need for Sultan

The City of Sultan has been issued a **2044 growth target of 1,425 housing units and 1,329 jobs** by Snohomish County. As per HB 1220, the housing growth target is disaggregated into six income segments based on County AMI (\$108,843 for 2023). For context, the estimate for Sultan’s median household income is \$89,150 for 2023 (U.S. Census Bureau, 2023).

**Figure 3** 2044 Housing Need for Sultan



*Snohomish County; Framework, 2023*

County-issued growth targets are based on 2021 data compiled in the Snohomish County Buildable Lands Report, including factors like the affordability of the City’s existing housing stock, and the mandate under HB 1220 to equitably distribute affordable housing across Snohomish County.

### Estimated Parcel Capacity for Housing and Jobs

Starting with the 2021 Buildable Lands Report from Snohomish County, the project team has updated the estimated parcel capacity for Sultan according to local permit data through December 2023. This effort acknowledges the substantial growth that has occurred since growth targets were issued in 2020. Notably, about 600 units were built or permitted between 2020 and 2023, the majority of which are single-family homes in subdivisions like Wyndham, Daisy Landing, Skyridge, and Cobble Hill on Sultan Basin Road.

**Figure 4** Estimated Parcel Capacities and Remaining Growth Targets, December 2023

Targets and Capacities	Housing		Employment	
	Sultan City	Sultan UGA	Sultan City	Sultan UGA
Growth Target (2020-2044)	1425	73	1329	1
Parcel Capacity (2019)	1335	193	1247	0
<b>Initial Capacity Surplus/Deficit</b>	<b>-90</b>	<b>120</b>	<b>-82</b>	<b>-1</b>
Permits (2020-2023)	596	0	0	0
Remaining Growth Target	829	73	1329	1
Parcel Capacity (2023 adjusted)	975	193	1247	0
<b>Adjusted Capacity Surplus/Deficit</b>	<b>146</b>	<b>120</b>	<b>-82</b>	<b>-1</b>

*City of Sultan; Framework, 2023*

Figure 5 estimates the City’s progress toward its 2044 Housing Need based on guidance from the Department of Commerce and local housing sales research.

**Figure 5** Estimated Progress Toward Sultan’s 2044 Housing Need

Income Segment (% of AMI)	Initial 2044 Housing Need Allocation	2020-2023 Permits	2024-2044 Remaining
0-30% Non-PSH	201	0	<b>201</b>
0-30% PSH	108	0	<b>108</b>
30-50%	27	0	<b>27</b>
50-80%	0	0	<b>0</b>
80-100%	96	15*	<b>81</b>
100-120%	293	0	<b>293</b>
120%+	701	581**	<b>120</b>

