



CITY OF LANGLEY

DRAFT- SPECIAL COUNCIL MEETING AGENDA

Monday, June 23, 2025, 5:00 pm

Langley Library, 104 Second Street, Langley, WA 98260

And via Zoom:

<https://us02web.zoom.us/j/85016739615?pwd=hmD9ouWjXMUdgXZ1j92U5TNdXAENA4.1>

Webinar ID: 850 1673 9615

Passcode: 378405

1. CALL TO ORDER – (5 minutes)

- a. Opening Words/Minute of Silence
- b. Roll Call

2. CONSENT AGENDA

- a. Approval of appointment of Nina Milligan to Historical Preservation Commission, p. 3
- b. No objection liquor license – LittleBIGFest, p. 5

3. APPROVAL OF AGENDA (2 minutes)

4. PUBLIC COMMENT * (10 minutes)

5. DISCUSSION – (30 minutes)

Budget Primer, Director Beech, p. 6

6. UNFINISHED BUSINESS – (60 minutes)

Comprehensive Plan:

- Land Capacity Analysis, p. 8
- MFI Height, p. 25

7. DISCUSSION

Honoring Canada and Mexico

8. COUNCIL REPORTS (10 minutes)

- c. Councilmember Harolynne Bobis
- d. Councilmember Rhonda Salerno
- e. Councilmember Chris Carlson
- f. Councilmember Craig Cyr
- g. Councilmember Gail Fleming

9. ADJOURN

***Public Comment:** We welcome requests to comment on subjects that are not on the agenda or requests to comment on a particular agenda item at the time the item is being discussed. The purpose of a public comment is to allow the public to inform the Council of your views. We appreciate and welcome your comments, but please note that we will not be entering into dialogue at this time. Please limit your comments to no more than three minutes and address subjects, not individuals,

in an orderly and courteous manner. Please state your name, the city in which you reside, and the subject of your comment. If you wish to make a public comment at a City Council meeting and are attending from a remote location, please submit a request no later than 3:00 pm the day of the meeting using our [public comment request form](#). This form is not necessary for those attending in person.

Thank you for participating! If reasonable accommodation for a disability is needed, please contact us at (360) 221-4246 at least 24 hours prior to this meeting.



CITY OF LANGLEY VOLUNTEER APPLICATION

112 Second St./PO Box 366 Langley, Washington 98260 (360) 221-4246

Thank you for your interest in volunteering for the City of Langley. Please complete the following application and submit to adminassist@langleywa.org. We will contact you if we have a position that is suitable.

Which position are you applying for?

Commission/Board/Department:	Historical Preservation Commission
Position (i.e., chair, member, alternate, other):	Member

Last Name:	First Name:	MI:	
Milligan	Nina		
Street Address:			
City:	Langley	Zip:	98260
Mailing Address (if different than above):			
Street:			
City:		Zip:	
Email:		Phone:	

Please briefly describe why you are interested in volunteering for the City of Langley:

I would like to play a part in fostering the City of Langley's health, learn more about its history, help integrate Langley's history into its brilliant future.

BACKGROUND

Education:	BA Communications
Occupation(s):	Communications Professionsl
Volunteer Work:	Docent South Whidbey Historical Society
Hobbies:	Reading, walking, biking, writing, entertaining and events
Other applicable experience:	Many years, variety of positions, serving the City of Issaquah

Name:

Commission:



VOLUNTEER APPLICATION

CITY OF LANGLEY

112 Second St./PO Box 366 Langley, Washington 98260 (360) 221-4246

SKILLS

Please list any applicable skills you have for the position:

Studying history, identifying architectural elements, interviewing, serving and leading boards /commissions.

Are you at least 18 years of age?

Yes ☒ No ☐

If not 18 years or older, please provide your age:

Most commission meetings are held Monday – Friday and may be held either during regular business hours or in the evenings. Please indicate your availability below:

Days:	Mon <input type="checkbox"/>	Tues <input checked="" type="checkbox"/>	Wed <input checked="" type="checkbox"/>	Thurs <input checked="" type="checkbox"/>	Fri <input type="checkbox"/>	Sat <input type="checkbox"/>	Sun <input type="checkbox"/>
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Hours:	Morning <input checked="" type="checkbox"/>	Afternoon <input checked="" type="checkbox"/>	Evening <input checked="" type="checkbox"/>
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If there are specific times you are available, please list them here:

Signature:
518588ef-1e94-422d-
a95f-035cdc0c49a3

Digitally signed by 518588ef-1e94-422d-
a95f-035cdc0c49a3
Date: 2025.05.21 14:52:55 -07'00'

Date:

5/21/25



Washington State
Liquor and Cannabis Board

Washington State Liquor and Cannabis Board
Licensing Division: Alcohol Unit
1025 Union Ave SE, P.O. Box 43098
Olympia, WA 98504-3098
Customer Service: (360) 664-1600
Fax: (360) 753-2710 Website: www.lcb.wa.gov

NOTICE OF SPECIAL OCCASION LICENSE APPLICATION

RETURN THIS NOTICE TO: LAESPONSE@LCB.WA.GOV

June 17, 2025

To: MAYOR OF LANGLEY

Organization Name: LITTLE BIG FEST

Organization Address: 101 1ST ST, LANGLEY, WA, USA, 98260

Contact Name: PRISCILLA LOWRY

Contact DOB: [REDACTED]

Special Occasion #: 036021

Event Date(s)/Time: 8/15/2025 – 8/15/2025; 3 PM- MIDNIGHT

Event Location(s): WHIDBEY ISLAND FAIRGROUNDS AND EVENTS CENTER (OUTDOOR AND INDOORS) - 819 CAMANO AVE, LANGLEY, WA 98260

A SPECIAL OCCASION LICENSE ALLOWS THE ORGANIZATION TO:

- ☐ Sell beer for consumption at the above specified date, time, and location.
- ☐ Sell wine for consumption at the above specified date, time, and location.
- ☐ Sell spirits by the individual serving for consumption at the above specified date, time, and location.
- ☐ Sell beer, wine and spirits in unopened bottles or packages in limited quantities for **off** premise consumption at the above specified date, time, and location.

You have 20 days from the date of this notice to provide input regarding this application. If we do not receive a response within 20 days, we will assume you have no objections to the issuance of the license. If you need additional time to respond, you must submit a written request with your reason(s) for an extension of up to 20 days.

1. Do you approve of the applicant? YES____ NO____
2. Do you approve of the event location? YES____ NO____

If you have indicated disapproval of the applicant, location, or both, please submit a statement of all facts on which your objection(s) are based.

