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MEMORANDUM

To: Housing Strategy Advisory Group

From: Dawn Nelson, Planning Supervisor
Arthur Sullivan, ARCH Program Manager
Mike Stanger, ARCH Housing Planner

Date: October 16, 2017

Subject: Housing Strategy Plan Update Meeting on October 18, 2017 (File PLN17-00111)

MEETING PURPOSE

The purpose of this Housing Strategy Advisory Group meeting is to continue to sort and prioritize strategies, reviewing and expanding on the work that was done at the September 27th Advisory Group meeting. We will also continue to flesh out the details for the November 2nd community housing workshop. City and ARCH staff will present information and help guide the Advisory Group's discussion.

MEETING OVERVIEW AND BACKGROUND INFORMATION

Meeting Overview

1. Housing Strategy Discussion
2. Community Housing Workshop

Following is an annotated outline of the meeting, including references to attached documents. They will be discussed at the meeting and are included so that you might review them ahead of time.

1. Housing Strategy Discussion

At the September 27th Advisory Group meeting, members went through a preliminary voting exercise and discussion to see which strategy groups were most popular. The Attachment to this memo is the strategy matrix that was used during the voting process. The voting exercise had two layers. First, members had a limited number of dots to vote for strategy groups (defined by the Description and heavier box on the matrices). Because there were different numbers of strategy groups representing each Comprehensive Plan goal, they had three dots to vote for Neighborhood Quality strategies, four dots to vote for Housing Supply/Diversity strategies, and five dots to vote for Housing Affordability strategies. The results of that voting are represented in the Group Tally/Notes (far right) column on the matrix. The strategy groups have been put in order based on the number of dot votes each group received.

The second layer of voting was for individual strategies. Group members were given an unlimited number of dots to identify specific strategies that were key to their voting for the strategy group. The results of this second layer of voting are shown in the Item Tally column on the matrix. In addition, green shading has been added to those that received more than one dot, with darker shading indicating those that received more dots.

Discussion at the meeting will focus on the following main areas.

First, for the Neighborhood Quality and Housing Supply and Diversity subsections, review the results from the last meeting. This includes reviewing the summary comments below for each subcategory, which attempt to summarize the points made during the discussion and in the 'post-it' notes that members used to identify questions and comments about their voting. In addition, some time will be spent discussing why members placed dots on specific topic areas within the strategies, including if any items were called out because of concern with that item.

Second, we would like to revisit the discussion around the affordability strategies. To facilitate that discussion, the Attachment shows the original Affordability matrix separated into two matrices – one titled Housing Affordability, and the other Housing Affordability- Direct Support. The first includes strategies that are indirect methods of creating affordability or assisting those in need of more affordable housing, while the second matrix focuses on direct actions the city can take.

Notes from September 27th Discussion

Neighborhood Quality

There were several ideas that emerged during the conversation. They all seemed to revolve around looking at neighborhoods as a whole and how to create more complete neighborhoods, and less about managing the design of individual properties. Themes included:

- The objective to have neighborhoods that could be more complete and more walkable. Create '10 minute neighborhoods'. Means potentially integrating uses such as retail, restaurants, open spaces and other infrastructure in proximity of residential areas.
 - Important to consider such uses in appropriate locations. Would not be appropriate buried in the middle of single-family areas where not accessible. More likely on edges, or in areas transitioning between uses where accessible to as many people as possible.
 - North Rose Hill area near Lake Washington Technical College. It was noted that dorms, restaurants, cafes could be useful in that area
 - An example is Ravenna area and parts of the University District in Seattle where there are single-family neighborhoods in close proximity to mixed use, greenways and bikeways.
 - Open space areas should be immediately accessible to as many homes as possible and not in a corner of the neighborhood (example – Seabrook?)
- Similar conversation regarding organizing neighborhoods. The objective should be that where you have more people living near each other, there's a need to set it up so that

the amenities they need on a regular basis are within walking distance. This allows eliminating a good portion of routine trips by car.