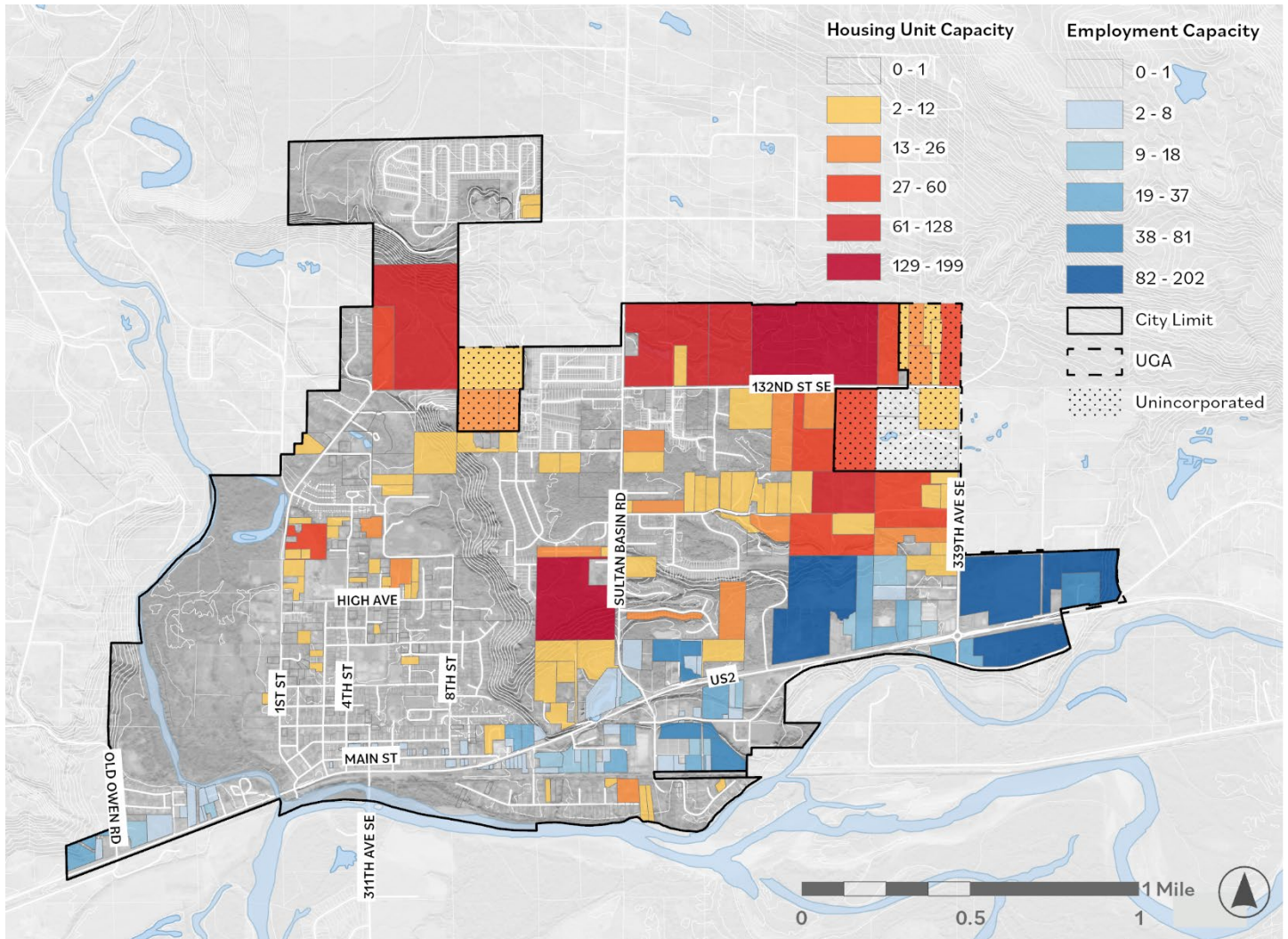
*City of Sultan; Framework, 2024*

\*15 units in manufactured homes, duplexes, and fourplexes were assumed affordable to 80-100% AMI.

\*\*581 single-family homes were assumed affordable to 120%+ AMI

The development capacity of individual parcels was initially estimated by Snohomish County during the 2021 Buildable Lands Report. This process begins by excluding unbuildable acreage like environmental critical areas from the City’s land, then evaluates land improvements, land values, existing development regulations, and market forces to estimate development potential of individual parcels. The project team reconciled this information with local permit data and staff knowledge of individual parcels to produce an updated parcel capacity map in Figure 9.

