20TH ANNUAL
VISION 2040 Awards

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

HONORED:
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
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:** ≤30% of income for housing

**Cost Burdened:** ≥30% of income for housing

**Severely Cost Burdened:** ≥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.
ONE BEDROOM MARKET RENT OUT OF REACH FOR MANY

$1,226 = avg rent for all 1 BR units

Affordable Rent (30% of income) by income level
RENTER HOUSEHOLDS INCOMES

<table>
<thead>
<tr>
<th>Area</th>
<th>&gt;100% AMI</th>
<th>80-100% AMI</th>
<th>50-80% AMI</th>
<th>30-50% AMI</th>
<th>&lt;30% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>All County Households</td>
<td>33%</td>
<td>11%</td>
<td>17%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Seattle</td>
<td>31%</td>
<td>12%</td>
<td>18%</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>South King County</td>
<td>25%</td>
<td>11%</td>
<td>19%</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>North and East King County</td>
<td>45%</td>
<td>11%</td>
<td>14%</td>
<td>12%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- >100% AMI: $86,800/year
- 80-100% AMI: $69,400 - $86,800
- 50-80% AMI: $43,400 - $69,400/year
- 30-50% AMI: $26,000 - $43,000/year
- <30% AMI: <$26,000/year
COST BURDENED HH’s BY SUBREGION

- **All County Households**: 138,000 (43%)
  - Cost Burdened Renter HHs (30-49%): 70,250
  - Severely Cost Burdened Renter HHs (>50%): 68,045

- **Seattle**: 61,000 (42%)
  - Cost Burdened Renter HHs (30-49%): 30,730
  - Severely Cost Burdened Renter HHs (>50%): 29,870

- **South King County**: 47,000 (48%)
  - Cost Burdened Renter HHs (30-49%): 22,921
  - Severely Cost Burdened Renter HHs (>50%): 24,079

- **North and East King County**: 30,000 (39%)
  - Cost Burdened Renter HHs (30-49%): 15,205
  - Severely Cost Burdened Renter HHs (>50%): 14,794
50,000 Extremely Low Income HH’s Pay Half of Income for Rent

- Cost Burdened Households (30-49%)
- Severely Cost Burdened Households (>50%)

- < 30% AMI: 48,370 (79%)
- 30% - 50% AMI: 25,655 (46%)
- 50% - 80% AMI: 21,855 (46%)
- 80% - 100% AMI: 7,845 (22%)
- >100% AMI: 5,750 (6%)
- All Renter Households: 138,295 (43%)
Cost Burdened by Race

Percentage of Cost Burdened

- White (non-Hispanic)
- Asian
- Black or African American
- Other or Multiple Races
- Hispanic (of any race)
- All Renter HHs

Total all Renter HHs
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
• 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

Mold

Rodent access

Bad plumbing repairs

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

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

Inclusionary Housing
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

- 74 units at 30, 40, and 60% AMI
- 8,000 sf PACE (Program of All-Inclusive Care for the Elderly) health and wellness facility
- ¾ acre site in downtown, next to senior center, transit, retail and services

Providence John Gabriel House and PACE Center
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%
Multiplex Education Hill
Backyard Homes/Small Lot Short Plats

Existing Lot

Existing House

Lot A minimum 5,500 sq ft

Lot B minimum 5,500 sq ft

Access Easement

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

- Linear pedestrian park
- Existing fir trees
- PeDESTrian link
- Park benches with community gathering space
- Community gathering space
- Guest parking 24 spaces
- Typical private outdoor space
- Typical front porch
- 18' woonerf, shared pedestrian & vehicular drive w/ arch. paving
- Existing maple tree and community gathering place
- Off site open space with existing trees
- Accessory dwelling unit w/ (1) adjacent parking space

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.
“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

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

Prevent Displacement and Foster Equitable Communities.
Action Items Include
- Strengthen Tenant Protections
- Investing in Programs that Stabilize Vulnerable populations.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981 Bond</td>
<td>$48 million</td>
<td>1,297 apartments</td>
</tr>
<tr>
<td>1986 Levy</td>
<td>$50 million</td>
<td>1,818 apartments</td>
</tr>
<tr>
<td>1995 Levy</td>
<td>$59 million</td>
<td>2,623 apartments</td>
</tr>
<tr>
<td>2002 Levy</td>
<td>$86 million</td>
<td>2,459 apartments 4,735 households</td>
</tr>
<tr>
<td>2009 Levy (to date)</td>
<td>$145 million</td>
<td>2,119 apartments 1,882 households</td>
</tr>
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</table>
Happening Now

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

<table>
<thead>
<tr>
<th>Fall 2015</th>
<th>Technical Advisory Committee</th>
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</thead>
<tbody>
<tr>
<td>Winter 2016</td>
<td>Mayor recommendation to Council</td>
</tr>
<tr>
<td>Spring 2016</td>
<td>Council vote to put Levy on the ballot</td>
</tr>
<tr>
<td>Summer or Fall 2016</td>
<td>Housing Levy on ballot</td>
</tr>
</tbody>
</table>
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.
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

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### HOUSING AFFORDABILITY AND LIVABILITY AGENDA (HALA) PROCESS TIMELINE

<table>
<thead>
<tr>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Community Meetings (3)</td>
<td>HALA Advisory Committee</td>
<td>City Council Select Committee on Housing Affordability Public Hearing</td>
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<tr>
<td></td>
<td>Release of HALA Report and Action Plan</td>
<td>Media events and press releases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Community Conversations (Downtown/South Lake Union)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Community Conversations (Citywide)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIS Scoping Meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presence at community events</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public Hearing for Draft EIS</td>
</tr>
<tr>
<td></td>
<td>City Council Select Committee on Housing Affordability Meetings (2x per month)</td>
<td>Launch Website + Social Media</td>
</tr>
</tbody>
</table>
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