Date

Signature of Mayor, City Manager, County Commissioner or Designee



COUNCIL MEMO

To: Langley City Council
From: Finance Director Beech
Date: 06/23/2025
Topic: Budget Primer

The municipal budget process is a structured way for local governments to plan, allocate, and manage financial resources. In Washington State the process involves several phases. For the City of Langley the phases are broken down like so:

- Stakeholder input (Provided by September 2nd)
 - Council, Mayor and Managing Staff
- Budget preparation (Provided to Mayor by October 1st)
 - Finance Director
- Review (Process completed by November 8th)
 - Mayor, Managers, Finance & Personnel Legislative Commission, and Council
- 3 Public hearings
 - Revenue sources, including Fee Schedule and Property Tax Levy (October 20th)
 - Preliminary (Draft) Budget (November 3rd)
 - Final Budget (November 20th)
- Adoption (by December 25th)

Essentially, the process ensures that a municipality's spending aligns with its revenue and priorities, while also being transparent and accountable to the public.

Detailed breakdown of the City of Langley budget process:

1. **Budget Calendar & Policy Development:** The process starts with establishing a timeline (budget calendar) for the entire budget cycle. This involves setting deadlines for different stages, like budget requests, public hearings, and final adoption. Policy-level budget guidelines are also developed, by the Finance & Personnel Legislative Commission and then presented to Council for adoption. The stage was completed on June 2nd with the adoption of resolution 861.
2. **Capital Improvement Plan:** Review of the adopted capital improvement plan and associated costs as they apply for the upcoming year. Prioritization of the projects based on need, projected fund balance and revenue. This process should start with the Mayor and managing staff, then move through FPLC and then on to Council. The guiding documents are the current Comp Plan, Water Plan, Sewer Plan and Stormwater Plan. This is an odd year as the City is in the process of updating the Comp Plan. Best practice would be to wait until the updates are complete. However, we will need to begin review of the Capital Improvement Plan no later than August 4th.
3. **Departmental Budget Requests:** Managing staff will be formally asked to provide estimates of all departmental expenses and grants on September 8th (this is a statutory date). Each manager will need to submit their budget estimates to the Finance Director by September 22nd.

4. **Revenue Projections & Assessment:** The Finance Director estimates its revenue sources (taxes, grants, fees, etc.) for the next fiscal year. This helps determine the total amount of money available for spending and informs the Property Tax Levy. A Public Hearing is held on October 20th to authorize the Property Tax Levy for the following year.
5. **Budget Review & Prioritization:** The Finance Director reviews the departmental budget requests, comparing them to projected revenues and the municipality's overall priorities. A summary report is provided to the Mayor with the first draft of a preliminary budget for review, on October 1st. The Mayor, Finance Director and FPLC work to prioritize spending, highlighting where the City will need to find supplemental revenue sources and identifying potential cuts.
6. **Public Hearings & Input:** The proposed budget and budget message are presented to the Council and public for review and comment on October 31st. Public hearings are held to gather feedback from residents and stakeholders on November 3rd and November 20th.
7. **Budget Adoption:** After public hearings and any necessary revisions, the Council votes to adopt the final budget. (Must be done by December 25th).



MEMORANDUM

To: City Council
From: Meredith Penny, Director of Community Planning
Re: Final Land Capacity Analysis Results
Meeting Date: June 16, 2025

Background

As part of the 2025 Comprehensive Plan update, the City of Langley completed a Land Capacity Analysis (LCA) in 2024. The analysis revealed shortfalls in both residential and employment capacity relative to the growth targets established by Island County for the year 2045. In response, the City proposed a set of code amendments aimed at reconciling these deficits. A consultant team evaluated the impact of these actions on both housing and job capacity.

Key Findings

A. Residential Capacity

- The LCA identified a shortfall of **75 housing units** needed for households earning 0–50% of Area Median Income (AMI).
- To address this gap, the City proposed and analyzed four primary actions:
 1. **Edgecliff Drive Downzone:**
The City proposed rezoning 13 parcels from RS7200 to RS15000. This action resulted in a net decrease of 46 housing units, including a loss of 18 units affordable to households earning 0–80% AMI.
 2. **Public Use Zone Reclassification:**
The existing Public Use zone was split into P-1 (Institutional) and P-2 (Parks). Affordable housing is allowed in P-1 as a secondary use, resulting in an estimated increase of 79.7 affordable units. These units are assumed to be evenly distributed among the 0–30%, 30–50%, and 50–80% AMI brackets.
 3. **Revisions to the Multifamily Infill Overlay (MFI) Incentives:**
The City revised incentives so that at least 10% of units in a project must be affordable to access density and height bonuses. Assuming 50% of projects opt into the program, the changes result in 22 additional affordable units for 0–30% AMI, offset by a reduction in higher-income housing capacity.
 4. **Planned Unit Development (PUD) Consideration:**
Based on existing standards and LCA findings, it is estimated that 10% of future RS15000 housing capacity will be affordable to households earning below 80% AMI. This conservative assumption results in approximately 20 additional affordable units.
- **Final Housing Capacity Results:**
After implementing these actions, the City exceeds its residential capacity needs for all income levels.
 - **Total housing need:** 446 units
 - **Total projected capacity:** 725 units
 - **Surplus:** 279 units

B. Employment Capacity

- The LCA identified a shortfall of **57 jobs**, with a target of 135 new jobs and only 78 jobs of existing capacity.

- To resolve this, the City implemented two strategies:
 1. **Work-from-Home Employment Analysis:**
Based on census data and zoning allowances, approximately 15% of housing units in RS zones are expected to support home-based employment. This results in an estimated increase of 86 jobs through work-from-home occupations.
 2. **Expansion of Commercial Uses in the Fairgrounds Overlay:**
The City proposed allowing year-round commercial uses in the Fairgrounds Overlay. After accounting for constraints and existing development, an additional 2.97 acres were identified for commercial use, generating an estimated 50 new jobs.
- **Final Employment Capacity Results:**
These actions bring the City's job capacity to 214, surpassing the target by 79 jobs.
 - **Target:** 135 jobs
 - **Projected capacity:** 214 jobs
 - **Surplus:** 79 jobs

Summary of Outcomes

<i>Category</i>	<i>Target</i>	<i>Projected Capacity</i>	<i>Surplus/Deficit</i>
<i>Residential Units</i>	446	725	+279
<i>Employment (Jobs)</i>	135	214	+79

Planning Advisory Board Recommendation

The Planning Advisory Board (PAB) expressed concern that the Land Capacity Analysis likely overestimates the amount of developable land, as the analysis is conducted at the zoning district level rather than on a parcel-by-parcel basis. Additionally, feedback from non-profit and local developers indicates that larger, contiguous parcels are more feasible for affordable housing development due to the economies of scale required, whereas small infill or redevelopment sites are less likely to yield affordable housing. As such, the Board raised concerns about the proposed rezone of parcels along Edgecliff, which includes one of the few parcels in the City over five acres and available for multifamily infill development. Based on these concerns, the PAB recommends that the City Council not proceed with the rezone of parcels on the south side of Edgecliff from RS7200 to RS15000.

