Exhibit A: HOUSING

Future Vision for Redmond: Housing

~~Residential neighborhoods are~~ Redmond is treasured for ~~their~~ its~~attractiveness~~, character, natural assets, ~~friendliness~~ friendly and welcoming atmosphere, diversity, safety, and quiet~~ness~~ settings. Redmond includes a broad choice of housing types at ~~a~~ range of prices, including affordable homes. During the past 20 years, there has been ~~lot~~ much more variety in the types and prices of newly constructed homes ~~constructed in neighborhoods~~, including more cottages, accessory dwelling units, attached homes, live-work units and other smaller single-family homes. New homes blend with existing homes and the natural environment, retaining valued characteristics of ~~existing~~ neighborhoods as they continue to evolve. While single-family neighborhoods have remained stable, the number and variety of multi-family housing choices have increased significantly, especially in the mixed-use developments in the Urban Centers. Many more people also live in Downtown and in Overlake close to employment opportunities, small-scale shopping and services, connections to parks and trails, transit and other amenities. Through careful planning and community involvement, changes and innovation in housing styles and development have been ~~successfully~~ embraced by the whole community. Residents enjoy a feeling of connection to their neighborhoods and to the community as a whole.

Organization of This Element

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Introduction

Housing conditions have a direct impact on Redmond's quality of life. Redmond citizens place a high value on having a safe and comfortable place to live – a home that is affordable and is located within a neighborhood that is attractive and conveniently located. These factors must be taken into consideration when planning for housing needs to support the City's sustainability principles and ensure that Redmond's high quality of life is maintained.

Since the early 1980s Redmond residential makeup has changed dramatically, due largely in part to increased employment in the city and ~~rapid urbanization in~~ the region and the subsequent effect on supply and demand for housing. Other factors, such as changes in family size and composition, job types, mobility, and inflation have also contributed to changes in the social and economic factors relating to housing choices. ~~More recent demographic trends indicate an increase in the number of multi-generational families that are sharing living quarters. This national and local shift in household demographics will have an effect on the type of housing that is appropriate to meet the needs of the population.~~

The Housing Element is closely linked to other elements of the Comprehensive Plan. For example, the Land Use Element defines the intent and location of Residential land use designations and densities within Redmond. The Neighborhoods Element contains policies that will serve to guide the implementation of housing policies in specific neighborhoods. The Human Services Element emphasizes the need for access to

affordable housing as a critical aspect of a socially sustainable community. Policies relevant to housing in terms of the provision of infrastructure and services are described in the Capital Facilities and Utilities Elements. A full understanding of Redmond's housing policies and plans should include an examination of these other elements of the Comprehensive Plan.

A. Planning Context

This section discusses the forces guiding Redmond's housing policies: legislative directives, regional cooperation and planning, and community values.

State, ~~and~~ County and Regional Direction~~Requirements~~

The Growth Management Act (GMA) requires jurisdictions to identify the projected housing needs for each city and to make adequate provisions for existing and projected needs of all economic segments of the community. Jurisdictions must demonstrate, in specific terms, how they plan to meet GMA goals for affordable housing. The overall planning goals for housing in the GMA are as follows:

- Ensure housing for all economic segments of the population of this State.
- Participate in making available a fair share of affordable housing, including affordable housing for people with special needs.
- Promote zoning classifications which allow a variety of residential densities and housing types.
- Encourage preservation of existing housing stock.
- Assure that housing complies with local, State, and federal fair housing laws.

The GMA also states that local Housing Elements must include an inventory and analysis of existing and projected housing needs. In partnership with other cities in East King County, the City through ARCH has prepared a housing needs analysis that covers Redmond and the broader East King County area which is an addendum to the Housing Element. ~~also encourages the use of innovative land use techniques to promote a variety of housing opportunities, including "…density bonuses, cluster housing, planned unit developments, and the transfer of development rights."~~

The Countywide Planning Policies (CPPs), in addition to reaffirming the GMA housing goals, require all cities to share the responsibility for achieving a rational and equitable distribution of affordable housing in King County. Communities in King County agreed

that new housing should provide a mix of affordability that reflects the existing Countywide mix of household income. The household income demographics for King County have remained fairly steady since the early 1990s, with approximately 24 percent of the King County population consisting of low-income households (those earning 50 percent or less of the King County Median Income) and 17 percent of the population consisting of moderate-income households (those earning 80 percent or less of the King County Median Income). Between 1990 and ~~2000~~ 2010, market conditions and Redmond's regulations and policies were reasonably successful at helping to achieve the 17 percent target for moderate-income households in Redmond, but ~~new housing development~~ fell significantly short of producing a minimum of 24 percent target ~~of the total units~~ for low-income households.

