

GMPC HOUSING

November 6, 2015

20TH ANNUAL

2015

VISION 2040 Awards



Puget Sound Regional Council

for promoting a livable region by helping to implement VISION 2040, the regional growth management, economic and transportation strategy

HONORING. South Kirkland Transit Oriented Development

SPONSORED BY. King County Metro, City of Kirkland, City of Bellevue, AND ARCH

HOUSING DISCUSSION TOPICS

King County Key Indicators: Needs Analysis

South King County Cities: Preservation and Rental Rehab

Eastside: Inclusionary Zoning and Other Tools

Seattle: HALA Report Update

KING COUNTY AFFORDABLE HOUSING

Indicators and Needs Analysis

HOUSING AFFORDABILITY DEFINITION

Affordable Rental Housing is defined by the Department of Housing and Urban Development as a unit for which the monthly rent including basic utilities amounts to 30 percent or less of a household's monthly income.

GENERAL AFFORDABLE HOUSING BENCHMARKS

Area Median Income: median family income calculated by HUD based upon family of four

100% AMI=\$86,600

80% AMI=\$69,400

50% AMI=\$43,400

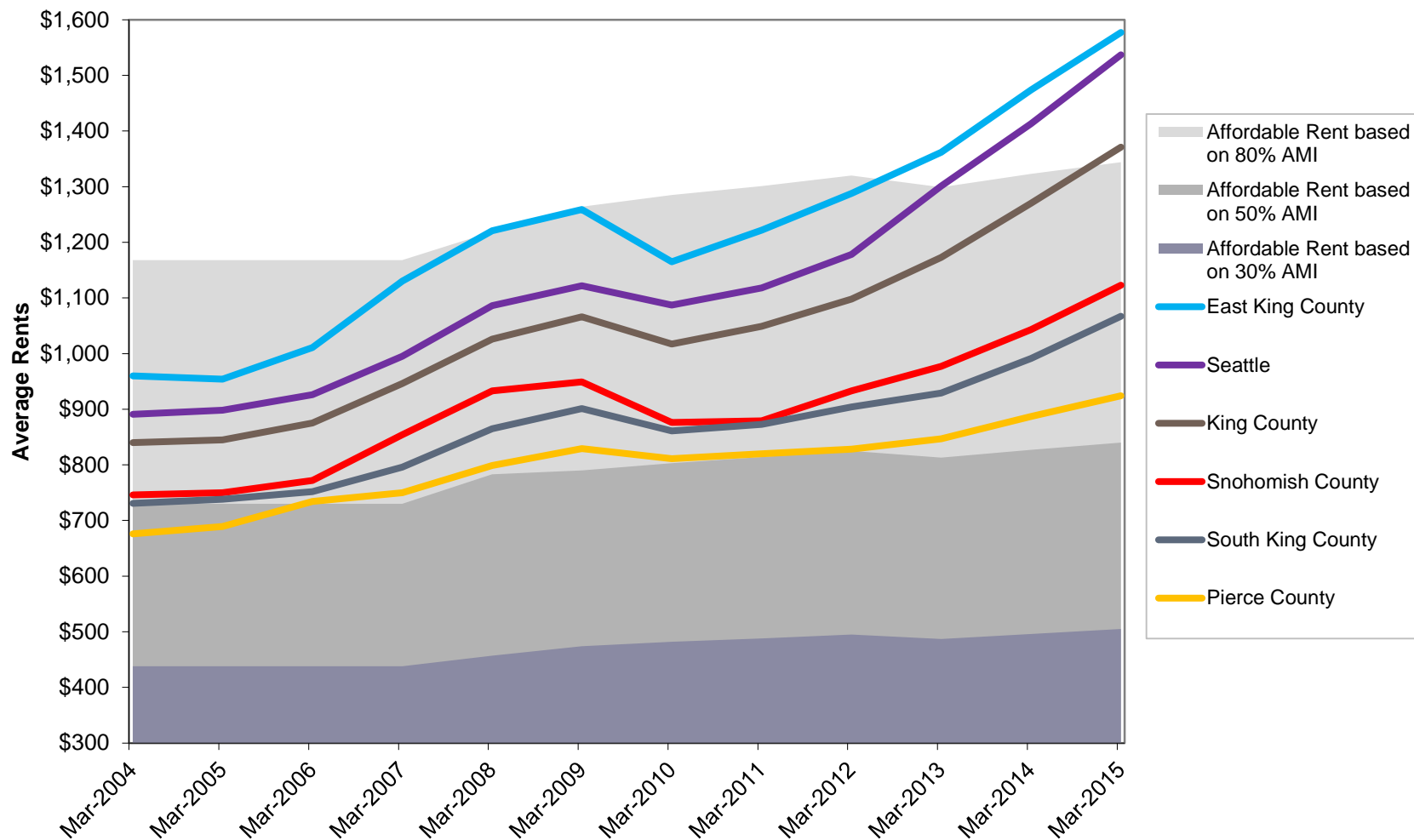
30% AMI=\$26,040

Affordable: $\leq 30\%$ of income for housing

Cost Burdened: $\geq 30\%$ of income for housing

Severely Cost Burdened: $\geq 50\%$ of income for housing

MARKET RENTS TREND UP AFTER GREAT RECESSION



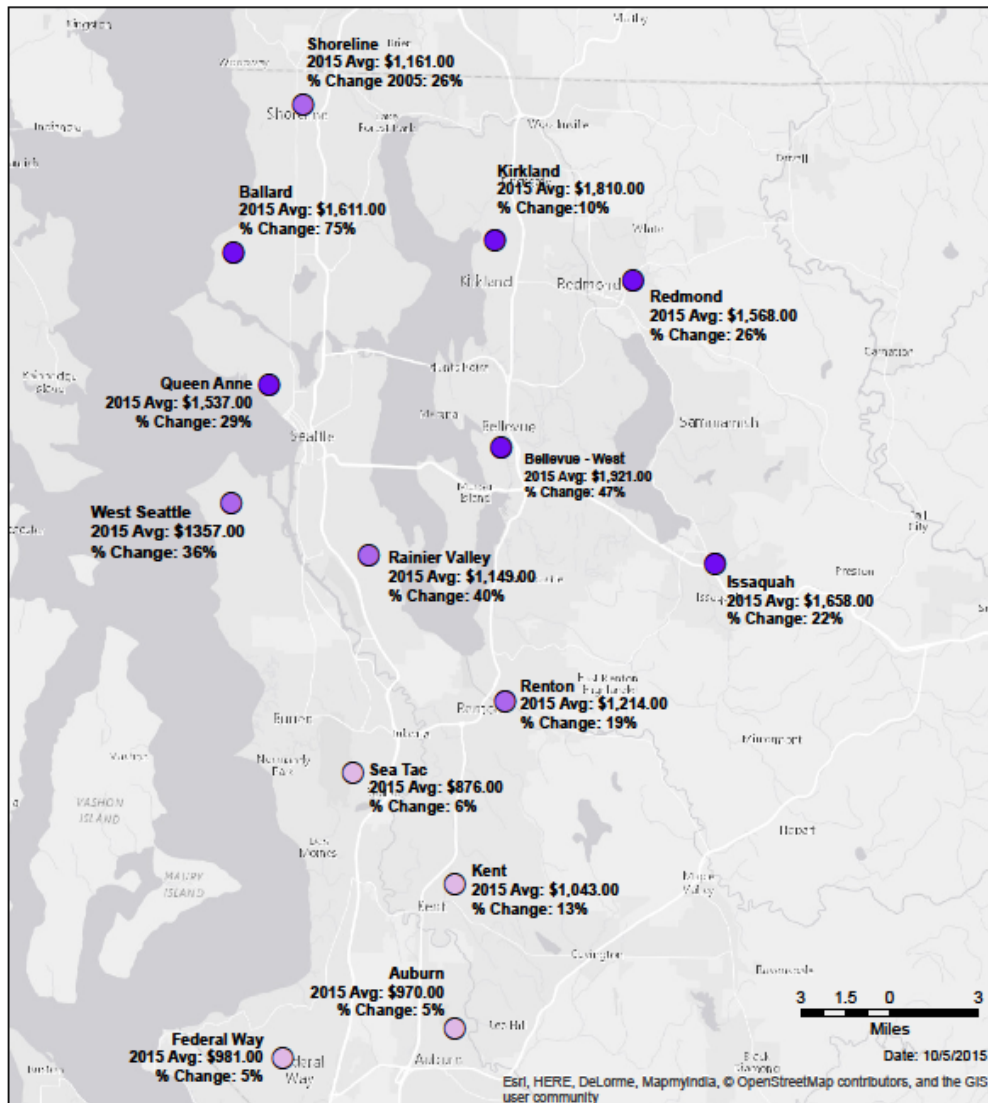
Source: Average Apartment Rent from Dupre & Scott and Affordable Rent based on AMI from HUD.

INCREASE IN RENTS VARY BY SUBAREA

From 2005 to 2015 average rents increased by:

- 22% in Issaquah
- 36% in West Seattle
- 26% in Shoreline
- 13% in Kent
- 5% in Auburn

Median wages increased by 7.5% during approximately the same period.



Percent Change in Average Rent
Spring 2005 – Spring 2015
(percent changes have been
adjusted for inflation)