**Figure 6** Estimated Parcel Capacity for Housing and Jobs, December 2023



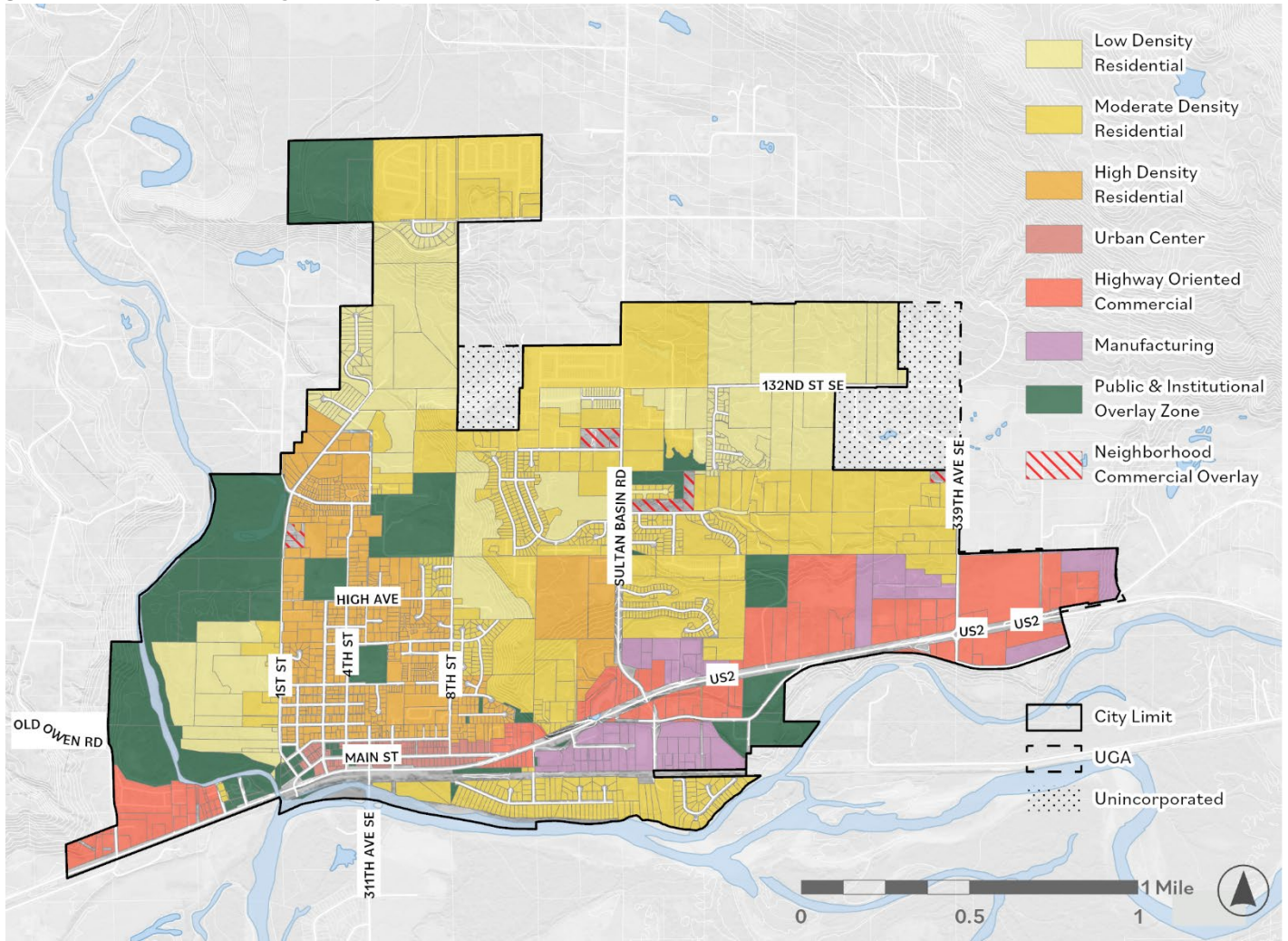
City of Sultan; Snohomish County; Framework, 2023

Note: This figure is based on 2021 Buildable Lands Data for Snohomish County. Parcel capacity has been removed based on development that has occurred since the Buildable Lands Data was collected.

## Comparing Parcel Capacity, Existing Zoning, and 2044 Growth Targets

Due to the complexities of this comprehensive plan periodic update and the added requirements of HB 1220, it is important to recognize what types of housing are permitted where the City has development capacity. Comparing the parcel capacity map (Figure 6) with Figure 7, which shows existing zoning in Sultan, suggests that most of the City’s capacity exists in the Low Density Residential and Moderate Density Residential zones. Limited housing capacity exists in the High Density Residential and Highway Oriented Commercial zones. The City’s employment capacity exists exclusively in the Manufacturing and Highway Oriented Commercial zones. Figure 8 shows simplified development regulations and use permissions for each zone.