The CPPs also direct ~~require that~~ cities to consider strategies ~~take the following specific measures~~ to address affordable housing needs such as:

- Establish minimum density zoning.
- Remove regulatory barriers to affordable housing.
- Identify housing that may be lost to redevelopment, deteriorating housing conditions, or public policies or actions.
- Develop strategies to preserve existing low-income housing where feasible and to provide relocation assistance to displaced low-income residents.
- Adopt incentive programs to encourage the development of low-income housing.

In accordance with the requirements of GMA, the CPPs require that Redmond establish ~~2022~~ 2030 growth targets and that these targets should be consistent with zoning and infrastructure plans developed by the City. The CPPs also establish targets for the provision of affordable housing for all local governments in King County.

In addition, the Puget Sound Regional Council (PSRC) has established multi-county housing policies in VISION 2040. These policies encourage local jurisdictions to adopt best housing practices and innovative techniques to advance the provision of affordable, healthy and safe housing for all the region's residents.

HO-1 **Zone sufficient buildable land, create adequate usable development capacity, and allow for an appropriate mix of housing types to accommodate Redmond's projected share of King County population growth over the next 20 years.**

HO-2 **Promote a mix of new residential units and use other strategies that are ~~is~~ designed to at a minimum meet the targets called for in the King County Countywide Planning Policies for creating ~~supplying new~~ residencestial**

~~units~~ that are affordable to low- and moderate-income households.

HO-3 **Work through regional housing agencies and bodies or with individual jurisdictions, such as King County, to ensure that adequate development capacity exists in the region to accommodate expected residential growth.**

Regional Coordination

Just as housing needs rarely recognize jurisdictional boundaries, housing issues are not likely to be solved by only one community. For these reasons, it is important that Redmond's policies for housing support a regional approach and cooperation among agencies to meet its housing goals. Without this cooperation, the individual cities in King County and the region as a whole will fail to meet ~~its~~ established housing goals.

A number of public, private, and non-profit organizations are able to provide support to the City of Redmond in the areas of housing development and management. By partnering with some of these organizations for funding and development of housing, Redmond has been successful in creating a number of unique housing developments. Some examples include the Village at Overlake Station, and redevelopment of the former Coast Guard property on Avondale Road NE with a mix of different housing types and affordability levels. Interlocal agencies such as ARCH (A Regional Coalition for Housing) have been instrumental in providing assistance and guidance to the City in promoting housing opportunities.

HO-4 **Cooperate with King County, A Regional Coalition for Housing (ARCH), and other Eastside jurisdictions and housing agencies to assess housing needs, create affordable housing opportunities, and coordinate a regional approach to funding and meeting the housing needs of Eastside Communities.**

HO-5 **Cooperate with private and non-profit developers, including the King County Housing Authority and social and health service agencies, to**

address local housing needs.

HO-6 **Support housing legislation at the City, County, State and federal levels which promote the goals and policies of the Housing Element.**

Tracking Policies

~~As housing conditions change over time, i~~It ~~will be~~ is important to track the effectiveness of existing policies and regulations and make periodic adjustments, as needed, to help promote Redmond's housing strategy. Evaluation should include consultation with developers, residents and others. Indicators, such as vacancy rates, changes in rents and housing prices relative to changes in income, increases in housing units relative to increases in employment and the level of demand for homeless shelters are key to tracking the City's progress in implementing its housing goals.

Redmond's ability~~ies~~ to achieve its ~~share of the subregion's~~ housing target is highly dependent on the City achieving the ~~mix of offices and~~ housing that is planned for the mixed-use areas of Downtown and Overlake. It is important that ~~the City have~~ there is a ~~some~~ mechanism for monitoring development in these areas, such as through the annual Redmond Community Indicators report. With current data, the City will be able to~~, and~~ make ~~ing~~ adjustments as necessary to ensure that the planned number of housing units is being built. In recognition of the wide range of housing needs in the City, monitoring should also include information on the affordability to households earning ~~80% or less~~between 30% and 120% of the King County Median Income, as well as the type of housing produced. This information will continue to inform the City's priorities and specific implementation strategies in order to address Redmond's housing needs relative to improved jobs/housing balance and other goals. In addition, this information will be used to inform updates on an annual basis to the City's implementation actions for the City's housing program.