King County
GIS CENTER

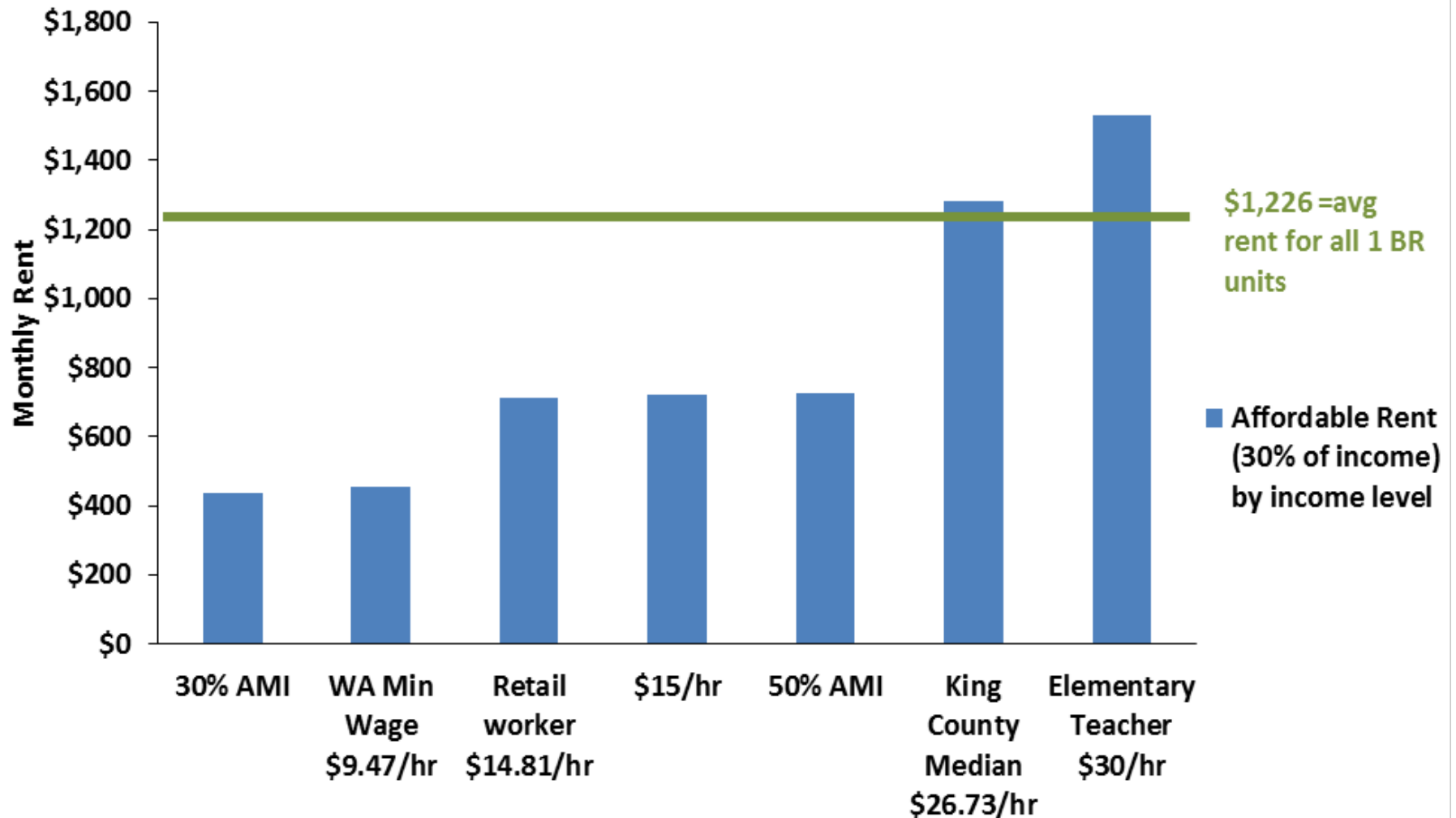
Average 2015 Rent

- \$876.00 - \$1,099.00
- \$1,100.00 - \$1,399.00
- \$1,400.00+

