



AFFORDABLE HOUSING  
FORUM

# AFFORDABLE HOUSING FORUM AGENDA

MODERATED  
by Rex Allen

- INTRODUCTION OF PARTICIPANTS
- POWERPOINT PRESENTATION
- The intention of the forum is to:
  - Support a collaborative conversation between stakeholders
  - Create four solutions to the forum challenges
  - Outline future actions



## LOCAL GOVERNMENTAL ORGANIZATION CITY GOVERNMENTS

Beaux Arts Village - Bellevue - Bothell - Clyde Hill - Hunts Point  
Issaquah - Kenmore - King County - Kirkland - Medina - Mercer Island  
Newcastle - Redmond - Sammamish - Woodinville - Yarrow Point



There is a growing need for affordable housing in Eastside King County;  
There are many gaps in the current delivery system;  
Local government support is critical to increase the affordable housing supply;  
Increased local government support compliments the efforts of private sector housing developers; and  
Local governments that work together can be more effective.



A REGIONAL COALITION FOR HOUSING  
(ARCH)

# Eastside Cities 2040 Housing Strategy Status

## CITIES

Beaux Arts Village  
- Bellevue -  
Bothell -  
Clyde Hill -  
Hunts Point  
Issaquah -  
Kenmore - King  
County - Kirkland -  
Medina -  
Mercer Island  
Newcastle -  
Redmond -  
Sammamish -  
Woodinville -  
Yarrow Point

Redmond, Kenmore  
and Bellevue are  
complete. Bothell,  
Kirkland & Issaquah  
are in progress

## PROCESS

HOUSING INVENTORY AND FORECAST  
HOUSING AND DEMOGRAPHIC TRENDS  
CURRENT HOUSING INVENTORY  
FUTURE HOUSING INVENTORY  
SCENARIOS  
FINDINGS AND IMPLICATIONS

ISSAQUAH IS  
CURRENTLY IN  
PROCESS



# ISSAQUAH 2040 HOUSING STRATEGY

## Housing and Demographics Trends

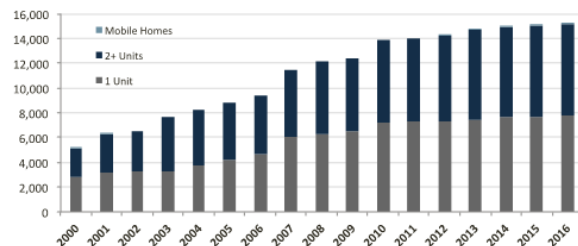
**Issaquah has grown by over 150% since 2000**

- Population increased of 16,000 (excluding annexations)
- However, only 1,500 people live and work in the city
- Family households are the majority (60%)