Next Steps

City staff will develop a revised zoning map that reflects the direction provided by City Council. The consultant memos will be included as appendices to the final draft of the Comprehensive Plan.

MEMORANDUM

To: Meredith Penny – Community Planning Director
City of Langley

From: Joel Farias and Clay White
Kimley-Horn and Associates, Inc.

Date: April 15th, 2025

Subject: DRAFT Land Capacity Gap Reconciliation

INTRODUCTION

In 2024 the City of Langley (City) completed a land capacity analysis (LCA), which analyzed the existing residential and employment capacity in the city. The LCA provides a process where the city can understand if there is a gap between how much capacity currently exists and how much will be necessary to accommodate new growth out to 2045.

The LCA was developed using the methodology adopted within [the Island County Countywide Planning Policies](#) (CPP). The LCA showed that there is currently a capacity shortfall for both residential units and employment which were allocated to the City as part of the 2025 Periodic Comprehensive Plan update. This memorandum outlines the code amendments the City has proposed to reconcile the capacity shortfall and the net capacity resulting from each code amendment. There is also additional capacity considerations explained in this memorandum that were not analyzed in the 2024 LCA.

The actions presented align with the Washington State Growth Management Act (GMA) and Washington Administrative Code (WAC) requirements to ensure sufficient population, housing, and employment capacity is provided.

The following documents formed the basis of this review and methodologies:

- City of Langley Municipal Code
- Planning Advisory Board [Draft Code Amendments](#) (04/02/2025)
- ECONorthwest Inclusionary Zoning Feasibility Memo (02/23/2023)
- WA Commerce Book 2: [Housing Element Guidance](#) (09/20/2024)
- City of Langley 2024 Land Capacity Analysis (LCA) memo (09/05/2024)

RESIDENTIAL CAPACITY FINDINGS

The 2024 LCA shows a gap of 75 units of housing capacity for households earning 0-50% AMI.

In response to the housing capacity shortfall, the City proposed code amendments to allow for residential uses within the public use zone and increased the incentives for building affordable housing in the Multifamily Infill Overlay.

The City also requested an analysis of a rezone being made as part of the comprehensive plan periodic update. The City is downzoning a portion of the RS7200 zone to RS15000, which has the effect of decreasing capacity due to the decrease in assumed density.

Along with these code amendments, the City is considering the effect on housing capacity from Planned Unit Developments (PUD). The City has received submittals and requests from interested parties about developing a PUD in the City, so their effect on housing capacity was analyzed using a previous study on PUD viability and densities. The PUD study can be found in the 2024 LCA.

In summary, the net results from the following code amendments and additional considerations were analyzed for their effect on the housing capacity of the City:

1. Downzoning of 13 parcels along Edgecliff Dr.
2. Public Use Zone Reclassification and Residential Allowance.
3. Incentive Revisions for Multifamily Infill Overlay.
4. Planned Unit Development (PUD) affordable housing requirement consideration.

Table 1 shows the net residential capacity results from the code amendments and additional considerations. **The net results show that the code amendments along with the additional considerations fully reconcile the housing shortfall and the City is meeting their residential allocation for every income level.**

Table 1. Net Capacity after Implementation of Residential Capacity Actions 1-4

Income Level	Zones Included	Projected Need	Capacity	Surplus (Deficit)	Change
0–30% AMI	RM, NB, P-1, RS5000, RS7200, RS15000	93	95	2	+51
30–50% AMI	RM, NB, RS5000, RS7200, P-1, RS15000	91	92	1	+27
50–80% AMI	RS7200, RS5000, RM, NB, P-1, RS15000	77	144	67	+26
80–100% AMI	RS7200, RS5000, RM	37	84	47	-12
100–120% AMI	RS15000, RS7200, RS5000	35	88	53	-28
>120% AMI	RS15000, RS7200	113	222	109	0
Total		446	725	279	+63

Actions and Results

The code amendments and capacity considerations are summarized in this section. The detailed methodologies are described below in the [Methodology](#) section.

1. Edgecliff Dr Downzoning Analysis

A rezone from RS7200 to RS15000 for a section of parcels along Edgecliff Drive is being proposed as part of the periodic update code amendments. Although 13 parcels are being rezoned from RS7200 to RS15000, only 7 parcels were classified as Partially Vacant or Vacant. As such, only those 7 parcels were analyzed for change in capacity.

Net Decrease in Housing Capacity:

- Total: -46 units
- Affordable Units (0–80% AMI): -18 units
 - 0–30% AMI: -2 units
 - 30–50% AMI: -5 units
 - 50–80% AMI: -11 units

2. Public Use Zone Reclassification and Residential Allowance

A zoning amendment was proposed by the City which will split the existing Public Use zone into:

- **P-1:** Institutional (multifamily allowed as a secondary use)
- **P-2:** Parks, Open Space, and Fairgrounds

Per development code updates, any housing proposed in the P-1 zone must be affordable housing. The exact code amendment language and requirements are described in full in the attached draft code amendment document (also linked in the first page).