- This would require increased adequate infrastructure such as improved bus lines. There is already the feeling by some that roads are full and traffic is heavy.
- There are already commercial areas scattered around the City. There was some conversation about how these areas are part of creating these types of 10 Minute Neighborhoods and whether some more areas should be created.

Housing Supply and Diversity

Strategies with more dots involve increasing diversity of housing to meet a wider range of needs. Specific ideas include encouraging diversifying housing types in different types of residential neighborhoods such as

- Find ways to make some increased density acceptable to existing neighborhood residents such as multiplex corner lots compatible with neighborhood, ADUs, small lots for smaller homes.
 - If allowing more housing (upzone) should also control size for increased relative affordability and neighborhood quality. Spirit is to allow us to retain or build some smaller housing stock for diversity and affordability.
- Increase capacity in TOD neighborhoods.
 - TODs are discussed in the Comprehensive Plan, but is not clear where they are located. That needs to be addressed. It was also noted that TOD is not only about increased transit trips. Should also support other forms of trips (walking, bicycle, etc.)
 - In these areas targeted for walkability, allow development of smaller housing, including congregate housing (such as single room occupancy, dormitories) and Small Efficiency Dwelling Units (SEDUs) as small as 200 sq ft
 - Need to target opportunities for affordable housing in these areas (e.g. Eastgate TOD, Totem Lake) and partner with housing organizations like Hopelink and Imagine Housing.
- There is a need for workforce housing. Workers are commuting a long way to work.

Another strategy receiving more dots is to reduce development cost. The example most referenced under this strategy was to reduce the cost & risk of development (especially for projects which increase the number of residential units) by increasing certainty of development.

- *Staff note: In putting together the meeting notes, several other ideas emerged around the areas of Neighborhood Quality and Housing Supply/Diversity. These are listed below for the group's review and comment:*
 - *Several of the points under Housing Supply and Diversity seem to relate to the discussion under Neighborhood Quality. Often discussions seem to focus on TOD and single-family areas as being distinct from one another. The group's discussion seem to imply that maybe there are more opportunities to see these areas as complementing one another, and plans should look at ways to complement and at times integrate more consciously with each other to create a more complete community.*

- *Another concept is that the city needs to think beyond just adding housing capacity in terms of number of units. Efforts to increase capacity should more intentionally add capacity in ways that will more explicitly result in a range of housing types to address local needs (aging seniors, workforce, missing middle.)*

Housing Affordability

The group had a wide-ranging conversation about the Housing Affordability strategies. Staff noted that this group of strategies had a variety of strategies ranging from those directly supporting explicitly affordable housing, to approaches that have secondary impacts on housing affordability. Members mentioned various reasons for how they ranked strategies, including limited awareness of some of the more direct strategies. Given these factors, staff suggested two things related to the affordable housing strategies. First, for staff to provide a more focused presentation to the group on how direct strategies have been used in Kirkland/East King County. This was accomplished at the October 11th Advisory Group meeting. Second, for the Affordability Strategies to be divided into two separate lists: one with more direct forms of assistance and one for more secondary types of assistance and then for the group to have follow up discussions at the October 18th meeting on each list.

Following are a few of the points made by group members during the September meeting:

- 'ADUs' should be broader than just ADUs because there are other non-standard ways that people are living together (e.g. boarding houses, co-buying homes)
- Addressing the needs of the "missing middle" is important. Potentially relates to the number of dots on strategy regarding legislation to address condominium development. Other potentially related post-its included: Loosen regulations on 1- to 4-unit buildings, especially if owner-occupied. Also question about if impact fees on housing make McMansions more economically feasible than smaller homes.
- Tight constraints on who could live in areas make it less possible to have an integrated community.
- Range of other post-it comments such as:
 - Advocate for renters' rights. Educate landlords on rules providing related to rental housing
 - No! Don't even think about "rent control!"
 - Look at the 'Vienna' model and adapt it for our local area.
- Range of reasons contributing to no dots on direct funding assistance including:
 - Assumed the City would be continuing to contribute funding
 - Not aware of how funds are used and didn't know if it would really help. Lack of information about the return on investment for contributions to ARCH. Education and conversation may be helpful.
 - Doesn't produce income-integrated (diverse) housing
 - People in the affordable housing field feel this it is one of the most critical things needed, but people in the community don't feel that way, which may be due to some of the reasons stated by the group (e.g. awareness)