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Comment [A1]: Staff recommended changes to initial draft

Downtown mixed-use

In addition to providing valuable information about Redmond's progress in achieving its overall and affordable housing targets, tracking will also help monitor the City's achievement of other community goals such as enabling people to live closer to work, reducing commute times, offering a range of housing choices, supporting easy access to community amenities and making it easier for residents to participate in community activities.

HO-7 **Conduct a comprehensive evaluation every five years that measures the effectiveness of City housing policies and regulations in meeting the housing needs of persons who live and work in Redmond.**

HO-7.5 Adopt and update every 3 to 5 years a Strategic Housing Plan to identify specific implementation strategies that address the City's housing needs, goals and policies.

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HO-8 **Maintain a housing data base to inform City officials and the public on the status of the City's housing market and the effectiveness of Redmond housing policies and regulations.**

HO-9 **Monitor the number, type and affordability ~~(at 80% or less of King County Median)~~ of housing units being built annually to ensure consistency with the number of planned housing units, particularly in Mixed-Use zones.**

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Community Values and Neighborhood Quality

Redmond citizens have participated in a number of events to help guide policies for the Housing Element of the Comprehensive Plan. Through these events, citizens consistently reported that more variety in housing choices is important to the community, with particular emphasis on creating smaller attached and detached housing units, accessory dwelling units, and homeownership opportunities that will help

~~promote~~ accomodate diversity in affordability levels, age ranges, family sizes, race, and

ethnicity.

As Redmond's housing makeup has changed, so has the population. Between 1990 and 2000, persons aged ~~55~~65 and older represented the fastest growing segment of the population and over the next 20 years the number of persons in this age group is expected to significantly increase. ~~Single-person~~ In 2010, 20 to 34 year olds represent just over 30% of the population, highest among cities in East King County. Further, since 2000, one and two-person households represent the largest percentage of households in the City ~~and multi-generational households increased during that same time period,~~ while traditional two-parent households declined slightly in Redmond. Those who have participated in City ~~events~~ planning to guide the direction for housing have identified ~~recognized~~ the importance of providing for the needs of these changing household types, and supported policies that would encourage a mix of housing styles and sizes. In addition to meeting the housing demands created by job growth, residents have cited the need to provide housing choices that allow seniors to age in place, families to remain close to one another, and people of all abilities and cultures to have equal opportunities to live in Redmond.

~~**HO-10**~~	~~**Promote a mix of housing for all income levels, including a portion of housing that is affordable to households earning 80 percent or less of the King County Median Income, as well as housing that is affordable to households earning between 80 to 120 percent of median income and above.**~~
HO-11	**Encourage the development ~~construction~~ of a variety of housing types, sizes, and densities throughout the City to accommodate the diverse needs of Redmond residents through changes in age, family size, and various life changes, including:**

- Developments that provide smaller units with a mix of attached and detached housing units.
- Homes with ground floor master suites.
- Homes with all living areas on one floor.

HO-12 **Create opportunities for ownership housing in a variety of settings, styles, sizes, and affordability levels throughout Redmond.**

HO-13 **Prohibit any activity that results in discrimination in housing, and promote fair and equal access to housing for all persons.**

Neighborhood planning for each of Redmond's distinct neighborhoods is integral to creating quality housing development. Basic design principles that contribute to neighborhood quality and land use compatibility include: quality open space and landscaping, adequate provision for transportation facilities, sufficient parks and public facilities designed in a sustainable manner, pedestrian amenities such as sidewalks, and safe public and private spaces.

While many neighborhoods in Redmond are nearly fully developed, other areas such as North Redmond, SE Redmond, and portions of the Willows/Rose Hill Neighborhood still contain large undeveloped parcels of land. For the more fully developed neighborhoods, infill, redevelopment, and remodeling of existing homes will be the primary force affecting neighborhood quality. Over the next 20 years, much of Redmond's anticipated housing growth will occur in urban centers of Downtown and Overlake. Investments in light rail and other transit improvements in these areas will provide unique opportunities to enable people to live nearby. ~~Although more dramatic changes are likely to be apparent in other neighborhoods that have large undeveloped parcels, s~~Specific plans for each of Redmond's neighborhoods (as found in the Neighborhoods Element of the Comprehensive Plan) will help ensure that any new development ~~is compatible with and~~ will respect, ~~and~~ enhance and be appropriate for the unique characteristics and residents of each neighborhood.