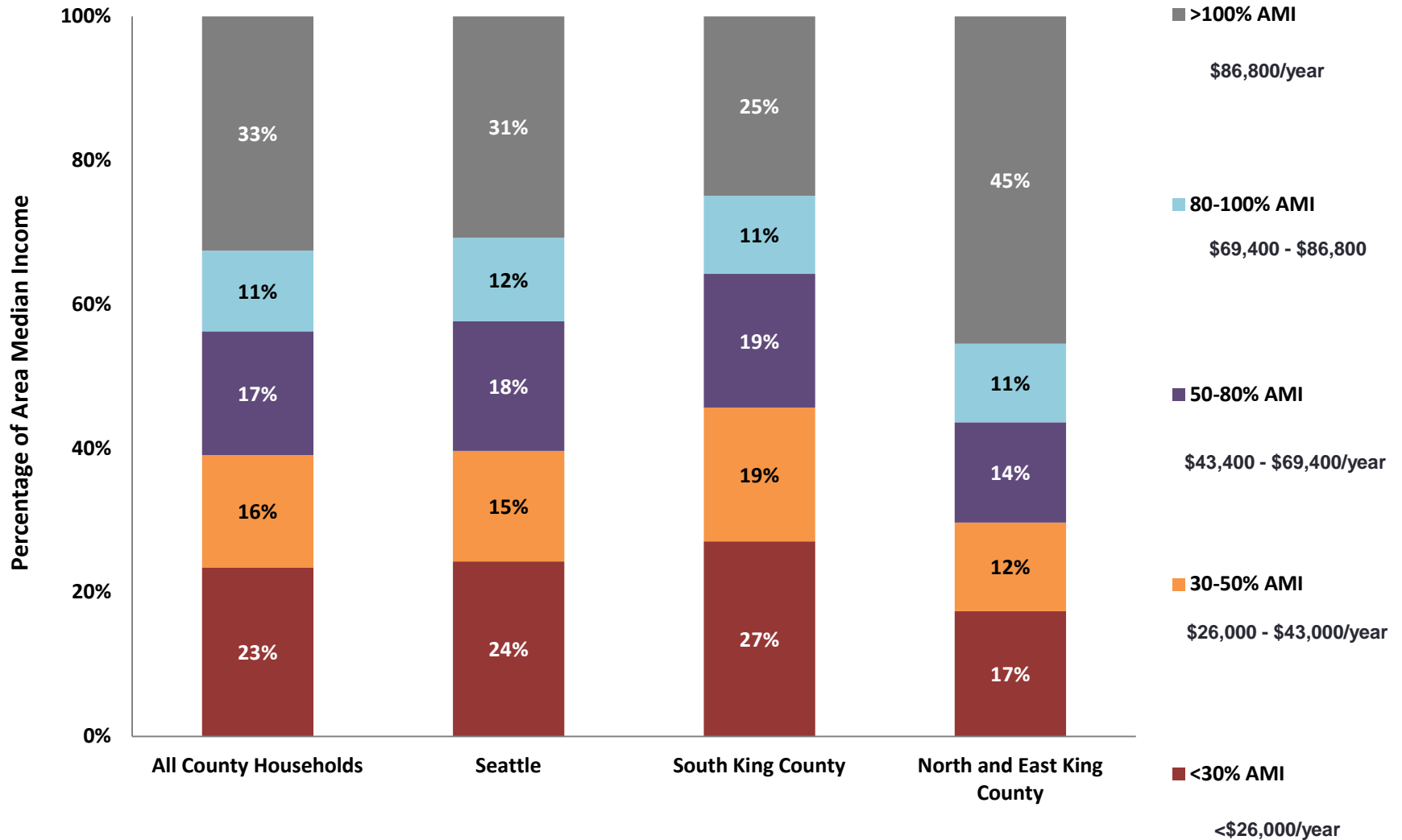


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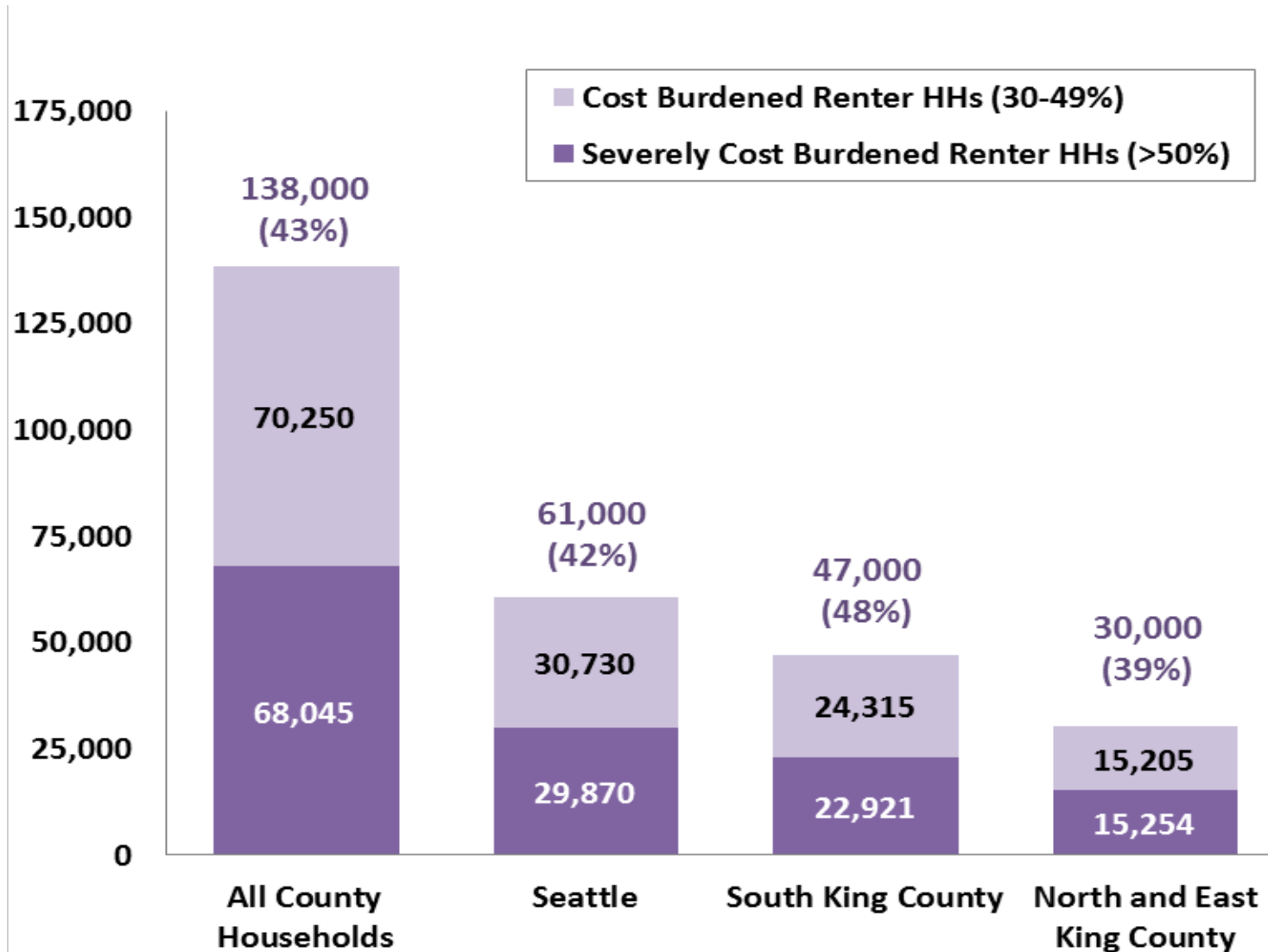
ONE BEDROOM MARKET RENT OUT OF REACH FOR MANY



