

TO: Mayor Marchione and City Council

FROM: Rob Odle, Director, Planning and Community Development, 425-556-2417
Colleen Kelly, Assistant Director, Community Planning, 425-556-2423
Lori Peckol, AICP, Policy Planning Manager, 425-556-2411
Sarah Stiteler, AICP, Senior Planner, 425-556-2469

DATE: January 21, 2014

SUBJECT: STAFF REPORT: 160TH AVENUE NE SITE IN DOWNTOWN – UPDATE ON ACTIVITIES RELATED TO SENIOR AFFORDABLE HOUSING PROJECT

The purpose of this staff report is to update City Council regarding the senior affordable housing proposal on City-owned property located at 8550 160th Avenue NE, across from the municipal campus. Since City Council approval of the Providence/Shelter Resources development team in June 2013, a number of actions have occurred. The report summarizes the recent activities and next steps for the project.

BACKGROUND

The senior affordable housing project has been refined to now include 74 units of affordable rental housing (previously 73 units) for seniors aged 62-plus years; half the units will be affordable to households at or below 30 percent of area median income (AMI) with the remaining units divided equally at 40 percent and 60 percent AMI. The design features common areas for residents and an 8,000 square foot PACE Center (Program for All-inclusive Care for the Elderly). Initial plans showed a larger PACE Center at 10,000 square feet; however, the current proposed area will accommodate the expected demand for medical services and also allow one additional dwelling unit. Parking for both residents and the PACE Center will be underground with a drop off area at the front of the building. The PACE program is a federally-sanctioned provider of complete medical services for elderly patients. Services will also include social services, transportation, meals, and nutritional counseling. Those eligible to receive services are 55 plus years of age, certified by the state to need nursing home care, and live within a PACE service area.

SUMMARY OF ACTIVITIES

Design Review:

In summer 2013 the project team, consisting of City staff and the developer team, established a schedule to obtain site entitlement approval prior to fall 2014. The team took the project through the City's Design Review process with an initial meeting with the Design Review Board in September, and preliminary design review approval by the Board in November 2013. Issues resolved during this phase included building and garage access, massing/articulation of the

structure, and exterior finishes. The project team is continuing to work on an optimal solution for fire access.

Also during this period, Redmond 160th Senior Affordable Project was proposed and accepted as a “case study” for the King County Green Tools workshop held on October 10, 2013. The project team architects gave an overview of the project and asked for input on several issues from invited experts as well as other workshop attendees. A major focus of the review included how to maximize site infiltration in order to lower stormwater fees, and other methods of enabling sustainable development practices. The suggestions gained from the workshop will be timely as the project progresses through schematic design and pre-application review and subsequent development phases. The workshop is highlighted in the January 2014 King County Green Tools Newsletter and a report of the event is available on the King County website: <http://your.kingcounty.gov/solidwaste/greenbuilding/documents/roundtable-simryn-workshop-summary.pdf>.

Land Lease:

The City will maintain ownership of the land through the provision of a 75-year land lease. City and ARCH staff have prepared a draft lease which will then be reviewed by the development team. A final draft will be forwarded for City Council review later this year.

Community Outreach:

During 2014 the development team will work with City staff to develop an approach for community outreach prior to the start of construction and operation of the property.

Financing:

Fall 2013 Providence/Shelter Resources refined their overall financing package and submitted applications for several public funding sources. Due to limited public funds for housing, especially at the state, and the need to complete funding for several other older projects, the Redmond project did not receive full funding support in the current funding round. However, the current overall goal is to receive public funding commitments by the end of 2014 prior to submitting an application for tax credits in January 2015. An award of tax credits in 2015 will allow construction to start in the second or third quarter of 2015 with completion and lease-up in fall of 2016. The following table provides more detail on proposed funding sources for the senior housing and related common areas.

Amount	Source	Status
\$1.4 million	City of Redmond, Value of Land	Note: Based on assessed value
\$13.7 million	Low Income Tax Credit Equity	To be applied for in January 2015 Commitment of other public funds is necessary prior to submitting an application;
\$1.7 million	Conventional Loan	To be negotiated concurrent with Tax Credit Application
\$2.5 million	King County Housing Finance Program	Applied Fall 2013. Awarded \$200,000 of contingent funding. Demonstrates top priority for additional funding in Fall 2014.
	ARCH Trust Fund*	Fall Application pending. Funding recommendation will be forwarded to member councils in the first quarter 2014.
	Washington State Housing Fund	Limited funding level and State list will make it unlikely to receive funding prior to Tax Credit application and therefore an unlikely source of funding.
\$19.3 million	Total Development Cost	Does not include costs of PACE center shell and improvements which will be financed separately by Providence. Current total incorporates additional year of inflation and more precise cost estimating.

NEXT STEPS

Additional site design work by the development team and City staff is underway to prepare a complete application for site plan entitlement. The Council’s Planning and Public Works Committee received a briefing on the project on January 14, 2014. For more information, contact Sarah Stiteler at 425-556-2469 or sstiteler@redmond.gov.