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HO-14 **Incorporate all the qualities of well-designed, character-rich neighborhoods so that existing and new neighborhoods in Redmond are attractive and safe places to live.**

HO-15 **Ensure that new development is consistent with City and applicable neighborhood goals and policies, including but not limited to sustainable site standards, landscaping requirements, building design guidelines, and affordability.**

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HO-15.5 Provide physical infrastructure, recreational and cultural ~~and~~ amenities and educational facilities in Downtown and Overlake that supports creation of attractive neighborhoods for residents of all ages, incomes and household types.

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Comment [C5]: Tom H. proposed edit 6/8/11

B. Housing Supply

The Land Use Element of the Comprehensive Plan establishes land use designations sufficient to accommodate Redmond's projected housing targets. However, as rezones occur throughout the City, it is important to ensure that any lost housing capacity is accommodated elsewhere so that there remains sufficient capacity to achieve the City's housing targets. Rezones that increase Redmond's employment capacity without a corresponding action to replace the lost units will make it increasingly difficult to house new employees. Adoption of a "no-net loss" policy ensures that any loss of residential capacity due to rezoning will be compensated for in other portions of the City.

HO-16 **Prohibit any rezone that results in a reduction in residential capacity without first approving another rezone or rezones resulting in at least a replacement of the lost residential capacity elsewhere in the City.**

Jobs/Housing Balance

In addition to addressing the needs of existing residents, the City must plan for meeting the needs of future residents. Much of the demand for future residential growth will come from employment growth within Redmond and the region. In order to meet that need adequately there must be not only a sufficient supply of new housing, but it also must be affordable to a range of incomes. ~~Two ways of estimating future housing needs are:~~

~~♦ Examine overall population targets for Redmond; and~~

~~♦ Determine the amount and types of employment expected to be generated within Redmond and its immediate area.~~

The Countywide Planning Policies (CPPs) establish minimum job and housing targets for each ~~subregion~~ jurisdiction in King County. As part of the process to update the regional job and housing targets, emphasis was placed on focusing growth in the region's urban centers, including Overlake and Downtown. ~~The percent of jobs forecase in the CPPs determines the corresponding number of housing units that must also be accommodated within each subregion.~~ Within King County, ~~35~~ 30 percent of the new jobs anticipated through ~~2022~~ 2030are expected to be located on the Eastside resulting in a significant demand for housing. Demand for housing from employment growth exceeds the planned for housing growth on the Eastside. The Housing Needs Analysis indicates that in East King County, and in particular, Redmond, there is already an excess demand for housing from employment than there is housing available. ~~Thus,~~

~~Eastside cities (including unincorporated areas) must plan to accept 35 percent of the new housing growth within the County.~~

~~As part of the process to update the regional job and housing targets, each city collaboratively accepted as its target the number of new jobs and new housing units it could reasonably accommodate. Through the subregional planning efforts, some cities accepted a larger portion of new housing relative to job growth with the understanding that cities that have a higher portion of job growth (such as Redmond) will provide for its own share of the housing targets within its jurisdictional boundaries.~~

~~Because Redmond's land capacity for housing very closely matches its target for housing,~~ Therefore it is important that the City have ~~some~~ a mechanism for considering the impacts that any changes in land use or development capacity that increase employment will have on its overall ability to achieve balance between the number of jobs and the number of housing units in Redmond.

HO-17 **Ensure an appropriate supply and mix of housing and affordability levels to meet the needs of people who work and desire to live in Redmond, especially near existing and planned employment centers such as Downtown ~~Redmond~~, Overlake, and SE Redmond.**

HO-18 ~~**Evaluate opportunities for converting non-residential zones to residential uses when land is suitable for residential development and when such conversion is appropriate to meet the jobs/housing goals of the City.**~~

HO-19 **Consider the impacts on housing supply and affordability when making land use policy decisions or Zoning Code ~~Development Guide~~ amendments that are likely to affect employment in Redmond and consider the need for mitigation if employment capacity is significantly increased.**

HO-20 **Encourage Redmond employers to develop employer-assisted housing programs and provide technical assistance to employers wishing to obtain information on model programs.**

Special Needs

Special needs citizens include those people who require some assistance in their day-to-day living such as the mentally ill, people with developmental or physical disabilities, victims of domestic violence, substance abusers, people living with AIDS, youth at risk, veterans, and the frail elderly. Over the last 20 years the proportion of seniors over age 75 who are more likely to be frail and need housing with services has increased to a point where approximately half of all seniors are over age 75.In some cases, homeless

persons as well as pregnant and parenting youth or young adults also require special needs housing. Family living situations, institutional settings, social service programs and assisted housing all serve a portion of those with special needs.