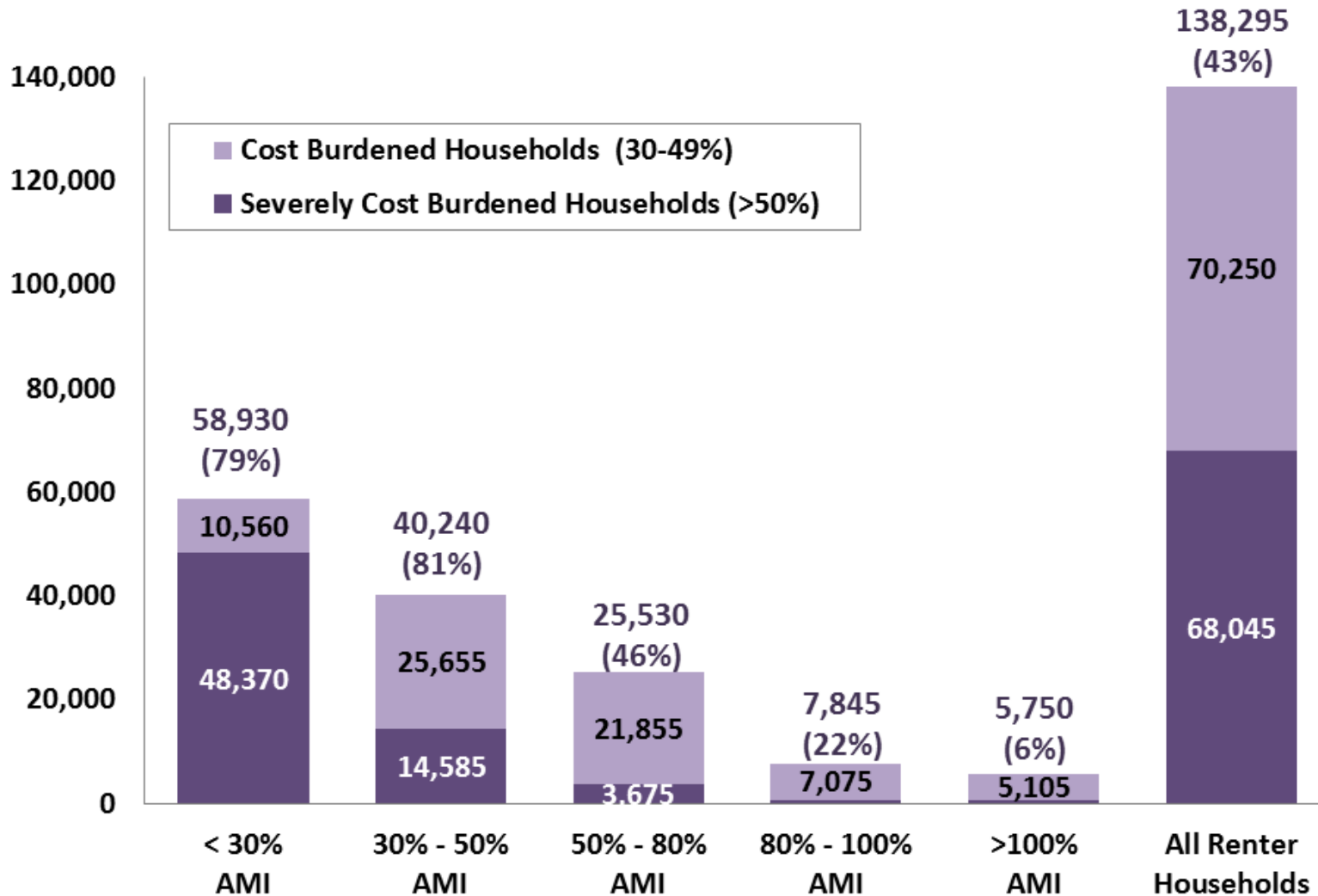
RENTER HOUSEHOLDS INCOMES



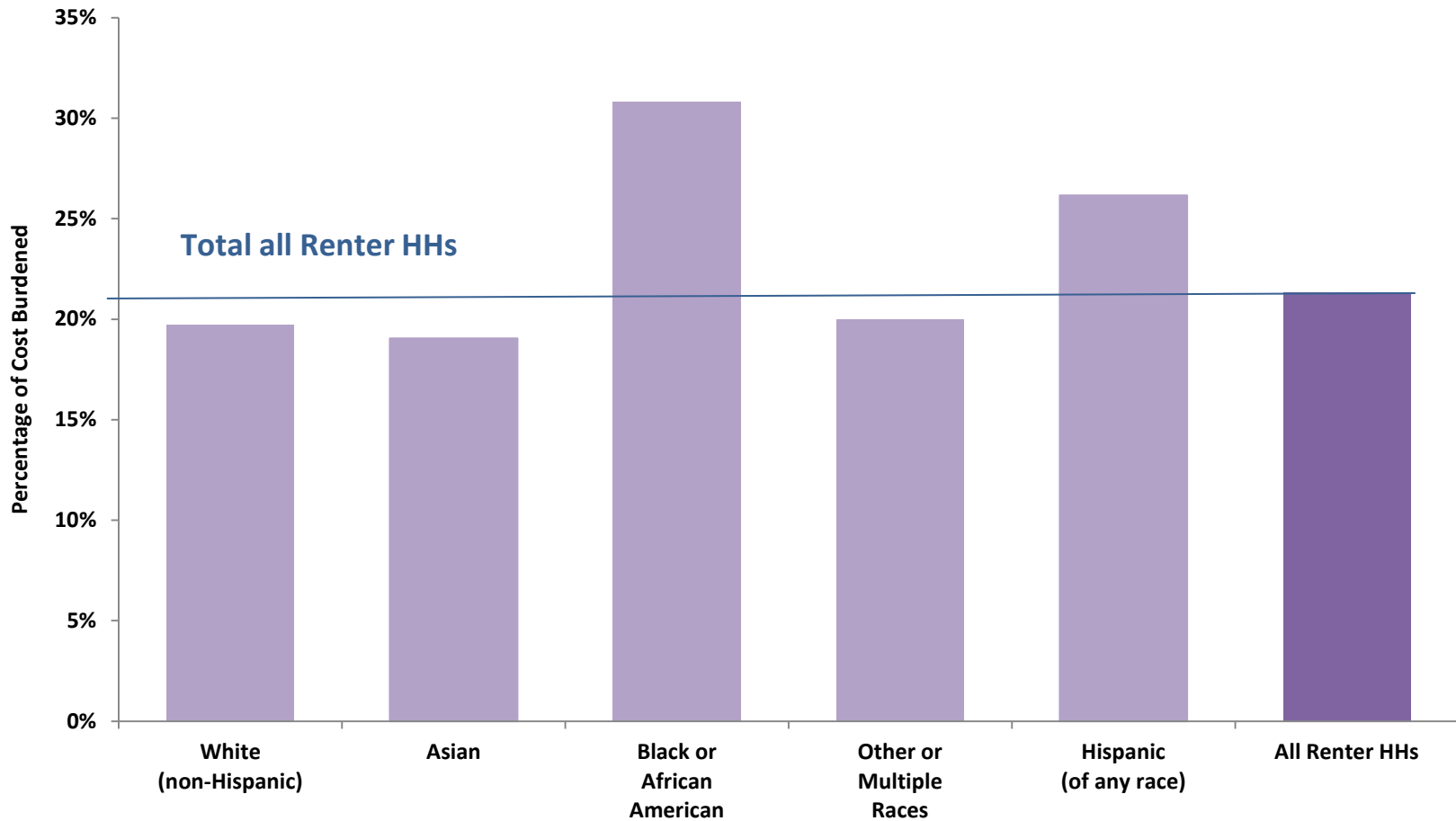
COST BURDENED HH's BY SUBREGION



50,000 Extremely Low Income HH's Pay Half of Income for Rent



Cost Burdened by Race



HOUSING NEED: TAKEAWAYS

- The critical need is for rental housing.
- The lowest income are the most unstably housed.
- There are subregional differences.

KING COUNTY'S ROLE

- Provide funding
 - Affordable housing capital funding
 - \$7M Housing Finance Program
 - \$45M Affordable Housing Bonds
 - Service funding
 - \$35M for housing services
- Strategic planning
 - Affordable Housing Strategy
- Regional leadership for affordable housing

TRANSIT ORIENTED DEVELOPMENT





Residential Rental Licensing and Inspection PROGRAM



HOUSING

- 7,755 housing units
 - 55% multi-family
 - 45% single family
- More renters
 - 60% renter
 - 40% owner-occupied

TUKWILA DEMOGRAPHICS

- 23% Families below poverty level (300% increase since 2000).
- 70% Children qualify for free or reduced lunch.
- 34% Residents are foreign born.
- 43% Speak a language other than English.

NYTimes named Tukwila School district the most diverse in the nation in 2011.

CONDITIONS FOUND



SAME PROPERTY THREE YEARS LATER



RENTAL LICENSING & INSPECTION

- Requires all landlords to obtain an annual rental business license
- Inspections of every unit are required once every four years