**Figure 7** Sultan’s Existing Zoning



*City of Sultan; Snohomish County; Framework, 2023*



**Figure 8** Simplified Development Standards and Housing/Job Type Permissions by Zone

Standards	LDR	MDR	HDR	NC	UC	HOC	M	PB/P/OS
Maximum Density (units/acre)	5	8 - 10	10 - 24	10 - 24	10 - 24	24	N/A	N/A
Minimum Lot Area (sqft.)	8,600	4,500	3,600	5,000	5,000	8,000	10,000	10,000
For a Duplex	N/A	10,000	6,000	6,000	7,000	N/A	N/A	N/A
For a Multi-Family Dwelling	N/A	N/A	8,000	8,000	8,000	8,000	N/A	N/A
Minimum Lot Width	70 ft.	50 ft.	40 ft.	50 ft.	40 ft.	50 ft.	70 ft.	75 ft.
Maximum Lot Coverage	50%	60%	60%	60%	80%	85%	85%	60%
Maximum Building Height	30 ft.	30 ft.	30 ft.	30 ft.	30 ft.	30 ft.	50 ft.	50 ft.
Permitted Housing Types								
Single-Family	●	●	●	●	●			
ADUs	●	●	●	●	●			
Duplexes		●	●	●	●			
Townhouses			●	●	●			
Multi-Family			●	●	●			
Mixed-Use Residential					●	C		
Permitted Job Types								
Retail Sales				●	●	●		
Personal Service				●	●	●	●	
Business/Professional Service				●	●	●	●	
Community/Government					●	●	●	
Recreation/Entertainment					●	●		
Manufacturing/Industrial							●	
Wholesale/Storage/Distribution							●	
Public Agency Offices/Facilities								●
Public Hospital/Library								●