HO-21 **Work with agencies, private developers and non-profit organizations to locate housing in Redmond intended to serve Redmond's special needs populations, particularly those with challenges related to age, health, or disability.**

HO-22 **Encourage and support the development of emergency, transitional, and permanent housing with appropriate on-site services for persons with special needs.**

HO-23 **Support actions to secure grants and loans tied to the provision of special needs housing by agencies, private developers, and non-profit organizations.**

HO-24 **Encourage the dispersal of special needs housing throughout the City. Some clustering of special needs housing may be appropriate if proximity to public transportation, medical facilities, or other essential services is necessary.**

HO-25 **~~Identify~~ Ensure development regulations allow for, and have suitable provisions to accommodate ~~regulatory methods for improving~~ housing opportunities for special needs populations in Redmond.**

HO-25.1 **Encourage a range of housing types for seniors affordable at a variety of incomes, such as independent living, various degrees of assisted living, and skilled nursing care facilities. Strive to increase opportunities for seniors to live in accessible housing with services nearby.**

HO-25.2 **Encourage and support accessible design and housing strategies that provide seniors the opportunity to remain in their own neighbhorhood as their housing needs change.**

HO-25.3 **Work with other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.**

Development Standards

The City of Redmond is responsible for establishing land use and development regulations that can encourage or discourage a variety of housing types and affordability levels. Through its Zoning ~~Land Use~~ Code and permitting procedures, Redmond can directly and indirectly impact several housing cost components such as land, fees, and time of development. The challenge for Redmond is to balance the provision of public needs (e.g., safe roads, environmental protection) and not unduly impact the cost of housing. Although City land use policies and site standard regulations can be used to affect the supply of housing affordable to all income levels, its effect will be most beneficial to moderate- and median-income households.

~~Flexible development standards as allowed by the City's Planned Residential Development (PRD) provisions could help promote compatibility between land uses by minimizing adverse impacts on lower intensity or more sensitive uses. The PRD standards allow for techniques such as clustering, modification of setbacks, changes in the height restrictions, and flexibility in open space requirements in exchange for achieving other City goals such as protection of wetlands or critical habitat areas.~~

HO-26 **Craft regulations and procedures to provide a high degree of certainty and clarity to applicants and the community-at-large in order to minimize unnecessary time delays in the review of residential permit applications, while still maintaining opportunities for public involvement and review.**

~~**HO-27** **Offer a high degree of certainty and clarity to applicants and the community-at-large through the City's development review standards and timelines.**~~

HO-28 **Encourage the use of ~~Planned Residential Developments or other~~ innovative development review processes to promote sustainability, flexibility in development standards and affordability in housing construction.**

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C. Housing Diversity

This section addresses a number of community values ~~for~~ in support of creating greater variety in housing choices to meet the needs of a diverse and changing population, including policies that respond to meeting the needs for affordable housing.

Innovative Housing

Increased housing choices, especially for smaller households, will help the overall housing supply better match the needs of an increasingly diverse population. Redmond's zoning and development regulations are intended to allow development of housing that will satisfy varied consumer preferences. Redmond has already taken

strides in this area through increased housing in mixed-use neighborhoods, and some initial efforts to allow a wider variety of housing, such as accessory dwelling units and cottage housing, in single-family neighborhoods. As new and different housing styles become available, consideration should be given to how they might fit within existing single-family neighborhoods to provide increased affordability for low- and moderate-income families and increased options for seniors and small~~ingle~~ ~~person~~ households. Having these choices will help maintain economic viability and community stability by providing housing choices for workers of all ages and stages of life., and could allow changing households to remain in the same home or

neighborhood.