2. Community Housing Workshop

Kathy Cummings, the City's Communications Program Manager, attended the September 27th meeting and led the conversation about the housing workshop. The housing workshop was identified as an important opportunity for public outreach in the Housing Strategy Plan work program. Based on Kathy's review of the calendar for other City meetings and events, November 2nd is the best available date to hold a workshop this year. That will put the workshop before the holiday season begins and assure that the information gathered at the meeting will be timely in helping to shape the Advisory Group's recommendation on the Housing Strategy Plan.

The workshop will share information that has been gathered to date from the survey and focus group, as well as the primary strategy areas that the Advisory Group is considering for its recommendation. Based on input at the last Advisory Group meeting, staff is recommending the following questions be asked at the workshop:

- Are these the right strategies to address citizen's concerns? If not, what ideas do you have?
- Are there areas that we can build on or go further with?
- What questions do you have or do you think others will have?

At the meeting, Staff would like to hear any concerns or recommendations for refinements to these questions. We will also seek input from the Advisory Group about the format for the workshop and ideas for presenting information.

Attachment
Strategy Matrix

NEIGHBORHOOD QUALITY

Strategy#		Description	Comment	Panel	Focus Groups	Population	Item Tally	Group Tally / Notes
A2	2.a	Public infrastructure in neighborhoods	Provide incentives to build amenities and services needed to improve areas targeted for walkability.		Senior	All		12
A2	2.b		In cooperation with neighborhood associations, identify areas targeted for walkability where amenities and infrastructure should be focused.			All	3	
C*	2.c		Incentivize neighborhood planning/pocket parks reducing need for large yards.			Families w/ Children	3	
A*	2.d		Design neighborhood development for safe, non-motorized mobility, especially for children. (See "Pocket Neighborhood" styles.)			Families w/ Children	1	
A*	2.e		Consider traffic flow; build neighborhoods with multiple outlets.			Families w/ Children		
A	1.a	Support services in neighborhoods	Open "retail" zoning near residential to include other uses that meet the routine needs of residents.	Micro-unit Developer	Senior	All		9
A*	1.b		Zone or incentives for all inclusive neighborhoods--food, daycare, park, bus route.			Families w/ Children	2	
A	1.c		Allow for strategic neighborhood commercial development to the extent that it improves neighborhood walkability, especially in dense residential areas.		Senior	All	1	
A*	1.d		Transit. Food. Health services.			People w/ disabilities	1	
A2	1.e		Parks; meet-up places.			Families w/ Children	2	
A2	3	Multifamily near amenities	Allow for strategic development of multi-family housing near amenities like parks.			Families w/ Children	3	7
A1	5.a	Housing design	Need set-backs for all housing.			All	2	2
A1	5.b		Allow neighborhood associations create a rubrick for evaluating developments against neighborhood design standards to promote livability, possibly inspired by books such as "Pocket Neighborhoods" and "A Pattern Language."			All		
A*	5.c		Quality is all.			All		
A1	4	Trees in neighborhoods	Maintain strict old growth tree #s to assist in clean air; short lot plats demolish quality of trees.			All		0