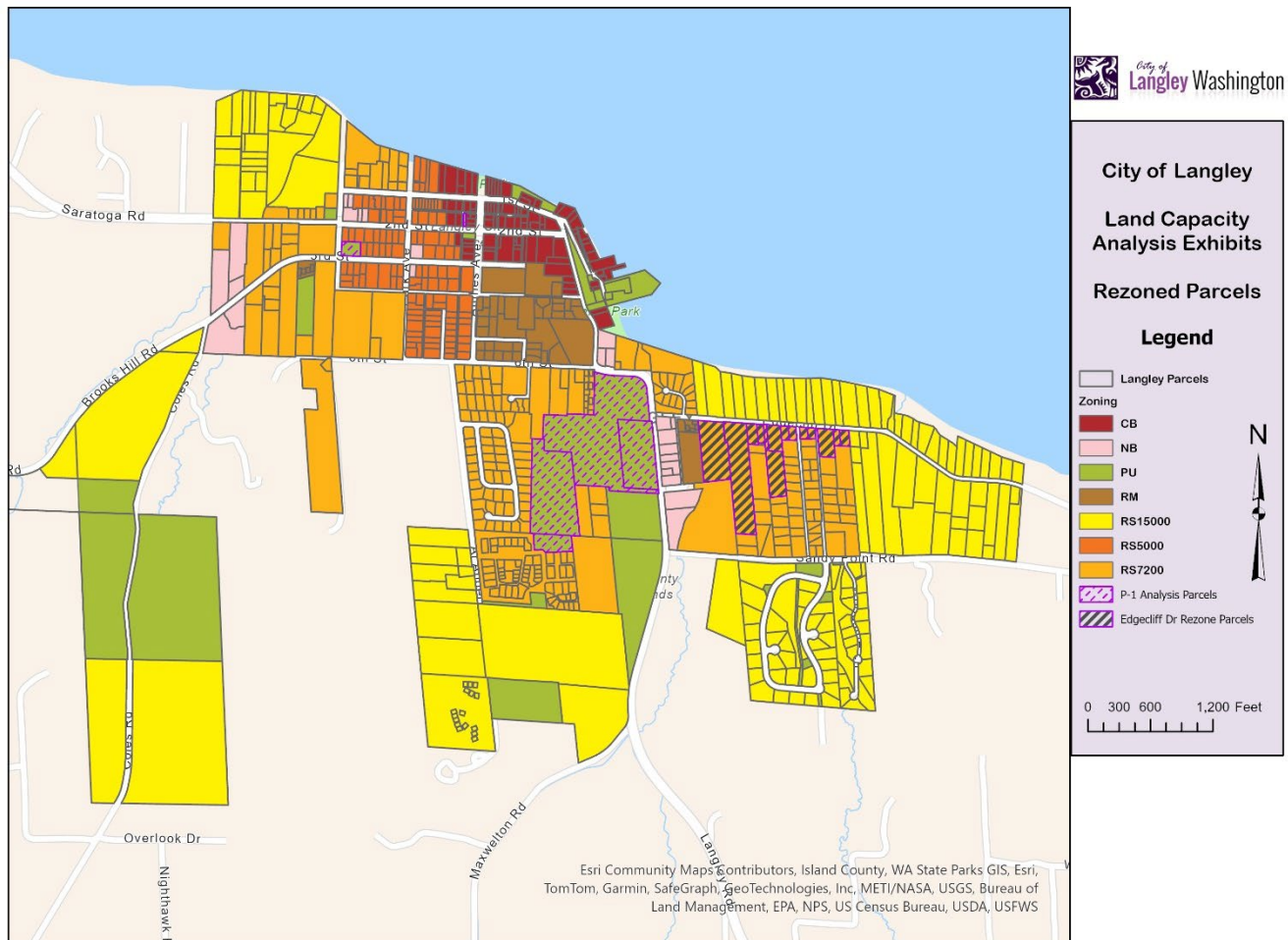
Eligible (re-developable and vacant) parcels were included within the LCA, and the results are below.

Net Increase in Housing Capacity:

- Total: +79.7 affordable units on 6.64 developable acres (out of 30 gross acres)
- Affordability Capacity changes (Equal distribution between 0–30%, 30–50%, and 50–80% AMI brackets)
 - 0–30% AMI: +26.6 units
 - 30–50% AMI: +26.6 units

- 50–80% AMI: +26.6 units

Figure 1. Edgecliff Dr Rezone and Public Use Analysis Parcels



3. Incentive Revisions for Multifamily Infill Overlay

The existing bonuses were revised to:

Requirement: 10% of proposed units must be affordable to qualify for bonuses.

- Application Thresholds:
 - a) Minimum of one affordable unit per project.
 - b) Rounding to nearest whole unit after 1.

Adjusted Housing Allocation Ratios assumed 50% participation in the bonus program, increasing the projected unit supply for lower AMI ranges by 5% in each of the MFI overlay applicable zones.

No Increase in Housing Capacity, but an increase in affordable housing capacity:

- Total: +0 units

- Affordability Capacity changes:
 - 0-30% AMI: +22 units
 - 80%+ AMI: -22 units

4. PUD affordable housing requirement consideration

Affordable housing capacity was added to the overall housing capacity in conjunction with the PUD capacity analysis outlined in the 2024 LCA. The City's affordable housing standards in the PUD ordinance require that a certain portion of housing is affordable and includes bonuses for affordable housing. When reviewing total capacity from PUDs and comparing that capacity to the current capacity in the RS15000 zone, an assumption can be made for how many units of capacity in the RS15000 zone will serve households earning 0-80% of the AMI (see methodology section for exact analysis).

Using the findings from PUD capacity analysis in the 2024 LCA, we assume that 10% of future housing in the RS15000 zone will be homes affordable to households earning less than 80% of the AMI. This is a conservative estimate that assumes only one PUD will be proposed in the next 20 years.

No Increase in Housing Capacity, but an increase in affordable housing capacity:

- Total: +0 units
- Affordability Capacity changes:
 - 0-80% AMI: +20 units
 - 80%+ AMI: -20 units

EMPLOYMENT CAPACITY FINDINGS

The 2024 LCA found that the employment capacity was approximately 78 jobs. The City was allocated an employment growth target of 135 jobs from Island County, which results in a gap of 57 jobs.

In response to the employment capacity gap, the City has proposed a code amendment to increase the allowed commercial uses within the Fairgrounds Overlay. The City also requested an additional analysis that considers work-from-home as a viable employment capacity identifier.

The following code amendment and additional employment capacity consideration were analyzed in this memo:

1. Work-from-Home Employment Capacity Contribution
2. Fairgrounds Overlay Allowed Commercial Use Expansion

Table 2 shows that the City meets the employment capacity allocation after the consideration of the code amendment and work-from-home analysis.

Table 2. Employment Capacity Scenario Results

Scenario	Capacity	Surplus /Deficit
Original	78	-57
With Work-from-Home consideration	164	+29
With Fairgrounds Overlay code amendment and Work-from-home consideration	214	+79

Actions and Results

1. Work-from-Home Employment Capacity Contribution

A methodology was created for calculating employment capacity for work-from-home job types (more information in the [Methodology](#) section). This methodology was used to calculate the number of jobs that would be created with the housing growth in single family zones. Three key considerations were taken into account to justify the methodology: the entire city has access to high-speed internet, census data shows that an average of 23.6% of workers living in the city worked-from-home (2020-2023), and residential zones in the city currently allow a variety of commercial uses as secondary uses to residential.