HO-29 **Encourage and support opportunities to explore new innovative housing styles and creative responses to Redmond's housing needs for affordability, variety, and housing that is appropriate for different ages and family types and sizes. Examples include, but are not limited to: cottage housing, size limited structures, co-housing, accessory dwelling units, and attached units (two to four units per building) that are designed to fit the general character and bulk of other single-family homes in the neighborhood in which the new housing is located.**

HO-30 **Promote the development of accessory dwelling units (ADUs) within new and existing single-family developments. Consider incentives for new housing developments that include a percentage of ADUs as part of the new construction ~~.~~as well as ~~E~~explore opportunities to promote ADU construction in existing homes. ~~Examples to consider include permitting assistance for homeowners, waivers of some requirements traditionally imposed as part of remodeling, and allowing administrative flexibility in review and site design.~~**

HO-31 **~~Endorse a pilot program for consideration of~~ Support the ~~i~~Innovative ~~h~~Housing Program ~~in Redmond~~ that helps promote City goals for affordability, high-quality design, and housing to meet a diversity of**

household sizes, types, and age ranges. Allow for flexibility in density and design standards to promote the pilot program.

Affordability

Perhaps the most pressing and complex challenge facing the City is to provide appropriate housing opportunities for all economic segments of the community. The quality of any city is defined, in large part, by whether families and individuals are able to find the type and size of housing that fits their household needs at a price they can afford. Communities that offer a range of housing types and affordability provide more opportunity for families and individuals to live where they choose. This allows workers to live near their jobs, older family members to continue to live in the communities where they raised their families, and younger adults to establish new households. When housing options are provided close to where people work, there are increased opportunities for people to participate in community and family activities. All of these outcomes further support the City's sustainability principles.

Redmond's quality of life is enhanced by the entertainment and dining opportunities and services offered by local businesses. Redmond's schools are among the best in Washington State, and quality healthcare is readily available. While there are a number of very high wage jobs in Redmond, not all of these types of services and employment provided in Redmond pay wages that are sufficient to afford a home in Redmond.

When speaking of "housing affordability," the standard used by lending institutions, the real estate industry, and government is that no more than 30 percent of a household's gross monthly income goes toward housing expenses, regardless of income level. For ownership housing, this percentage typically includes taxes, insurance, and other related housing expenses. For rental housing, a utility allowance is included in the 30 percent figure. A household in which housing costs exceed 30% of gross monthly income is considered to be "cost burdened"; if costs exceed 50% of gross monthly income the household is severely cost burdened.

"Affordable housing" typically refers to housing that is affordable to households earning 80 percent or less of the King County Median Income. Households earning 80 percent or less of the median income are also referred to as "moderate-income" households. Those earning 50 percent or less are commonly referred to as "low-income" households, and those earning 30 percent or less are also known as "very-low-income" households. While affordable housing targets are only established for moderate and low income levels, there are many households who are very low income, and it is important to create housing opportunities affordable to this income level.

Village at Overlake Station

Using the definition of "housing affordability" together with the ~~2004~~2010 median income of $~~77,900~~ 85,600 for a four-person household, Table HO-1 represents the amount of money that Redmond individuals and families earning median income or less can afford to pay for rental and ownership housing:

Table HO-1: Affordable Rents and PricesBased on 201~~004~~0 King County Median Income

Income Group	201~~004~~0 Annual Household Income*	Maximum Affordable Monthly Rent/Utility**	Maximum Affordable House Price***
Very-Low-Income (< 30%)	$~~23,670~~25,680	$~~515~~549	---
Low-Income (50%)	$~~39,450~~42,800	$~~909~~978	$~~120,554~~132,800
Moderate-Income (80%)	$~~63,120~~68,480	$1~~,501~~620	$~~206,058~~233,700
Median-Income (100%)	~~$77,900~~$85,600	~~$1,871~~$2,048	~~$263,061~~$300,900

** Based on a household size of 4.*
*** Assumes 30% of household income goes to housing costs.*
**** Assumes 10% down payment on a 30-year fixed mortgage at 6% and an allowance for property taxes, hazard insurance, and homeowner dues. An increase in mortgage rate to 7% will increase overall price by approximately 8%.*

In ~~2004~~2010, the average sales price for all housing in Redmond was approximately $~~384,000~~491,000. The average sales price during the same period for attached housing was approximately $~~220,000~~286,300, and approximately $~~435,000~~596,000 for detached housing. ~~For new construction, the average sales price was over $525,000, with no new attached units available for sale~~. The average rent for all apartments, with a ~~5.2~~ 4.4 percent vacancy rate, was ~~nearly~~ $~~1,000~~ 1,200 per month.