Units occupied by Section 8 tenants are exempt from City inspection requirement.

National Healthy Housing Standard

The City of Tukwila adopted the 2015 International Property Maintenance Code and incorporated certain provisions of the National Healthy Housing Standard.

NHHS Provisions

The National Healthy Housing Standard was developed to coordinate with the International Property Maintenance Code with a focus on the health of the occupants. NHHS fills in some gaps in the IPMC:

- NHHS requires a kitchen consisting of range/oven, refrigerator, kitchen sink, counters/cabinets in a dwelling unit. IPMC does not.
- NHHS specifies mold as a violation. IPMC does not.
- NHHS requires multifamily owners to utilize certified pest control professionals and IPM methods. IPMC does not.

RENTAL INSPECTION RESULTS 2011 – 2014

In the first four years of the program we completed rental inspections for Tukwila.

- 3700 units inspected
- 300 units with severe life safety violations corrected

WASHINGTON STATE LAW

- In June 2010, Washington State landlord-tenant law (RCW 59.18.125 and .130) was revised, placing limits on licensing and inspection programs.
- Jurisdictions with an inspection program in place as of June 10, 2010 were exempt.

EAST KING COUNTY

Slater 116



HOUSING TOOLS

- Land Use: Housing Supply and Diversity
- Regulatory: Incentives for Affordable Housing
- Direct Support
- Other Strategies