Increase in Employment Capacity by 86 jobs.

2. Fairgrounds Overlay Allowed Commercial Use Expansion

The City proposed a code amendment to the allowed uses table which revises the City's Fairgrounds Overlay to include additional allowed commercial uses that can be active outside of seasonal fair periods. The 2024 LCA did not consider any job capacity in the Fairgrounds Overlay due to instructions in the CPPs to remove publicly owned parcels, but the proposed amendments to the allowed uses table create opportunities for commercial development and job capacity. Parcels within the Fairgrounds Overlay were analyzed using standard deductions in the CPPs.

Increase in Employment Capacity by 50 jobs.

METHODOLOGY

Housing Capacity Analysis

1) Edgecliff Dr Downzoning Analysis

- Identified the impact of downzoning a section of parcels along Edgecliff Dr from RS7200 to RS1500 (Analyzed parcels in **Table 4**).
- Assessed housing capacity implications.

Gross capacity shows that there is a total net decrease of about 46 dwelling units of potential capacity. Net capacity for housing types serving households earning 0-80% AMI are shown in Table 3 and the exact excel workflow is shown in Table 4.

Table 3. Net Changes to Capacity from Edgecliff Dr Downzoning

Income Level	Upzoned	Current capacity	Change
0-30%	-51	-49	-2
>30-50%	-31	-26	-5
>50-80%	30	41	-11
		Total	-18

Table 4. LCA Parcels affected by Edgecliff Downzoning

Upzoning 7 LCA parcels from 7200 to 15000													
Net capacity from upzoning		-46.28 dwelling units											
Under RS7200 zoning										Residential Capacity			
Parcel ID	Address	Area	Value	Value	Value	Value	Value	Value	Value	Zone	Capacity	Capacity	Capacity
546	R32903-506-4880	240000	240000	0	240000	91	3.345	3.325457		RS7200	Vacant	20.12	20
221	R32902-355-0350	549723	549723	249723	300000	11	1.82	1.81134		RS7200	Partially V	10.96	10
30	R32902-360-0180	641451	641451	341451	300000	11	1.68	1.65978		RS7200	Partially V	10.04	10
35	R32902-395-0320	966030	966030	686030	280000	11	0.78	0.761004		RS7200	Partially V	4.60	4
36	R32902-395-0810	864560	864560	584560	280000	11	0.99	0.945825		RS7200	Partially V	5.72	5
37	R32902-404-0090	492168	492168	262168	230000	12	0.46	0.452315		RS7200	Partially V	2.74	2
18	R32903-480-5130	525527	525527	185527	340000	11	5.11	4.920853		RS7200	Partially V	29.77	29
										Gross total:			
										Net Total:			
										69.02			
Under RS15000 zoning										New Residential Capacity			
Parcel ID	Address	Area	Value	Value	Value	Value	Value	Value	Value	New zone	Capacity	Capacity	Capacity
546	R32903-506-4880	240000	240000	0	240000	91	3.345	3.325457		RS15000	Vacant	9.66	9
221	R32902-355-0350	549723	549723	249723	300000	11	1.82	1.81134		RS15000	Partially V	5.26	5
30	R32902-360-0180	641451	641451	341451	300000	11	1.68	1.65978		RS15000	Partially V	4.82	4
35	R32902-395-0320	966030	966030	686030	280000	11	0.78	0.761004		RS15000	Partially V	2.21	2
36	R32902-395-0810	864560	864560	584560	280000	11	0.99	0.945825		RS15000	Partially V	2.75	2
37	R32902-404-0090	492168	492168	262168	230000	12	0.46	0.452315		RS15000	Partially V	1.31	1
18	R32903-480-5130	525527	525527	185527	340000	11	5.11	4.920853		RS15000	Partially V	14.29	14
										Gross total:			
										Net Total:			
										22.74			

2) Public Use Zone Reclassification and Multifamily Allowance

- Capacity results from splitting the Public Use zone into P-1 (Institutional) and P-2 (Parks and Open Space).

Assumed density for P-1 zone: Based on existing RM densities: Max density 15 du/ac. To be conservative, 12 du/acre density was used. All residential units must be affordable, so capacity was split between units for 0-30%, 30-50%, and 50-80%.

Certain P-1 zoned parcels were removed from residential capacity analysis:

- R32903-251-3120, cemetery.
- R32903-358-3190, water tower/other utility.
- R32904-333-4760, Sewer department property and park.
- Utility, easements:
 - S6362-00-00100-0
 - S6362-00-00107-0
 - S6362-00-00106-0
 - S6362-00-00102-0
 - S6362-00-00105-0
 - S6362-00-00103-0
 - S7349-00-0000B-0
- Parks: R33034-138-1100, S7345-00-08015-0, S7345-00-1300A-2.
- Completely encumbered by critical areas: S8526-00-0000B-0.
- Contains access to power generation facilities R32904-423-3690.
- All shoreline parcels (either fully encumbered by critical areas or port use parcels).

Analyzed parcels (29.76 total acres):

- R32903-461-3340
- S8525-00-0000B-0
- R32903-498-4130
- R32903-531-3830
- S7345-00-07010-0
- S7345-00-02001-0

All 6 parcels that were analyzed show high suitability for affordable residential housing (near public amenities, built out infrastructure, and outside of critical areas). Table 5 shows the excel workflow and deductions to get to net developable acreage.

Table 5. P-1 Net Developable Area Calculation

MULTI FAMILY RESIDENTIAL DEVELOPMENT CAPACITY				
	Gross development potential	15% public purposes adjustment	Critical Area constraint adjustment	11.4% seasonal/recreational adjustment factor
		15%	43.7%	11.4%
Total Acres	15.65	13.30	7.49	6.64
P-1 Zone	15.65	13.30	7.49	6.64
<i>Vacant</i>	<i>1.74</i>	<i>1.48</i>	<i>0.83</i>	<i>0.74</i>
<i>Re-Developable</i>	<i>13.91</i>	<i>11.83</i>	<i>6.66</i>	<i>5.90</i>

Results

79.7 additional units of capacity (at 12 du/ac) on about 6.64 developable acres (out of 15.65 gross acres). Units split evenly between 0-30%, 30-50%, and 50-80%. Deficit still exists for 0-30% and 30-50%. Table 6 shows the results and changes from the 2024 LCA when the Public Use reclassification and Edgecliff Dr rezone are analyzed.

