

Housing Action Plan Final Draft

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Six Strategies

- Planning for the next 20 years
- 25 actions





Key Findings

a recap...

Phase I Public Outreach

- Highly desirable
- Homeownership out of reach
- Many want to work where they live
- New housing types could reflect Redmond's rich cultural diversity.
- Lack of housing variety.
- People face stigmas about their housing

Housing Needs Assessment

- Housing underproduction has contributed to high costs.
- Half of Redmond residents rent.
- 1 in 4 households are cost burdened.
- 72% of recent housing construction is in multifamily
- IZ and MFTE has produced the most affordable housing in comparison to other cities in East King County.

Community Priorities

- **Deeper** affordability
- More **diversity** of housing types
- General support for a **Housing Levy**
- **Traffic and parking** – chief concerns for integrating new housing types outside into neighborhoods



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Housing Action Plan



and future housing needs. Providing for affordable housing in Redmond, with a variety of housing types is a priority for the

In Washington, the Growth Management Act (GMA) requires cities to plan for and manage population growth with goals focused on how we can encourage development in urban areas, meet transportation needs, and increase affordable housing. King County policies also require that urban cities like Redmond plan for a greater share of the region's housing to accommodate future growth.

In 2019, Redmond received a grant to develop a Housing Action Plan. The Plan will include an analysis of the existing housing stock, current and projected housing needs, and opportunities for housing. The City will also connect and engage with the public on this topic to bring the community's vision into the plan.

This information will help us develop strategies to meet current



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Who's Listening

Brooke Buckingham

Project Manager

How Actions Were Evaluated

Guiding Principles



Housing Choices



Equity



Partnerships and Leverage



Advocacy

Impact




Household Income Levels Served:

- Low (50% AMI or Lower)
- Moderate (50 to 80% AMI)
- Middle (80 to 120% AMI)
- High (Above 120% AMI)

Geographic Scale:

- Property
- Neighborhood
- Citywide
- East King County

Production:

- Least Production ----- 
- Medium Production -- 
- Most Production ----- 

Municipal Considerations for Affordable Housing



Affordability must be underwritten

- Affordability lowers project revenues
- Construction and land are major cost components of projects
- Limited opportunities to lower project costs (utilities, permitting, fees)

Closing the gap

Private Market

- Land use incentives
- Inclusionary
- Density bonuses
- Property tax exemptions (MFTE)

Supported Market

- Fee waivers
- Public funding or land contributions
- ARCH Housing Trust Fund
- Alternative compliance funding

Moderate Income Housing 50-80% AMI Inventory and Need



Currently: 4,300 moderate housing units or 19% of total inventory



To achieve a regional share 1,424 more units over the next 20 years or **16%** of all **new** units

Moderate Income Housing

Who Pays?

Example -

- The average rent of all market units is \$2,154
- Average affordable rent is \$1,298
- Average rent gap \$750 per month per affordable unit
- The cost to the developer/owner can be roughly estimated at \$180,000 per affordable unit.
- Costs are offset by increased land value and market-rate income from increased number of units.



Developer Pays -Opportunity Cost



City pays for monitoring affordable units through ARCH Admin Budget

Implementation Plan - Next Steps

Near term actions:



Action 1.2.

Impact fee waivers



Action 1.3.

Review of IZ and MFTE Program



Action 1.4.

TOD and infill development



Action 1.5.

Neighborhood Incentives Program



Action 1.6.

Parking Regulations



Action 2.1.

Payment Deferral



Action 2.3.

Design standards

Action 4.3.

Community Education

**Low to Very
Low- Income
Housing
50% AMI and
below**

**Inventory and
Need**



CURRENTLY: 2,000
HOUSING UNITS OR 9%
OF TOTAL INVENTORY



To achieve regional share 2,937
new units needed over the next
20 years or 33% of ALL future
units

Source: CHAS 5-year 2012-2016. (Redmond Housing
Needs Assessment 2020)

Low to Very Low- Income Housing Costs

Imagine Housing Capella Project (261 units) in the Esterra Park area of Overlake had an overall average cost of **\$379K per unit** – including land and all costs.

Funding Source	Amount
ARCH Cities	\$ 1,734,000
Redmond Fee in Lieu	\$ 4,000,000
4% LIHTC Equity	\$ 26,933,994
9% LIHTC Equity	\$ 9,756,603
Deferred Dev. Fee	\$ 8,256,917
Tax Exempt Bonds	\$ 42,800,000
Private Debt	\$ 5,380,000
	\$ 98,861,514



Total est. cost to close the Redmond gap =
+\$1B (\$50 million/year)

Programs and Actions

Current Programs

- ARCH Housing Trust
Fund Redmond's annual contribution is about \$800,000
- Inclusionary Housing- Alternative Compliance
- Multifamily Tax Exemption (MFTE)

Related Strategies

- 1.1** Identify and evaluate new revenue streams (Housing Levy)
- 1.3** Review Inclusionary Zoning and MFTE Programs
- 6.1** Collaborate with partners to pursue affordable housing development opportunities.

