



**CITY OF KIRKLAND**  
**Department of Planning and Community Development**  
**123 Fifth Avenue, Kirkland, WA 98033 425-587-3225**  
**[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)**

**MEMORANDUM**

**To: David Ramsay, City Manager**

**From: Dawn Nelson, Planning Supervisor**

**Date: July 8, 2008**

**Subject: Letter from Housing Development Consortium**

RECOMMENDATION

Authorize the mayor to sign the proposed response letter.

BACKGROUND DISCUSSION

The Housing Development Consortium is a nonprofit trade association of housing developers that is dedicated to the promotion and effectiveness of affordable housing throughout King County. The letter requests that the City reevaluate and increase its annual allocation to the ARCH Housing Trust Fund and consider options for a separate, dedicated funding source for the ARCH Housing Trust Fund.



June 27, 2008

Kirkland City Council  
City Hall  
123 5th Avenue  
Kirkland WA, 98033

Dear members of the Kirkland City Council,

My name is Rachel Krefetz, and I am writing on behalf of the Housing Development Consortium (HDC). HDC has over 70 member organizations from the nonprofit, for-profit, and government sectors working to promote and provide affordable housing in King County. The base of our membership is nonprofit organizations that build and provide housing to low-income families and individuals, some of them working in various Eastside communities. Together, HDC members have built over 20,000 housing units across King County.

On the Eastside, the lack of affordable housing damages our communities by forcing individuals into economic crisis, destabilizing families, increasing traffic and commute times, and impeding community-building. **Housing gives people an opportunity to build better lives. To succeed, you need a place to call home.**

As a member city of A Regional Coalition for Housing (ARCH), the City of Kirkland contributes resources to help create and preserve affordable housing in Eastside communities. Through this partnership, Kirkland has helped create or preserve over 2,000 units of affordable housing for Eastside families. We sincerely thank you for this ongoing commitment. Given the vast need for affordable housing on the Eastside, however, we must do more to keep pace with need. We at the Housing Development Consortium urge you to address this problem in two ways:

First, **Reevaluate your Housing Assistance Goals.** These goals guide the resource contributions from your city, and they have not been adjusted since 1999. Costs have risen greatly in the past nine years but the resources allocated to ARCH have remained constant. With each year that passes, these limited resources have a reduced effect. Affordable units that are created or preserved with ARCH resources are undercut by other units being lost to redevelopment and rising rents. Please reevaluate your Housing Assistance Goals in order to ensure that Kirkland is a livable city for community members of all income levels.

Second, **Consider options for a dedicated funding source for the ARCH Housing Trust Fund.** Last year, ARCH cities identified as a priority “creating a dedicated funding source for the ARCH Housing Trust Fund to supplement the existing general fund and CDBG contributions.” In spite of this stated priority, ARCH cities have yet to revisit this issue. With a dedicated funding source, the ARCH Housing Trust Fund could better achieve the ARCH mission to preserve and increase the supply of housing for low and moderate income households in East King County. Please prioritize identifying and securing a dedicated funding source for the ARCH Housing Trust Fund.

The Housing Development Consortium would be happy to assist the Council in working on either of these issues. Furthermore, we are urging other ARCH cities to act on these issues. Thank you for your consideration and continued dedication to addressing the challenges of affordable housing on the Eastside.

Sincerely,

Rachel Krefetz, Outreach Director  
Housing Development Consortium  
Ph: (206) 682-9541  
rachel@housingconsortium.org t 1

July 15, 2008

**DRAFT**

Rachel Krefetz  
Housing Development Consortium  
1402 Third Avenue, Suite 709  
Seattle, Washington 98101

Re: Letter to Kirkland City Council about Housing Assistance

Dear Ms. Krefetz:

Thank you for the recommendations in your recent letter regarding ways that the City of Kirkland can further address the need for affordable housing. The Kirkland City Council strives to ensure that Kirkland is a livable City for community members of all income levels. The City is working diligently on a number of fronts to create opportunities for more affordable housing.

The City is in the process of developing its budget for the 2009 – 2010 biennium and will determine the appropriate level of funding for the ARCH Housing Trust Fund as part of that process. The City Council is committed to affordable housing and understands that development costs continue to rise, while resources remain the same or diminish. As a member of ARCH, we will be part of a concerted effort by all member jurisdictions to identify other options for funding affordable housing, as outlined in the ARCH Housing Strategy Program. We look forward to pursuing that conversation within the next year.

As you may be aware the City has taken many steps to encourage affordable housing within the last several years, including: adopting a generous incentive program to encourage affordable housing in market rate projects; rezoning land in two major business districts with significant height incentives that can only be achieved through the provision of affordable housing; and adopting a multifamily tax exemption that can be accessed when 10 to 20 percent of the units in a project are affordable at 50 to 100% of median income. We continue to work on other initiatives, including redevelopment of a Park and Ride lot with the inclusion of affordable housing, evaluating City and publicly owned land for affordable housing opportunities, establishing a program to encourage preservation of non-regulated affordable housing, and expanding our land use incentives.

Thank you for your role in the development and support of affordable housing. If you have further questions or suggestions, please contact Dawn Nelson in the Planning Department at [dnelson@ci.kirkland.wa.us](mailto:dnelson@ci.kirkland.wa.us) or 425-587-3230.

Sincerely,  
KIRKLAND CITY COUNCIL

By James L. Lauinger  
Mayor