Table 6. Housing Capacity Results, after P-1 Residential Capacity and Edgecliff Dr

Income Level	Income Bracket	Zones	Allocated Housing Need	Capacity	Surplus/Deficit
0-30%	\$0 - \$30,600	RM, NB, P-1	93	44 68	-49 -25
>30-50%	\$30,600 - \$51,000	RM, NB, RS5000, RS7200, P-1	91	65 87	-26 -4
>50-80%	\$51,000 - \$81,600	RS7200, RS5000, RM, NB, P-1	77	118 133	41 56
>80-100%	\$81,600 - \$102,000	RS7200, RS5000, RM	37	96 87	59 50
>100-120%	\$102,000 - \$122,400	RS15000, RS7200, RS5000	35	116 113	81 78
>120%	\$122,400+	RS15000, RS7200	113	222 237	109 124
Total			446	662 725	216 279

3) MFI Incentive Revision

- Evaluated the **affordable housing requirement to be eligible for incentives** in the City Multifamily Infill Code (LMC 18.13.050.E.1).

A 10% affordable housing unit requirement is feasible. If 10% of proposed units are under 1.0, then require at least 1 unit. Otherwise, round to nearest whole number (so if developer wants to use bonus density/code options and is proposing 15 units, 2 of the units would need to be affordable. A developer proposing 4 units with bonus incentives would need to propose one of those units as affordable).

Methodology: At 10% required affordable units for bonuses, we assumed that 50% of developments would use these development standards to get density, height, and other development standard bonuses.

Lower set-aside requirements will be necessary to compete with underlying zoning entitlements. In order for development under the MFI code (with inclusionary requirements) to outcompete base zoning entitlements, the affordable unit set aside requirements must be lower than what the current program requires to access the height bonus (effectively 23%). Our analysis shows that a 5% or 10% set-aside of affordable units might create enough value for developers to opt into this voluntary program.

Assumptions: Only vacant lots were analyzed for MFI overlay capacity and participation in bonus program. The findings from the Inclusionary Zoning Feasibility (IZF) Memo (02/23/2023) support

this assumption. The IZF Memo 2023 found that developers wouldn't gain any advantages from developing using bonuses on improved land.

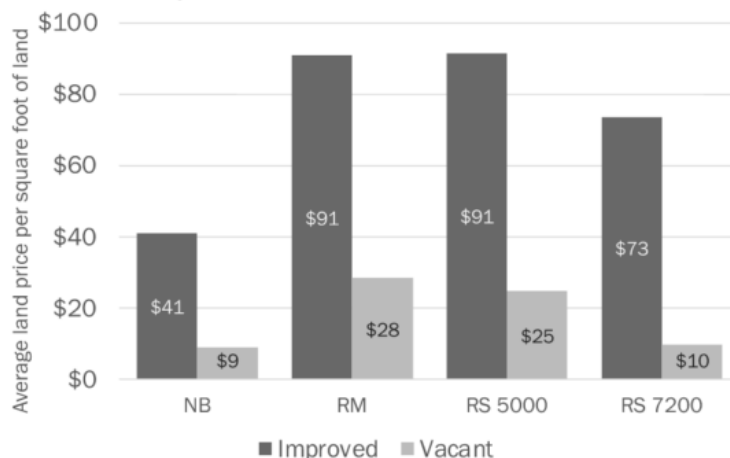
Only townhome development, accessing the height bonus of the MFI code, is feasible under a redevelopment scenario (feasible on improved land). Generally, ownership townhomes are the only feasible development prototype relative to existing improved land values in the RS 7200 and NB zones, but only if the required set aside is lowered to less than what is currently required to access the MFI code height bonus.

- **No prototypes are feasible relative to existing improved land values in the RM zone.** The existing average land price for improved land in the RM zone is too high for development under base entitlements or development under the MFI code entitlements.

These results are consistent with the findings for all of the MFI overlay compatible zones:

Exhibit 3: Average Land Price Per Square Foot, Improved and Vacant Land

Source: Island County Assessor



The majority of the land in the MFI code is improved land – at least 79% of the land in the NB zone as much as 91% of the land in RS 5000. Vacant land is much more affordable – as low as \$9 per square foot of land in the NB zone (relative to \$41 per square foot for improved land) and as high as \$28 per square foot in the RM zone (relative to \$91 per square foot for improved land – but vacant land is much harder to find as it represents about one-fifth or one-tenth of the land depending on the base zoning. However, it should be noted that assessed value does not necessarily correlate to property (or land) sales prices.

Result: Total of 0.05 (5%) increase in 0-30% capacity in each MFI zone, transferred from highest applicable AMI bracket.

Table 7. Changes to Assumed Affordability by Zone Ratios (MFI Overlay regulations)

Residential Zones	0-30%	>30-50%	>50-80%	>80-100%	>100-120%	>120%
RS15000					0.2	0.8
RS7200	0.05 0.1	0.1	0.25	0.2	0.2	0.2 0.15
RS5000	0.4 0.15	0.25	0.25	0.25	0.45 0.1	
RM	0.25 0.3	0.25	0.25	0.15	0.4 0.05	
NB	0.3 0.35	0.25	0.25	0.2 0.15		
P-1 (new)	0.33	0.33	0.33			

Capacity result: No net increase since assumed densities did not change, only the affordability assumptions changed, see Table 7 for revised allocation ratios. Increase in 0-30% AMI housing capacity. Table 8 shows the results of implementing the revised affordability ratios.

Table 8. Housing Capacity Results, after Edgecliff Dr downzone, P-1 residential consideration, and MFI affordable housing requirement

Income Level	Income Bracket	Zones	Allocated Housing Need	Capacity	Surplus/(Deficit)
0-30%	\$0 - \$30,600	RM, NB, RS5000, RS7200, P-1	93	68 90	-49 -3
>30-50%	\$30,600 - \$51,000	RM, NB, RS5000, RS7200, P-1	91	87	-4
>50-80%	\$51,000 - \$81,600	RS7200, RS5000, RM, NB, P-1	77	133	56
>80-100%	\$81,600 - \$102,000	RS7200, RS5000, RM	37	87 84	50 47
>100-120%	\$102,000 - \$122,400	RS15000, RS7200, RS5000	35	113 110	78 75
>120%	\$122,400+	RS15000, RS7200	113	237 222	424 109
Total			446	725	279

4) PUD affordable housing requirement consideration

Affordable housing capacity was added to the overall housing capacity in conjunction with the PUD capacity analysis outlined in the Langley LCA (2024). The City's affordable housing standards in the PUD ordinance require that a certain portion of housing is affordable and includes bonuses for affordable housing. When reviewing total capacity from PUDs and comparing that capacity to the current capacity in the RS15000 zone, an assumption can be made for how many units of capacity in the RS15000 zone will serve households earning 0-80% of the AMI.