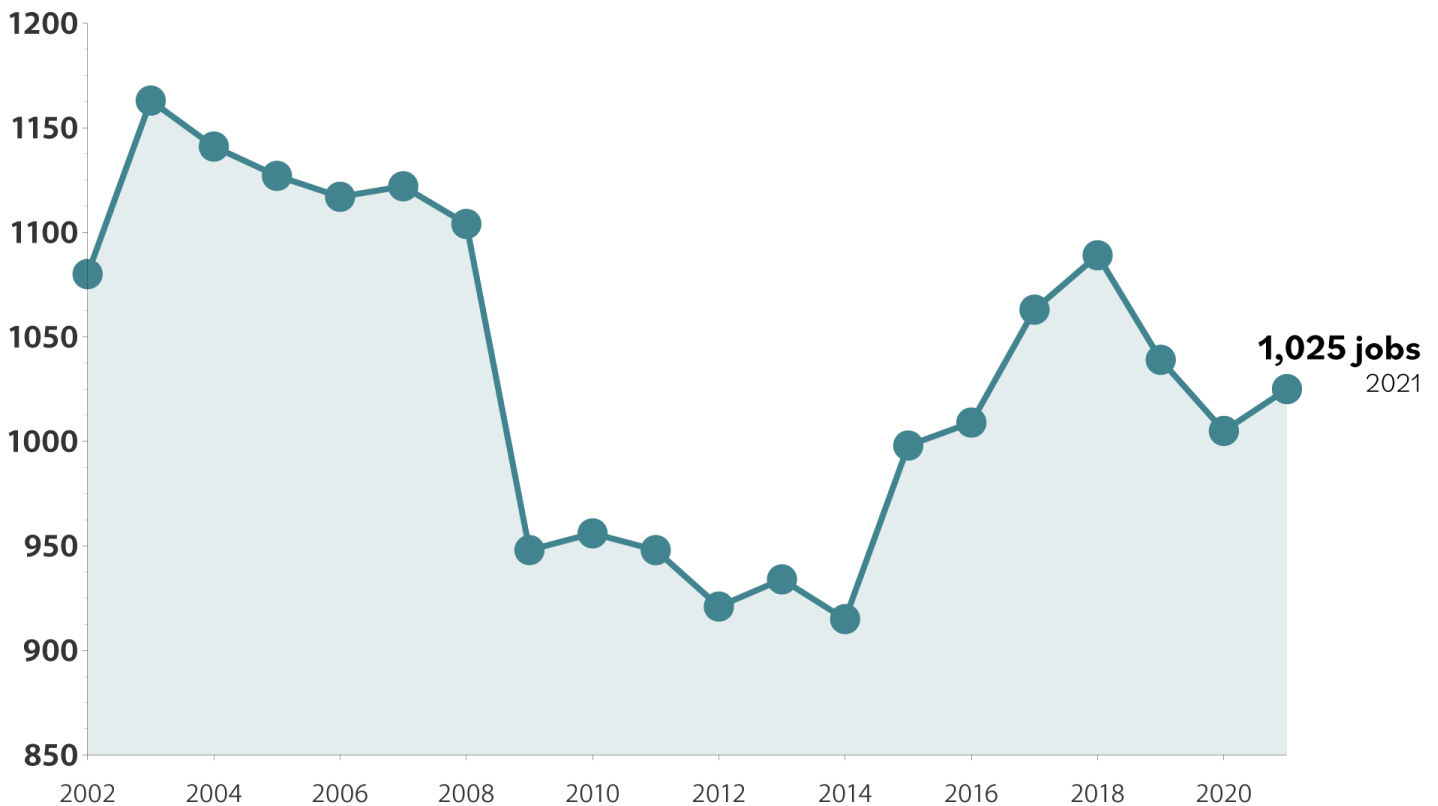
City of Sultan; Framework, 2024

## Existing Job Characteristics and Distribution

The number of jobs in Sultan has fluctuated considerably over the past 20 years, with a noticeable decline of about 150 jobs between 2008 and 2009. Manufacturing, public administration, transportation and warehousing, and wholesale trade are among the industry sectors that lost jobs during this time.

The chart below showing employment over time is based on data produced by the U.S. Census and shows 1,025 jobs in Sultan in 2021. According to Covered Employment Statistics published by the Puget Sound Regional Council, the number of jobs was 1,013 in 2022.