SAMPLE STRATEGIES USED IN EAST KING COUNTY

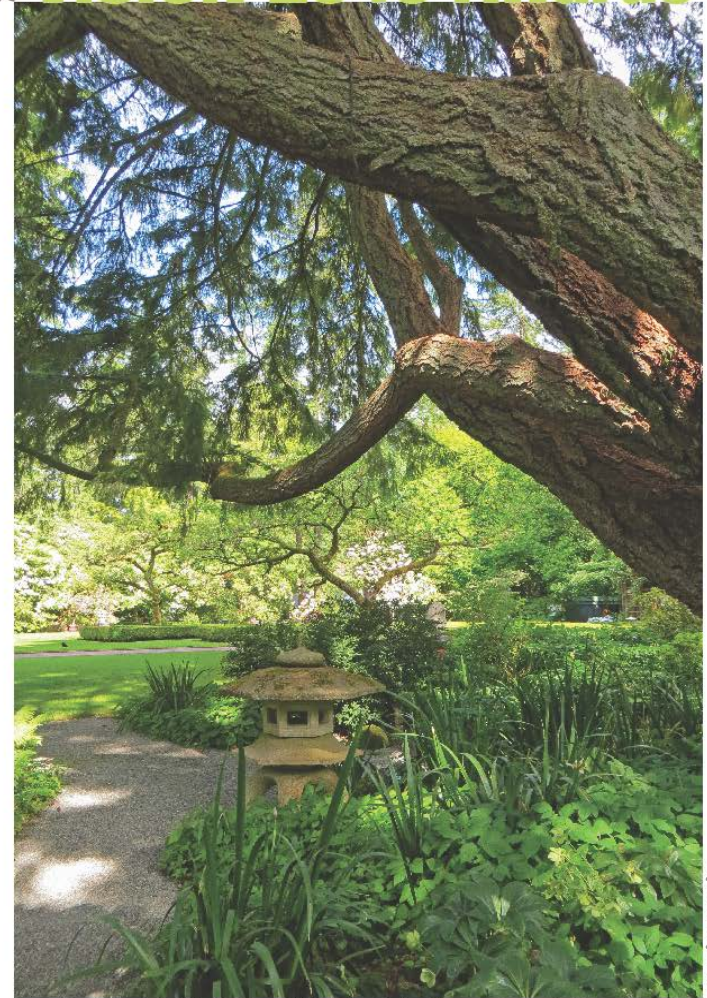
	Land Use Controls	Cost Reductions	Direct Support
Bellevue	Site-specific rezones; Voluntary density bonuses (Bel-Red)	MFTE (multiple areas); Permit and impact fee waivers	CDBG and General Fund; Land donations
Bothell			CDBG Surplus Land
Issaquah	Mandatory - Developer agreements; Mandatory and voluntary density bonuses (Central Issaquah)	Permit and impact fee waivers	CDBG and General Fund
Kenmore	Voluntary density bonuses (TOD area)	MFTE (one area); Permit and impact fee waivers	CDBG and General Fund
Kirkland	Mandatory (multi-family outside CBD); Site-specific rezones & PUDs	MFTE (multiple areas); Permit and impact fee waivers	CDBG and General Fund; Land donation
Mercer Island	Voluntary height bonuses (Town Center);	MFTE (Town Center) Permit and impact fee waivers	CDBG and General Fund
Newcastle	Mandatory (CBD)	Permit and impact fee waivers	CDBG and General Fund
Redmond	Mandatory (multiple neighborhoods); Site-specific rezones		CDBG and General Fund; Land donation
Sammamish	Mandatory and voluntary (Town Center)	Permit and impact fee waivers	CDBG and General Fund; Land donation
Woodinville	PUDs	Permit and impact fee reduction for specific property	CDBG and General Fund

CITY OF KIRKLAND

Inclusionary Housing

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Inclusionary Housing

- Affordable housing required in market rate developments since 2010
- 10% of units in multifamily and mixed use zones
- Projects building 4 or more new units
- Only where an increase in development capacity has been provided
- Incentives offset cost



Increase in Development Capacity

- Density bonus (2:1, 25% maximum bonus)
- Height (10' – 30')
- Rezone & additional residential development



Basic Code Requirements

- Integrate and disperse affordable units throughout development
- Comparable in bedroom count to market units, but can be smaller
- Affordability
 - 50% of AMI for rental (life of project)
 - 80 – 100% of AMI for ownership (50 years)



Alternative Compliance

- Results must be equal or better to on-site
- Off-site construction
- Payment in lieu
 - Partial affordable units (0.65 or less)
 - One whole unit for first 7 years
 - Ease transition and allow flexibility for small developments
 - Fee calculated including actual land and infrastructure costs for project
 - Payments go to ARCH Housing Trust Fund

MULTIFAMILY TAX EXEMPTION

- Helps offset cost where affordable units required
- Also available where affordable housing is not required (80% AMI)
- 8 year exemption = 10% affordable (50% AMI)
- 12 year exemption = 20% affordable (50% & 70% AMI)
- Affordability required for life of project

RESULTS

- 69.3 affordable units required
- 66 units constructed, 3.3 payment in lieu
- 5 additional developments currently in permit review
- 21 additional affordable units through MFTE alone



HOUSING IN REDMOND

STRATEGIES/TOOLS

INCREASE IN DEVELOPMENT CAPACITY

- **Direct Assistance**
 - local funding – Housing Trust Fund
 - surplus land
- **Land Use Incentives**
 - density bonus: cottages, multiplex, small lot sf
- **Land Use Regulation**
 - inclusionary units

SURPLUS LAND



Providence John Gabriel House
and PACE Center

- 74 units at 30,40, and 60% AMI
- 8,000 sf PACE (Program of All-Inclusive Care for the Elderly) health and wellness facility
- $\frac{3}{4}$ acre site in downtown, next to senior center, transit, retail and services

LAND USE INCENTIVES

Rezone/Density Bonus



Meadows at
Marymoor

OTHER INCENTIVE ALTERNATIVES

- Cottages
- Multiplexes, e.g. duplexes
- Backyard Homes/Small Lot/Size Limited
 - limited size
 - affordability component
- Demonstration Project

COTTAGES – CONOVER COMMONS



- Phase I – 12 cottages
- 2 :1 density bonus
- Phase II – size limited homes
- One affordable unit at 50% of median instead of 2 units at 80%