~~Table HO-1 shows that only those h~~Households that are earning between 80 to 100 percent of median income ~~are~~ may be able to afford to purchase an attached housing unit in Redmond, ~~and all~~ although detached housing is ~~far~~ out of reach for many. For those households earning less than 50 percent of median income, even rental housing in Redmond is out of reach for most. Yet, the City and County targets are that the amount of housing equal to 41 percent of all targeted growth ~~new housing will~~ be affordable to households earning less than 80 percent of median income.

Alternatives for most of the households that work in Redmond and earn 80 percent or less of median income are that they pay more than 30 percent of their income toward housing (thus reducing money available for other expenses such as food, transportation, and medical care), find others with whom to share their housing (often resulting in overcrowding), or seek housing outside the area, thus increasing demand on transportation facilities. The number of households who are "cost burdened" or "severely cost burdened", e.g., pay more than 30% or 50% of gross income for housing, increased in East King County and Redmond between 2000 and 2009.

~~Another problem caused by rapidly increasing housing values in Redmond is that many households are relatively "house-rich" but "income poor." Because many current homeowners have lived in their homes for many years, they have built up equity in their homes and their mortgages are relatively low. However, many of these households could not afford to buy the same home at its current value.~~

~~This information indicates that the rapidly rising value of housing~~ Apart from economic cycles, since 2000, home prices have increased significantly relative to median income. This will continue to make it difficult for families, especially first time homebuyers and current homeowners with low incomes, to purchase a new or resale home in Redmond. For these reasons, Redmond citizens have indicated support for creating affordable housing options throughout the City. Citizens have also supported voluntary efforts to provide affordable units within new housing developments until each neighborhood plan has been updated to address affordability requirements.

HO-31.5 **Promote a mix of housing for all income levels, including a portion of housing that is affordable to households earning 80 percent or less of the King County Median Income, as well as housing that is affordable to households earning between 80 to 120 percent of median income and above. In addition, support the development of housing that is affordable to households earning 50 percent or less of the King County Median Income, including housing affordable to households earning less than 30 percent of median income, to address affordable housing targets.**

HO-32 **Promote voluntary efforts to provide a reasonable portion of affordable housing within new housing developments, until such time as each**

neighborhood plan is updated to address affordability requirements.

HO-33 **Encourage the dispersal of affordable housing throughout the City. Some clustering of affordable housing may be appropriate if proximity to public transportation, medical facilities, or other essential services is necessary.**

HO-34 **Provide incentives and bonuses intended to minimize or eliminate any additional costs to the developer/builder associated with providing housing that is affordable to low- and moderate-income households.**

HO-35 **~~Require a portion of units added a~~ As part of any rezone that increases residential capacity, consider requiring a portion of units to be affordable to low- and moderate-income households.**

HO-36 **Encourage housing ownership or rental opportunities for all economic segments of the Redmond community.**

HO-37 **Allow manufactured homes in all zones where residential development is permitted in the City.**

Preservation and Rehabilitation

As housing ownership is transferred or if housing conditions deteriorate, existing affordable units may either be converted to more expensive homes or may gradually become unsuitable for occupation. Maintaining the affordability of existing housing can be a more cost effective way to provide affordable housing opportunities within Redmond. This has been an approach effectively used in the past in Redmond and other cities in East King County. The City should continue ~~may need~~ to work with private and not-for-profit agencies to preserve and rehabilitate the existing stock of affordable housing in Redmond, particularly in areas where pressure for redevelopment is likely to occur~~.~~

Comment [A6]: Staff recommended change to initial draft

HO-38 **Encourage and ~~S~~support efforts to maintain opportunities for lower cost housing where relatively affordable housing exists through ~~the~~ preservation or other efforts and particularly in centers where most redevelopment pressure will occur. ~~and rehabilitation of existing stock of low- and moderate-income housing.~~**

Comment [C7]: Staff proposed edit 6/8/11

HO-39 **Cooperate with non-profit housing organizations and regional efforts to develop a long-term management strategy for creating and preserving**

existing subsidized affordable housing.

HO-39.5 **Encourage individual homeowners to reinvest in their homes by providing information and referrals to other appropriate agencies such as the King County Home Repair program.**

Incentive Programs

Voluntary incentives that encourage the private sector to build housing that meets certain community goals including affordability, senior housing, or other types of innovative housing should be provided. The City should continue to provide programs ~~such as the transfer of development rights~~ to encourage affordable housing, and other economic incentives to assist the development of affordable housing.