**Figure 9** Number of Jobs in Sultan Year over Year

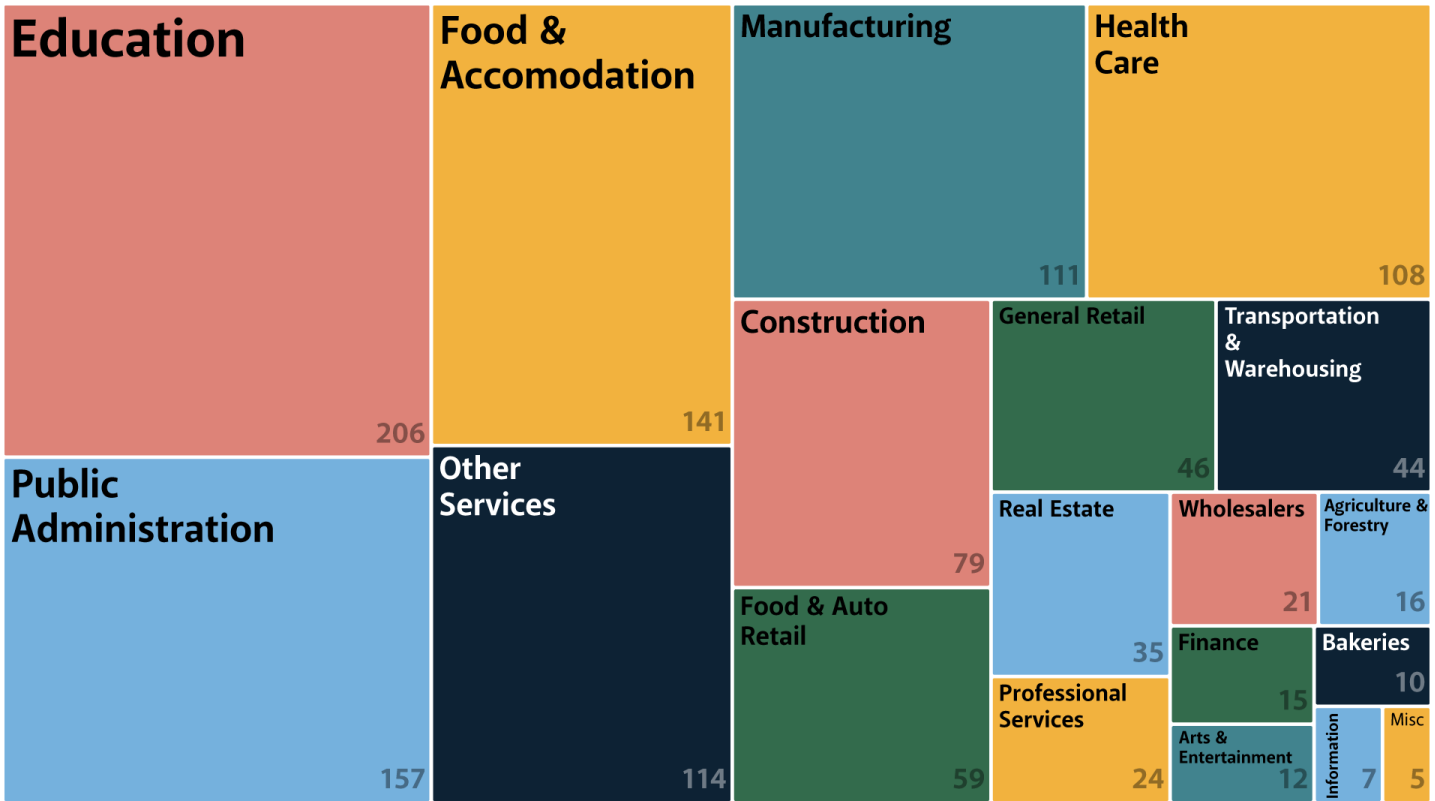


*US Census Bureau (LODES 2021); Framework; 2024.*

Unlike population growth, increases in jobs did not occur during most of the City's annexations since 2000, as the annexation areas were primarily residential. The compound annual growth rate (CAGR) of Sultan residents' employment between 2016 and 2020 was -1.19%, lower than the Sultan population CAGR of 3.64%.

Data from the Washington State Department of Commerce estimates that the number of jobs in Sultan has increased since the publication of this latest Census data, which is from 2021. Commerce indicates that the number of jobs in the city could be as high as 1,210. A breakdown of jobs by industry is shown below.

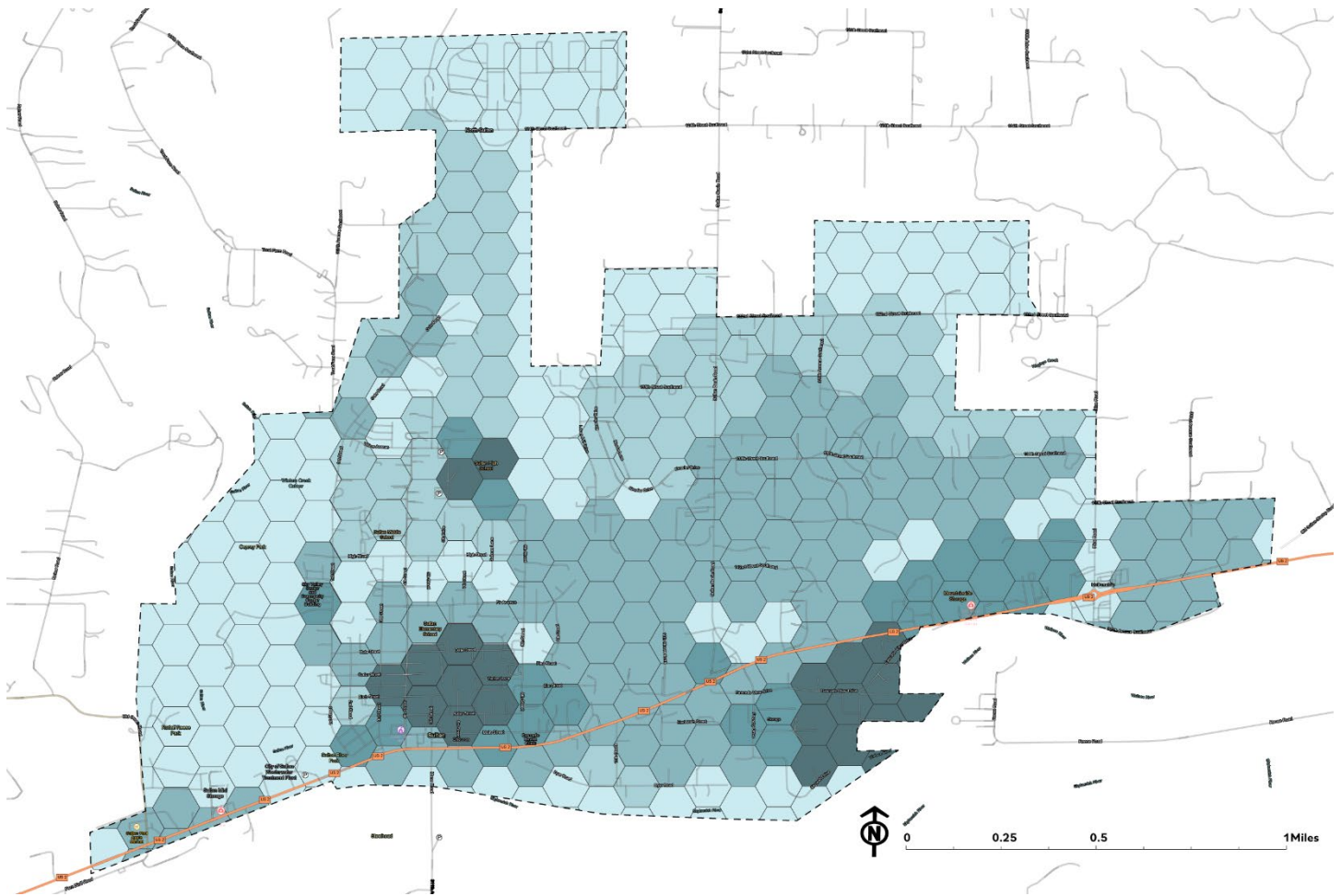
**Figure 10** Jobs by Industry in Sultan