Strategy#		Description	Comment	Panel	Focus Groups	Population	Item Tally	Group Tally / Notes
B1	1.a	Increase capacity: Diversity in lower density residential neighborhoods	Find ways to make some increased density acceptable to existing neighborhood residents. (1) Some corner lots rezoned to be triplexes that look compatible with neighborhood. (2) Note: would allow more family units within SF neighborhoods. (3) Different incentives (not sure what) for ADUs that are not over garages--first point under real estate notes. (4) Small SF lots--reduce % size of smaller home; don't allow so many exceptions.		RE Agent; Senior	All	1	11
B1	1.b		Allow smaller lots (4,000 sq ft) near areas targeted for walkability.		Real Estate Agent	All	3	
B3	1.c		Convert some older single-family housing neighborhoods (less efficient) to mixed-density villages of smaller homes and higher density housing with central open areas.	SF Builder	RE Agent; Senior	All	2	
B4	1.d		Create a program to create and manage an inventory of smaller rentable plots for smaller/portable homes (<400 sq ft).			All	1	
B*	1.e		Better understand why people are staying in home if too big. We cannot create stock if we do not understand reasons. (1) Cost--new rent/mortgage too much, or cannot afford to fix home to sell. (2) Giving up something--memories, yard, pets, amenities, friends. (3) Nothing to buy in \$ range or location. (4) Family--may have kids, parents move in.			All	2	
C*	1.f		Increase supply of single-level living choices such as cottages within \$350,000-\$400,000 price.			Seniors, fixed income	5	
B*	1.g		Allow for joint venture rebuild to multi-unit where appropriate.			Seniors, fixed income	2	
B*	2.a	Increase overall capacity: TOD/Centers	Bonus in mixed-use for adding residential.			1 & 2-person housef	1	9
B1	2.b		Prioritize TOD (specifically Totem Lake); partner with Hopelink and Imagine Housing.	MF Developer (TOD)	Real Estate Agent	All	2	
B4	2.c		Allow development of micro housing, including congregate housing (such as single room occupancy, dormitories) and Small Efficiency Dwelling Units (SEDUs) as small as 200 sq ft in areas targeted for walkability.	Micro-unit Developer	Safe Parking Resident	1 & 2-person housef	3	
B2	8.a	Reduce development costs	Reduce impact fees. (For all, or affordable housing)			All	1	8
B2	8.b		Reduce efficiency requirements in homes which are naturally efficient through their small size.			1 & 2-person households		
B2	8.c		Reduce parking requirements in areas targeted for walkability, and create a plan for residential street parking permits in these areas.	Micro-unit Developer	Real Estate Agent	All	2	
B2	8.d		Prioritize permitting of projects which increase the number of dwelling units.			All	2	

SUPPLY / DIVERSITY OF HOUSING

Strategy#		Description	Comment	Panel	Focus Groups	Population	Item Tally	Group Tally / Notes
B2	8.e		Reduce the cost & risk of development (especially for projects which increase the number of residential units) by increasing certainty of development.	Affordable Housing Developer		All	3	
B3	5.a	Smaller multi-bedroom housing	Enable "missing middle" home styles and "pocket neighborhood" community models, especially in areas targeted for walkability.			All	1	7
B4	5.b		More 2- and 3-bedroom. Joint space (play), parks, or schools.			Families w/ Children		
B4	3.a	Workplace Housing	Innovative/incentives for workplace housing. Possible options of companies building temp apts in their buildings.			Local workers		3
B4	3.b		Temp housing so they can stay in town while they work.			Local workers		
B1	4	Increase overall capacity	Increase zoning and supply of smaller housing units to increase supply in general.		ELL Student; RE Agent	All	2	2
B*	6		Daycare and activities to help people with disabilities.			People w/ disabilities		0
B4	7.a	Housing for students	Apartments. ADUs. Dorms.		LWIT Student	College Students	1	0
B4	7.b		Great master plan process for Northwest [University].		RE Agent	College Students		
B4	7.c		Housing close to schools; zoning, incentives.			College Students	1	
B4	7.d		Allow for zoning near schools for student housing; i.e., rooms for rent.		RE Agent	College Students	1	