~~such as density bonuses, expansion of the transfer of development rights program to encourage affordable housing, expedited permit review, and other economic incentives should be explored or expanded to encourage the private sector to build housing that meets certain community goals including affordability, senior housing, or other types of innovative housing.~~

Redmond has already implemented innovative regulatory approaches to encourage greater housing affordability and variety in ~~the~~ Downtown and Overlake and ~~targeted~~ the majority of other neighborhoods. Establishing incentives throughout the City could help increase their use by providing more opportunity and predictability for builders.

Redmond should also continue to explore incentives for new types of innovative housing types ~~styles~~. ~~These~~ Examples of innovative housing types ~~may~~ include cottages, ~~co-housing~~, duplexes in single-family neighborhoods, accessory dwelling units~~,~~ -and size limited structures. ~~, and housing overlay emphasis areas.~~

HO-40 **Allow incentives such as bonus densities and flexible design standards that do not adversely impact the general health, safety, and welfare of the public to support and promote the construction of new innovative or affordable housing styles.**

HO-41 **Consider ~~G~~granting priority in the development review process for projects that offer 15 percent or more of the proposed residential units at affordable rates.**

Funding Support

Numerous federal and State programs offer financial assistance to developers and residents of affordable housing. These programs are usually administered locally by

Comment [A8]: Staff recommended change to initial draft

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non-profit agencies, housing authorities and County and City government. The purpose of these programs is to supply providers of affordable housing with their most needed resource: financial assistance. Besides being generally supportive of financial assistance programs, the policies in this section call upon the City to develop a long-term financial assistance program of its own.

Direct local funding is perhaps the most effective step the City of Redmond can take in encouraging the preservation and development of low-income housing. For many projects seeking to serve low-income households, local financial assistance is required for the project to work. Direct funding provided by the City will represent only a small portion of the total development cost of any project. However, by using Redmond's dollars, a project will be able to leverage significantly greater subsidies from federal, State and County funding sources. Most of the significant funding sources used in King County to develop low-income housing require some funding participation at the local level. For example, $10,000 from Redmond to help develop a single, low-income home may leverage as much as $~~6~~50,000 from ~~a larger~~ County, or State and federal funding sources. ~~Without Redmond's contribution, those larger dollars probably would not be available.~~

Other public subsidies include:

- Use of surplus land for housing and redevelopment.
- Seek grants to pre-design for future infrastructure needs.
- Lobby for regional or Statewide ~~inclusionary programs or~~ affordable housing bond issue.
- Reduce permit fees and impact fee waivers for housing.
- Consider adoption of property tax credit legislation for affordable housing.

HO-42 **Pursue creative methods within existing programs, such as the City's transfer of development rights (TDR) program, impact fee waivers, ARCH Housing Trust Fund, and State enabling legislation for property tax relief, as a means to provide direct assistance to builders and leverage funds for construction of affordable housing.**

HO-43 **Help educate builders about the availability of funding and incentive programs to promote the construction of affordable housing in Redmond.**

HO-44 **Minimize unnecessary housing development costs through regulations and standards contained in the ~~Community Development Guide~~ Zoning Code and other City regulatory documents that are balanced with and maintained in concert with public safety considerations and all other goals of the Comprehensive Plan and Zoning Code ~~Community~~**

~~Development Guide~~.

HO-45 **Offer exemptions or reduced impact fees for construction of affordable housing units in qualifying developments.**

HO-46 **Participate in relocation assistance to low- and moderate-income households whose housing may be displaced by condemnation or City-initiated code enforcement.**

HO-47 **Maintain a City housing trust fund for low- and moderate-income housing that is based on the number of affordable units needed to serve Redmond's projected population and job growth changes. Base the need for affordable units on Redmond's targets for low- and moderate-income housing as defined in the King County's Countywide Planning Policies.**

HO-48 **~~Conduct a~~ Use performance measures in order to review ~~of~~ the housing trust fund as part of the City's Budgeting by Priorities ~~budget~~ process to determine its effectiveness in addressing low- and moderate-income housing needs.**

HO-49 **Use all available federal, State, and County programs as well as private and non-profit options for financing affordable housing.**

HO-50 **Give priority to the use of surplus, publicly owned land for housing that provides for a range of household incomes, with an emphasis on encouraging housing for low-income families.**