Using the findings from PUD capacity analysis in the Langley LCA (2024), we assume that 10% of future housing type in the RS15000 zone will be homes affordable to households earning less than 80% of the AMI. This is a conservative estimate that assumes only one PUD will be proposed in the next 20 years. **Below is the detailed methodology to justify this assumption.**

- a) Potential PUD parcels will all be in the RS15000 zone, and it is assumed that the housing types in the RS15000 zone would be affordable only for households making over 100% AMI. PUD form-based code ordinances require diverse housing types outright; therefore creating more capacity within the RS15000 zone for housing types affordable to households making under 100% AMI.
- b) Per the analysis and findings from the 2024 LCA, 20% of housing units in future PUDs are assumed to be affordable to households earning below 80% AMI.
- i) 0-30% AMI – 5%
 - ii) 30-50% AMI – 5%
 - iii) 50-80% AMI – 10%
- c) The PUD Capacity analysis found that the consideration of 3 moderately sized PUDs developed over the next 20 years would double the capacity in the RS15000 zone (from 222 to 447). **This methodology is not considering the increase in total capacity from potential PUD capacity.** Only the net shift in capacity by AMI is being analyzed. The net shift is 10% of future housing in the RS15000 zone will be homes affordable to households earning less than 80% of the AMI. This is a conservative estimate that assumes only one PUD will be proposed in the next 20 years.

The 10% below-80% AMI assumption was split 25-25-50 between each income range under 80%. See Table 9 for final revised assumed affordability ratios.

Table 9. Final Assumed Affordability by Zone Ratios

Residential Zones	0-30%	>30-50%	>50-80%	>80-100%	>100-120%	>120%
RS15000	0.025	0.025	0.05		0.2 0.1	0.8
RS7200	0.1	0.1	0.25	0.2	0.2	0.15
RS5000	0.15	0.25	0.25	0.25	0.1	
RM	0.3	0.25	0.25	0.15	0.05	
NB	0.35	0.25	0.25	0.15		
P-1	0.33	0.33	0.33			

Total of 0.1 (10%) increase for below 80% residential capacity in RS15000. Table 10 shows the results of implementing the revised affordability ratios.

Table 10. Final Housing Capacity Results

Income Level	Income Bracket	Zones	Projected Housing Need	Capacity	Surplus/Deficit
0-30%	\$0 - \$30,600	RM, NB, P-1, RS15000	93	90 95	-3 2
>30-50%	\$30,600 - \$51,000	RM, NB, RS5000, RS7200, P-1, RS15000	91	87 92	-4 1
>50-80%	\$51,000 - \$81,600	RS7200, RS5000, RM, NB, P-1, RS15000	77	133 144	56 67
>80-100%	\$81,600 - \$102,000	RS7200, RS5000, RM	37	84	47

>100-120%	\$102,000 - \$122,400	RS15000, RS7200, RS5000	35	113 88	75 53
>120%	\$122,400+	RS15000, RS7200	113	222	109
Total			446	725	279

Employment Capacity Actions Methodology

The 2024 Langley LCA found that there is a gap employment capacity in the City compared to the allocation of 135 jobs. The employment gap is 57 jobs. A work from home analysis and increased commercial uses in the Fairgrounds Overlay district are proposed to reconcile the employment capacity gap.

Table 11. Employment Capacity and Allocation

Target	135
Capacity	78
Gap	57

1) Work from home analysis

- A variety of commercial uses are allowed as secondary uses in single family zones, including type I and II Home occupation, home office, and home day care.
- **Assumptions and Methodology:**
 - a. Only 1 “employee” would be working at each secondary use in residential zones. (1 employee per housing unit with secondary commercial use)
 - b. Entire City has access to high-speed internet (Entire City has access to Big Gig Fiber Network).
 - c. Current work from home estimates from Census data shows an **average of 23.6% of workers in Langley work from home** (about 95 people, workers 16 years old or older).

Table 12. Number of Workers that Worked from Home (2020-2023), City of Langley

City of Langley	2020		2021		2022		2023	
Workers 16 years and over	391		422		420		329	
Worked from home	89	22.8%	85	20.1%	96	22.9%	112	28.6%

Source used: U.S. Census Bureau, U.S. Department of Commerce. (2020-2023). Commuting Characteristics by Sex. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S0801. Retrieved April 4, 2025, from <https://data.census.gov/table/ACSST5Y2023.S0801?q=160XX00US5338355&moe=true&tp=false>.

- d. As a percentage of occupied housing units (630 in 2020), that is **about 15% of housing units that are used for work from home**.

- e. **Assume that 15% stays consistent over the planning period.** Then findings for housing capacity in the RS zones from this report can be used to project the number of homes that may have a work-from-home job. Only RS zones (RS15000, RS7200, RS5000) are being analyzed since all the other zones were already analyzed for commercial capacity (this will avoid double counting).
- f. **571 (residential capacity in RS zones from 2024 LCA) X 15% (assumed work from home rate) = 86 jobs**
- g. **In conclusion: The projected addition of 571 new homes in Langley's RS zones by 2045 will also create the opportunity for approximately 86 new jobs** through means of work from home-based jobs, which are allowed in RS zones.

2) Fairgrounds Commercial Expansion Consideration

- o Evaluate how proposed zoning amendments to the Fairgrounds Overlay affect employment capacity.
- o **Assumptions and methodology:**
 - a. Breweries, offices, other commercial uses now allowed in fairgrounds overlay, subject to specific fairgrounds design standards.
 - b. Parcels analyzed for job capacity: R32903-442-4110 (5.15 acres) and R32903-362-4170 (8.83 acres).
 - c. Analyzed at re-developable market factor (50%) to account for existing uses which will not be removed.
 - d. P-1 critical area factor (43.7%)
 - e. Public purposes adjustment was used to account for required setbacks and public space requirement of any new use (15%).
 - f. **Seasonal/recreational factor WAS included** to account for seasonal uptick in employment (11.4%).
 - g. Gross site area of the two parcels: 14 acres. After reductions: 2.97 acres are usable for commercial capacity.