CONOVER COMMONS



WESTERN HOME AWARDS

Sunset MARCH 2006



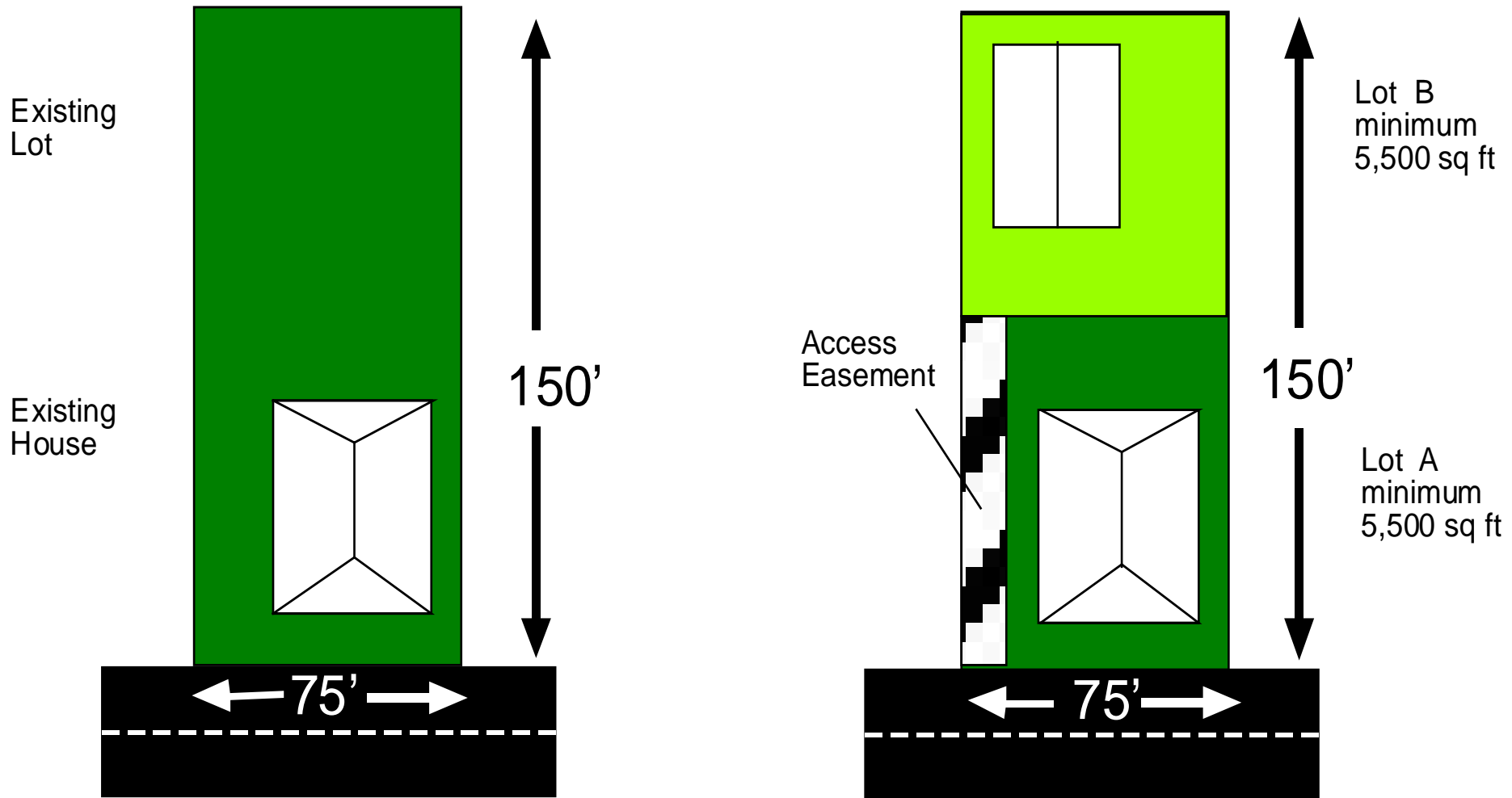
HONOR AWARD
New community

Multiplex



Education Hill

Backyard Homes/Small Lot Short Plats



BACKYARD HOME (R-5 example)

INNOVATIVE HOUSING ORDINANCE

- Adopted August, 2005, ended 2013
- Flexibility in density and site planning
- Increase housing supply
- Provide variety, choice and affordability
- Innovative, infill housing compatible with single family design
- Demonstration project – limited duration

INNOVATIVE HOUSING DEMONSTRATION PROJECT NORTH REDMOND NEIGHBORHOOD



Site Plan
SCALE: 1" = 20'



SYCAMORE PARK – DEMONSTRATION PROJECT



- Housing variety: detached homes, duplexes, carriage ADUs
- One affordable unit
- Woonerf
- Density 7.5 du/acre in R-4 zone

REGULATORY: INCLUSIONARY

- First inclusionary projects – Downtown Neighborhood Plan in early 1990's
- In neighborhoods through subarea planning
- Requirements: 10% of all residential projects with 10 or more units to be 80% of median OR 5% at 50%
- Bonus units up to 15% of underlying zoning

INCLUSIONARY

- Total Units: Currently over 380 citywide
- Approximately 50% of total since 2010 (182)
- Affordable units in pipeline: 185 (10%)
- Redmond: 1 of 20 case studies nationally - *Lincoln Institute of Land Policy study, July 2014*

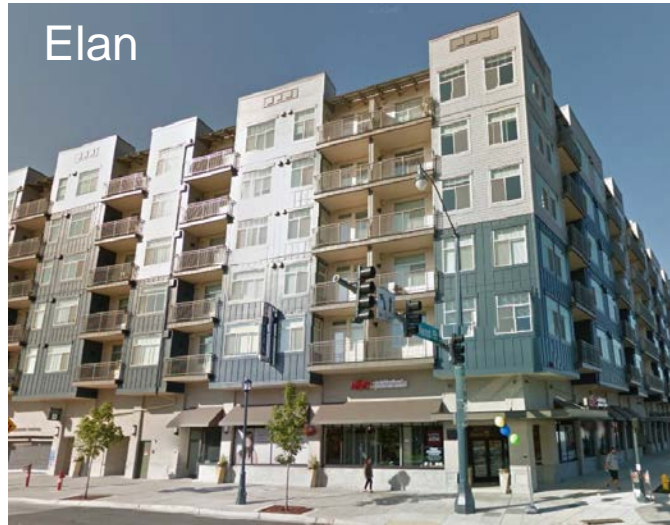
DOWNTOWN - INCLUSIONARY

Veloce



Frasier Court

Elan



Inclusionary – Other Examples



Indigo



Conover Cottages

Portula'ca



Investing In Our Communities.



What Is The Vision?



“This is a multi-pronged approach to deliver more housing choices. Calling for innovative changes in how Seattle plans and accommodates housing, as well as a shared commitment between taxpayers, businesses and nonprofits to support construction and preservation of affordable housing.” Mayor Ed Murray

What Is HALA?



Housing Affordability and Livability Advisory Committee (HALA)

- 28 member advisory committee
- November 2014 – July 2015
- 50+ stakeholders involved in subcommittees
- Input from ~2,700 community members online and in person
- Committee Recommendations released July 13, 2015

Housing Seattle Action Plan

- Released by Mayor on July 13, 2015
- Implementation beginning in Fall 2015

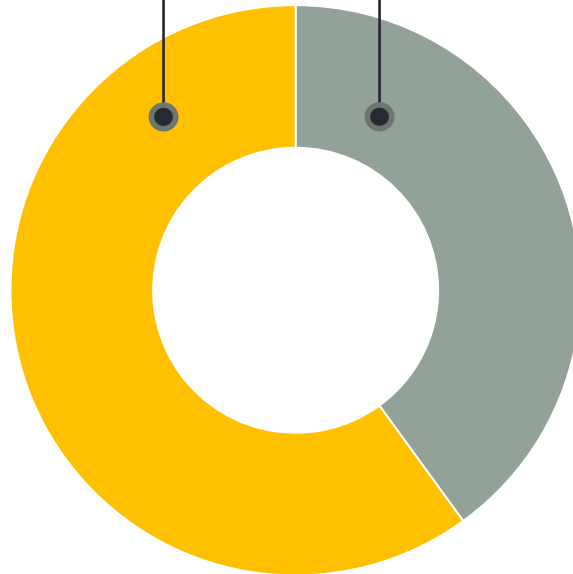
What Is The Goal?