Washington State Department of Commerce (via Data Axle-GIS Planning integration); Framework; 2024.

Census data also provides an indication of job density in Sultan. Unsurprisingly given the relative number of people employed in education and public administration, job density is most concentrated around Sultan’s schools and municipal buildings downtown. The prevalence of manufacturing is also visible further east along US-2.

**Figure 11** Job Density in Sultan



US Census Bureau (LODES 2021); Framework; 2024.

*Note: This figure is based on LODES data from 2021, which is aggregated at the Census block level. These block level results are interpolated into hexagons to better represent changes in density over geographic areas, and do not correspond to an exact number of jobs per hexagon.*

Future growth strategies should consider the existing number of businesses in Sultan and the relative number of employees in each sector. Commerce data can provide a look at the average number of employees per type of business in the city. For example, the average number of people employed per “education” entity is 41.2, while the average number of employees per “banking, finance, and insurance” business is exactly 1.

**Figure 12** Average number of employees per business in Sultan, by industry

<b>Industry</b>	<b># of Businesses</b>	<b>%</b>	<b>Total Sales (\$)</b>	<b>Total # of Employees</b>	<b>Avg # of Employees</b>
Retail: Hobby, Media, General Merchandise	17	6.9%	\$ 25,324,000	46	2.7
Manufacturing - Electronics, Furniture, Machinery, Metal, Transportation, Misc.	8	3.2%	\$ 16,302,000	107	13.4
Construction	24	9.7%	\$ 15,068,000	79	3.3
Retail: Home, Food, Automobiles, Personal Care	10	4.1%	\$ 13,815,000	59	5.9
Health Care and Social Services	36	14.6%	\$ 8,396,000	108	3.0
Wholesalers	5	2.0%	\$ 8,329,000	21	4.2
Accommodation and Food Services	21	8.5%	\$ 6,336,000	141	6.7
Real Estate and Rentals	10	4.1%	\$ 5,995,000	35	3.5
Other Services - Repair, Personal Care, Laundry, Religious, etc.	42	17.0%	\$ 5,639,000	114	2.7
Banking, Finance and Insurance	15	6.1%	\$ 5,436,000	15	1.0
Transportation and Warehousing: Private and Public Transportation, Oil and Gas Pipelines, Sightseeing	4	1.6%	\$ 4,434,000	36	9.0
Agriculture, Forestry, Fishing and Hunting	5	2.0%	\$ 2,972,000	16	3.2
Manufacturing - Chemical, Fuel, Paper, Plastic, Wood	1	0.4%	\$ 1,499,000	4	4.0
Professional, Scientific, and Technical Services	11	4.5%	\$ 1,466,000	24	2.2
Arts, Sports, Entertainment, and Recreation	6	2.4%	\$ 603,000	12	2.0
Manufacturing - Processed Food, Textiles, Clothing	1	0.4%	\$ 486,000	10	10.0
Transportation and Warehousing: Couriers and Messengers, Warehousing and Storage	3	1.2%	\$ 354,000	8	2.7
Administrative and Support, Waste Management, and Remediation Services	1	0.4%	\$ 339,000	3	3.0
Education	5	2.0%	\$ 58,000	206	41.2
Information	1	0.4%	n/a	7	7.0
Public Administration	9	3.6%	n/a	157	17.4
Unclassified	12	4.9%	n/a	2	0.2

Washington State Department of Commerce (via Data Axle-GIS Planning integration); Framework; 2024.

## Additional Resources

- [Sultan Existing Conditions Report](#)
- [Commerce Guidance on Updating Housing Elements](#)
- [PSRC Resource on Housing Needs & Growth Targets and FAQ](#)
- [Snohomish County Buildable Lands Report](#)