Table 13. Fairgrounds Overlay Net Commercial Acreage Analysis

Commercial DEVELOPMENT CAPACITY				
	Gross development potential	15% public purposes adjustment	Critical Area constraint adjustment	11.4% seasonal/recreational adjustment factor
		15%	43.7%	11.4%
Total Acres	6.99	5.94	3.35	2.97

Fair Overlay	6.99	5.94	3.35	2.97
<i>Vacant</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Re-Developable</i>	<i>6.99</i>	<i>5.94</i>	<i>3.35</i>	<i>2.97</i>

Results: 2.97 acres X 17 jobs/acre = 50 jobs of capacity.

Scenario	Capacity	Surplus /Deficit
Original	78	-57
With Work-from-Home	164	+29
With Fairgrounds Overlay and Work-from-home	214	+79



MEMORANDUM

To: City Council
From: Meredith Penny, Director of Community Planning
Re: LMC 18.13 Multifamily Infill Code – Building Height and Spacing Options
Meeting Date: June 16, 2025

The purpose of this memo is to summarize key background information, applicable draft Comprehensive Plan policies, and proposed code revisions related to building height and spacing for multifamily infill development in the City of Langley. It also provides visual examples illustrating the potential impacts of these revisions. Staff seek guidance from the City Council on specific aspects of the proposed revisions to inform final code updates.

IMPORTANT UPDATE: NEW LEGISLATION OVERRIDES STEP-BACK PROVISIONS DISCUSSED BELOW

Since the preparation of this memo and its accompanying illustrations, the Washington State Legislature passed HB 1183, which includes new requirements for local development regulations. Notably, the bill prohibits cities from requiring upper-level setbacks (step-backs) for affordable housing—a key component of the proposed code changes discussed in this memo. Because Langley’s current draft code only permits third stories in affordable housing projects, this legislation effectively preempts the proposed step-back requirement.

We are including the original proposal and visuals in this packet to document the evolution of staff’s recommendations and to support discussion on how to achieve similar urban design goals within the constraints of new state law. Staff welcome the City Council’s feedback on alternative approaches for managing building height and massing under these new conditions.

A. Background

In 2021, the City of Langley adopted Chapter 18.13, establishing the Multifamily Infill Form-Based Code Overlay (MFI). Since then, the City has identified a number of challenges with the ordinance through the review of development proposals and feedback from neighbors, developers, and architects.

As part of the ongoing Comprehensive Plan update, the City is proposing several amendments to the MFI code. The first step in this process was to establish supporting policies in the Housing and Land Use Elements to help guide these updates.

The Planning Advisory Board (PAB), City Council, and City staff have reviewed a range of potential changes to the MFI code. In particular, both PAB and Council have requested further consideration of the proposed changes related to building height and spacing.

This memo summarizes the proposed Comprehensive Plan policies that will help guide revisions to the MFI code, outlines the draft code changes under consideration, and provides visual elevation examples to illustrate how different scenarios may be affected by the proposed language.

B. Applicable Draft Comprehensive Plan Policies

Goal LU-6: Urban Form

Facilitate an urban form that aligns with Langley’s unique character, while supporting mixed density, diverse land uses, and sustainable development that enhances walkability, livability, and creates a strong sense of community.

LU-6.1 Design guidelines and form-based codes should support high-quality development while ensuring feasibility

and affordability. They must balance aesthetic goals with practical constraints, avoiding excessive complexity, long approval times, or prohibitive costs. Guidelines should be clear, flexible, and adaptable to different development types.

LU-6.2 New development should thoughtfully consider the site's context when determining the layout of buildings, parking, and outdoor spaces, accounting for existing vegetation, topographic features, sun orientation, and the location of neighboring structures and uses.

LU-6.3 New development and redevelopment projects should be designed to complement the scale of existing buildings, while acknowledging the architectural style, history, and materials of the surrounding context.

LU-6.7 Where increased building heights are allowed, require sufficient distances between buildings to minimize visual impact and ensure adequate sunlight access to neighboring properties, public spaces, and private open space for residents.

Goal H-4: Housing Affordability

Enable the opportunity for affordable housing for a diversity of residents within the city of Langley

H – 4.2 When updating zoning regulations and design standards for residential development, engage affordable housing developers in the process to ensure that the standards align, and do not conflict with, state or federal requirements for publicly funded housing

C. Potential Revision 1: Height and Spacing of Multifamily Buildings Relative to Each Other

For the Townhouse, Multifamily House, and Multifamily Courtyard Building Types:

- Multistory buildings shall not be located closer than **25 feet** from one another along a length greater than **20 feet**.
- The minimum separation requirement of **25 feet** for multistory buildings may be reduced for lengths greater than **20 feet** under the following conditions:
 - In no case shall the minimum separation between buildings be reduced to less than **15 feet**.
 - The upper stories of both buildings must be stepped back from the ground floor façade by at least **12 feet**, along the length of the building where the reduced separation is applied.

Relevant Illustrations (attached):

These illustrations show two Multifamily House buildings less than 25 feet apart over a length greater than 20 feet. One building illustrates the requirement with only the third story stepped back, while the other shows both the second and third stories stepped back. The final elevation presents the buildings at full height.

- Revision 1: Overview Site Plan
- Revision 1: Elevation A
- Revision 1: Elevation B
- Revision 1: Elevation C

D. Potential Revision 2: Height and Spacing of Multifamily Buildings Relative to Adjacent Single Family

For the Townhouse, Multifamily House, and Multifamily Courtyard Building Types adjacent to a Single-Family Residential zone:

- Within 30 feet of the property line adjacent to the Single-Family Residential zone, building height shall be limited to a maximum of 25 feet.
- Beyond 30 feet from the Single-Family Residential zone property line, the building may rise to the maximum height.

Relevant Illustrations (attached):

These illustrations show two Multifamily House buildings located within 30 feet of an adjacent single-family residential zone. One building demonstrates how the requirement visually appears next to a one-story single-family house, while the other shows how it appears next to a two-story single-family house.

- Revision 2: Overview Site Plan

- Revision 2: Elevation A
- Revision 2: Elevation B

E. Request

Staff respectfully request guidance from the City Council on:

1. Whether to apply the proposed spacing requirements between multifamily buildings on the same site.
2. If spacing requirements are applied:
 - a. Whether step-backs should apply only to three-story buildings or also to two-story buildings.
 - b. For three-story buildings, whether the top story alone or the top two stories should be stepped back.
3. Whether to apply the proposed 25-foot height limit within 30 feet of a Single-Family Residential zone.

This guidance will assist staff in refining the code language for inclusion in the public draft of the Comprehensive Plan and implementing ordinances.