50,000 Housing Units over the next 10 years

30,000 New Market Rate Housing Units

- Continues growth in urban centers
- Reduce permitting barriers
- Maximize efficient construction methods
- Family-sized housing



20,000 New or Preserved Affordable Housing Units

- Net rent restricted units
- About 3x current production
- Includes preservation
- New and expanded public and private resources
- Funding primarily used for <60% AMI households
- Incentives used for 60-80% AMI households

What Will HALA Do For Our Community?



Invest in Housing for Those Most in Need.

Action Items Include

- ✓ Renew Voter Approved Housing Levy
- ✓ Maximize City Owned Surplus Property



Prevent Displacement and Foster Equitable Communities.

Action Items Include

- ✓ Strengthen Tenant Protections
- ✓ Investing in Programs that Stabilize Vulnerable populations.



Create New Affordable Housing as We Grow.

Action Items Include

- ✓ Require New Affordable Housing as a part of all new multi-family development
- ✓ Expand on Successful Incentive Programs



Promote Efficient and Innovative Development.

Action Items Include

- ✓ Review Planning and Development Processes, focus on what works
- ✓ Invest in Quality Development and Design

Happening Now



Invest in Housing for Those Most in Need

✓ Renew Voter Approved Housing Levy

Thirty Years of Voter Support for Affordable Housing Delivering on the Promise

- Over 12,000^{*} rent-restricted apartments for seniors, people with disabilities, and low-wage working families
- Over 800^{*} affordable loans for low-income first-time homebuyers
- Emergency rental assistance to prevent homelessness

^{*} Funding from Seattle Housing Levy and other sources

1981 Bond	\$48 million	1,297 apartments
1986 Levy	\$50 million	1,818 apartments
1995 Levy	\$59 million	2,623 apartments
2002 Levy	\$86 million	2,459 apartments 4,735 households
2009 Levy (to date)	\$145 million	2,119 apartments 1,882 households



Invest in Housing for Those Most in Need

✓ Renew Voter Approved Housing Levy

Expanding Affordable Housing Opportunities

A Sound Investment

- Attracts and leverages other public and private funds
- Provides affordable housing throughout the city and access to jobs, services, and amenities
- Creates a more equitable city and helps prevent displacement of low-income residents
- Builds high-quality environmentally sustainable buildings with rent restrictions for 50 years or more

Renewal Process

Fall 2015	Technical Advisory Committee
Winter 2016	Mayor recommendation to Council
Spring 2016	Council vote to put Levy on the ballot
Summer or Fall 2016	Housing Levy on ballot



Create New Affordable Housing as We Grow.

✓ Mandatory Housing Affordability – Residential and Commercial Development

Provide for affordable housing with development of new residential and commercial floor area

- For the first time, developers will be required to provide for affordable housing with every multifamily project built in Seattle – approximately 5 to 7% of the total units in each residential building.
- Affordable housing produced through MHA for residential and commercial development will total 6,000 net new income/rent-restricted units for households with modest incomes – up to \$38,000 for an individual and \$54,000 for a family of 4.
- Developers who choose not to build affordable homes within their projects will pay for affordable housing preservation and production in Seattle's growing neighborhoods.

Happening Now

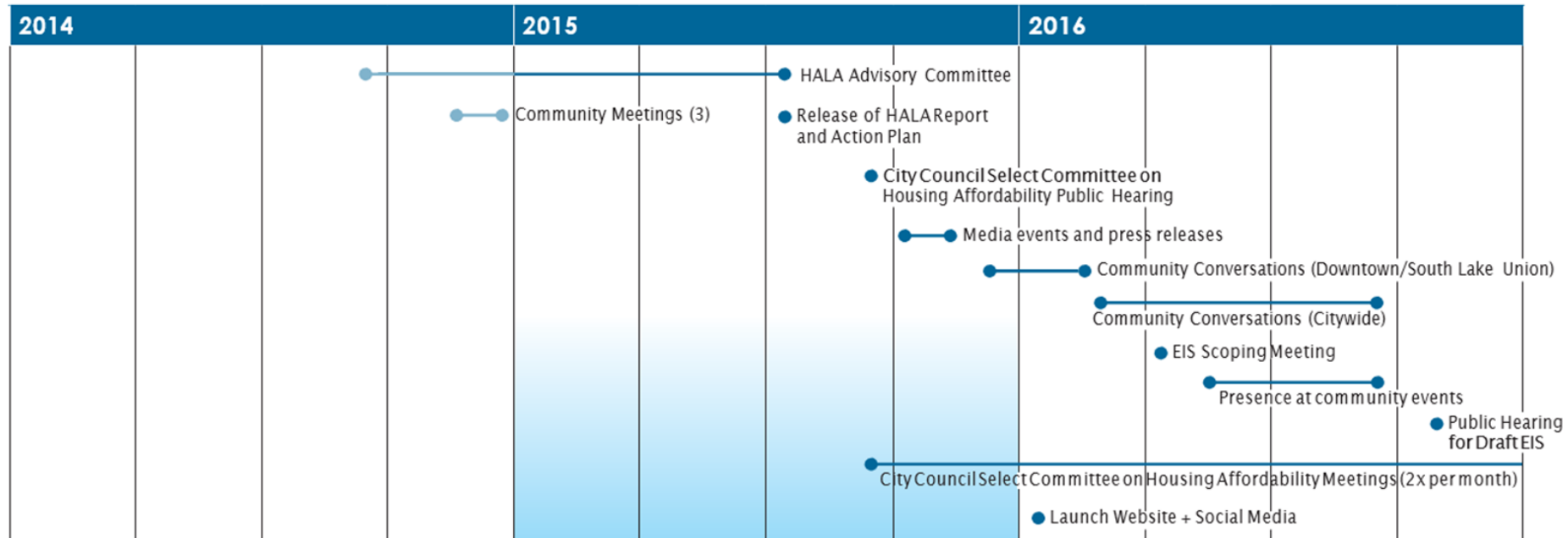


Create New Affordable Housing as We Grow.

✓ Mandatory Housing Affordability Program –
Residential and Commercial

requiring all new MF and C development to contribute to affordable housing

HOUSING AFFORDABILITY AND LIVABILITY AGENDA (HALA) PROCESS TIMELINE



Passed and Future HALA



Passed stronger tenant protections through improvements to the Tenant Relocation Assistance Program



Expanded and Renewed the Multi-family Tax Exemption Program, providing more affordable for working families within new construction.



Enact a Real Estate Excise Tax for Affordable Housing – Olympia



Enact a Preservation Tax Exemption Program - Olympia



Ending Discrimination based on legal sources of income