Housing Action Plan Implementation Plan

Implementation Time Frame

- Short Term (1 year)
- Medium Term (2-3 years)
- Long Term (4-5 years)
- Ongoing

City Resources












- Staff Resources 
- City Investment/Funding **\$\$\$**

Redmond 2050 Items

- Phase I
- Phase II

Considerations and Challenges

Redmond Housing Action Plan | Implementation Plan
Draft 2-16-2021

Recommended Actions	Redmond 2050	Implementation Timeframe Short-Term: 1 year (2023-2024) Medium Term: 2-3 years (completed by 2024) Long-Term: 4-5 years (completed 2026)	Who	City Resources: Staff	City Resources: Investment and Professional Services	Considerations and Next Steps, Challenges	Regulatory Impact	Staff Notes
Action 1.1. Identify and evaluate new revenue stream options available to support affordable housing production, focusing on low-income households.		Medium/Long Term	PCD, FIN, ARCH		\$\$\$	<ul style="list-style-type: none"> • Gather input, research options in more detail. • Advocacy and partnership through ARCH and neighboring cities. Challenges: Due to COVID-19 and funding needs, this action should be considered in the future.	Yes	
Action 1.2. Add criteria to the Redmond Zoning Code to allow for the consistent and predictable implementation of affordable housing impact fee waivers.	Phase I Phase II	Short/Medium Term	PCD, FIN		\$\$	Explore different options for reducing impact fees with support from Finance Department	Yes	Policy Work Phase 1; Implementation Phase 2
Action 1.3. Review the IZ and MFTE Program regulations and identify amendments that allow deeper affordability or greater number of affordable units.	Phase I Phase II	Short/Medium Term	PCD, ARCH		\$\$	<ul style="list-style-type: none"> • Review analysis findings exploring different changes to the programs and identify potential updates. • Consider stacking these tools similar to Kirkland to achieve higher levels of affordability. • Evaluate potential program expansions to new areas. 	Yes	Policy Work Phase 1- and regulatory work for OV; Continue implementation in Phase 2
Action 1.4. Promote TOD and infill development integrating affordable housing development.	Phase I Phase II	Short/ Medium Term	PCD, ARCH		\$	Gain guidance from the TOD Advisory Committee and PSRC, and lessons learned from neighboring communities. Consider regulation adjustments.	Yes	Policy Work Phase 1- and regulatory work for OV; Continue implementation in Phase 2
Action 1.5. Consider ways to incentivize increased affordable housing development (OV and MM incentives)	Phase I Phase II	Short/Medium Term	PCD		\$.	Yes	Policy Work Phase 1- and regulatory work for OV; Continue implementation in Phase 2
Action 1.6. Review and identify changes to parking regulations around light rail stations and areas of high frequency transit in order to maximize desired uses like housing at differing affordability levels.	Phase I Phase II	Short/Medium Term	PCD		\$	Develop specific recommendations on where and how to reform parking regulations. Challenges: Reductions to parking requirements should be made with consideration to: <ul style="list-style-type: none"> • Walkability and total walk-score; • Gaps in public transit (particularly for shift workers) 	Yes	Policy Work Phase 1- and regulatory work for OV; Continue implementation in Phase 2
Action 1.7. Explore programs that promote homeownership opportunities, such as a Down Payment Assistance Program.		Medium/Long Term	PCD, ARCH		-\$-\$	Research and evaluate different programs including cost/benefit. Challenges: Cost of home ownership makes down payment programmatic costs significant	No	
Action 2.1 Evaluate payment deferral options for development fees for deeply affordable housing projects and Accessory Dwelling Units (ADUs) (e.g., utility connection fees)	Phase I	Short/Medium Term	PCD, FIN, PW		\$	Test out techniques to increase flexibility in the payment of fees to allow for gradual payment during the permitting process (focus on affordable housing and ADU projects). Challenges: Tracking payment will represent an administrative burden to staff.	No	Housing Element Policy consideration / Multi-departmental Staff
Action 2.2. Regularly review development review processes to identify opportunities for increased efficiencies.		Ongoing	PCD, PW, TIS		-\$-\$	Consider best practices, development community feedback, and available new technology to identify opportunities to improve customer service and reduce permitting process time. Challenges: New technology requires both funding and training calling for both city investment and staff resources.	No	
Action 2.3. Consider updating design standards to provide clarity and flexibility to streamline development review and achieve superior design.	Phase I Phase II	Short/Medium Term	PCD, DRB		\$	<ul style="list-style-type: none"> • Identify minimum design standards needed to achieve desired outcomes while also promoting flexibility and superior design alternatives. • Consultant partners need to work closely with City staff to create implementable deliverables. 	No	.
Actions 3.1. Amend regulations to broaden housing options by promoting middle housing development.	Phase I Phase II Long Term	Short/Medium/Long-term	PCD		\$	<ul style="list-style-type: none"> • Review and amend Redmond Comprehensive Plan LU-36 • Evaluate options for amending zoning regulations to facilitate missing middle housing 	Yes	Phase 1 Policy work for LU-36; Phase 2 Implementation and Long Term

Tracking progress

Countywide Planning Policy Monitoring Requirements



- # of total housing units
- # of units lost to demolition, redevelopment, conversion
- # total MFTE and IZ units
- # of accessible units permitted
- New strategies implemented
- # of classes/workshops



Thank You



Any Questions?