Strategy#		Description	Comments	Panel	Focus Groups	Population	Item Tally	Group Tally / Notes
C12	1.a	Aging in place	Aging in place assistance.		Senior	Srs, fixed inc		9
C12	1.b		Property tax & utility tax exemptions should increase income restrictions to \$50,000, \$55,000 per single person, to qualify, as median income is \$50,000 for moderate category.		Senior	Seniors, fixed incomes	3	
C12	1.c		Tax credits or exemptions.		Senior	Srs, fixed inc	2	
C2	2.a	Accessory dwelling units	Promote the benefits of ADUs.		RE Agent	All	1	9
C2	2.b		Increase flexibility of building and using ADUs.		RE Agent; Sr.	All	3	
C2	2.c		Increase incentives for increasing ADUs (waive permit fees).	SF Builder	Senior	All	1	
C2	2.d		Promote more ADU via incentives and fast-track permits.		RE Agent; Sr.	All	3	
C2	2.e		Affordable & easy fees to initiate an ADU.		RE Agent; Sr	Srs, fixed inc.	2	
C2	2.f		Assistance in getting ADUs in place. Simplify regulations, process; help facilitate builder partnerships or financing (similar to solar leases perhaps).		RE Agent; Senior	Seniors, fixed incomes	2	
C8	3.a	Legislation/Condominium	Pursue state condo and UGA reform.		RE Agent	All	4	9
C8	3.b		Fix condo liability.	MF Developer		1 & 2-person	4	
C8	3.c		Legislative--building more condos, townhomes.	MF Developer	RE Agent	1 & 2-person	1	
C5	8.a	Partnerships	City and schools work to approve students to live w/ seniors. Students get free or reduced rent in exchange for helping with chores.		LWIT Student	All	1	3
C5	8.b		Pilot an employer-assisted housing program for workforce housing.			Local workers		
C5	8.c		Encourage innovative partnerships between public/private institutions; i.e., LWIT, churches.		Real Estate Agent	College Students	2	
	8.d		Guides; communication help in understanding options, processes. Partner w/ agencies that currently provide.		ELL Student	Immigrants, Refugees	2	
C7	9.a	Direct support to renters	Limit rental increases to an annual percentage increase and not every 6 months; like 1%-5%.		Safe Parking Resident	All		1
C7	9.b		Require apartments to make parking optional to tenants.			All		
C6	10	Legislation/other resources	Reduce speculation in idle real estate -- and incentivize appropriate (re-)development -- by shifting property taxes away from improvements and focus entirely on land value.			All		1

HOUSING AFFORDABILITY: DIRECT SUPPORT

Strategy#		Description	Comments	Panel	Focus Groups	Population	Item Tally	Group Tally / Notes
C4	6.a	Other support to affordable housing	Waive permit and other fees for affordable housing developers.	Affordable Housing Developer		All	1	8
C4	6.b		Guarantee loans for affordable housing developers.			All	1	
C4	6.c		Aggressively identify underdeveloped property or city-owned property to donate or lease to affordable housing non-profit developers.	Affordable Housing Developer	Senior	All	1	
C9	7.a	Prevent & relieve homelessness	Create pathways out of being homeless--places where they can get back on their feet; i.e. free rent for 3-4 months.			Homeless		6
C9	7.b		Transitional housing; [e.g.] tiny homes at churches.		Safe Parking	Homeless	3	
C9	7.c		Rapid turnover housing. Urgent housing. Vehicle/trailer housing. Safe, secure.		Safe Parking Resident	Immigrants, Refugees	1	
C9	7.d		Tiny homes for singles or couples.		Safe Parking	Homeless		
C13	5	Affordable housing preservation	Inventory existing affordable multi-family properties and purchase or provide incentives to owner to maintain affordability.			All		4
C3	4.a	Local revenue	\$			Local workers		0
C13	4.b		Additional fees to contractor for demolition of existing modest homes.			Seniors, fixed incomes		
C3	4.c		Encourage all Eastside cities to expand expenditures to ARCH.			All		
C3	4.d		Partner with other Eastside cities to increase development or acquisition of affordable units (via increased ARCH contributions).	Affordable Housing Developer		All		