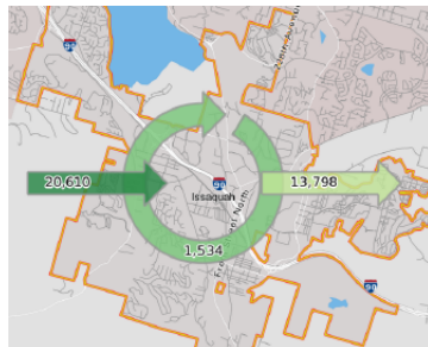


**City of Issaquah  
2040 Housing Strategy**

Total Housing Units by Type



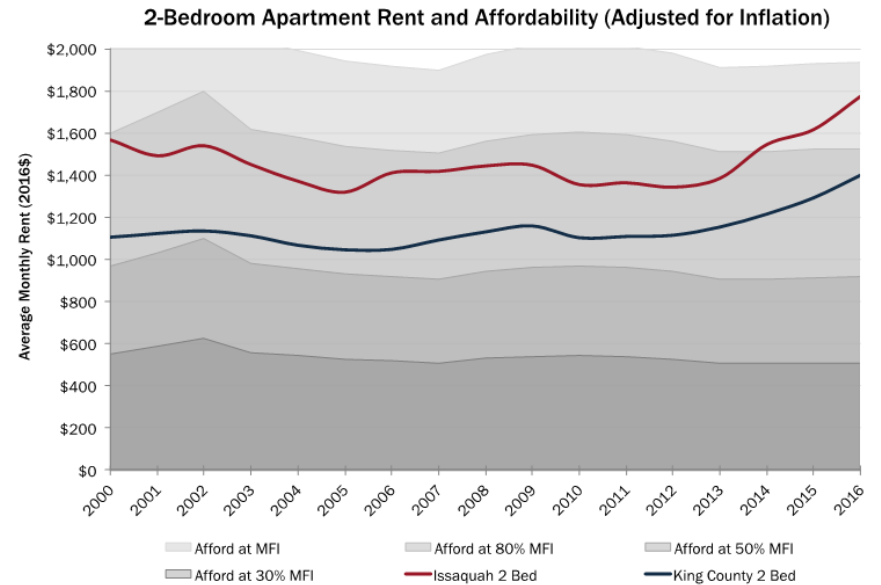
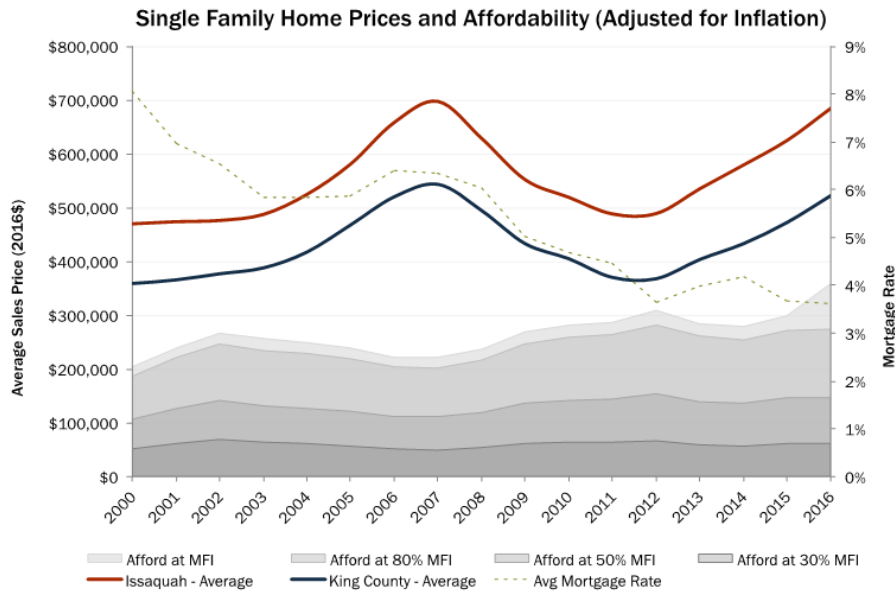
Commuting in and out of Issaquah



# ISSAQUAH HOUSING AND DEMOGRAPHIC TRENDS

Home prices have rebounded to their 2007 peak

Rents have increased in the last four years



# FUTURE HOUSING INVENTORY SCENARIOS

## Approach

1. Just considered city's buildable parcels
2. Evaluated feasibility of different housing types on those parcels
  - Single-family homes of different sizes
  - Townhomes
  - Low-rise multifamily (4 stories or less)
  - Mid-rise multifamily (5 to 9 stories)
  - High-rise multifamily (10 stories or more)
3. Use financial model to assess the number and type of units possible



## Baseline Scenario

Baseline assumes the same development costs and housing prices as today in real terms (after inflation)

Type	2015	New	2040 Total
Single-Family	5,773	375	6,148
Townhome	788	450	1,238
Condo	4,049	0	4,049
Low-rise MF	4,354	2,500	6,854
Mid-rise MF	0	0	0
High-rise MF	0	0	0
<b>Total</b>	<b>14,964</b>	<b>3,325</b>	<b>18,289</b>

Future units affordable to current median income assuming the same share as the existing inventory

- 1,000 additional units of all types become affordable to the median income due to depreciation
- 65 new townhome units would be affordable to the median income
- 1,250 new apartment units would be affordable to the median income

## Modest Growth Scenario

Modest growth scenario assumes incomes and land rents increase at about 0.5% per year

Type	2015	New	2040 Total
Single-Family	5,773	375	6,148
Townhome	788	500	1,288
Condo	4,049	0	4,049
Low-rise MF	4,354	2,600	6,954
Mid-rise MF	0	340	340
High-rise MF	0	0	0
<b>Total</b>	<b>14,964</b>	<b>3,815</b>	<b>18,779</b>

Future units affordable to current median income assuming the same share as the existing inventory

- 200 additional units of existing housing of all types become affordable due to depreciation
- 75 new townhome units would be affordable to the median income
- 1,450 new apartment units would be affordable to the median income

## Stronger Growth Scenario

Stronger growth scenario assumes incomes and land rents increase at a little less than 1.0% per year

Type	2015	New	2040 Total
Single-Family	5,773	370	6,143
Townhome	788	780	1,568
Condo	4,049	0	4,049
Low-rise MF	4,354	2,400	6,754
Mid-rise MF	0	1,100	1,100
High-rise MF	0	0	0
<b>Total</b>	<b>14,964</b>	<b>4,650</b>	<b>19,614</b>

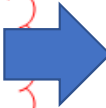
Future units affordable to current median income assuming the same share as the existing inventory

- 150 **fewer** units of existing housing of all types become affordable due to appreciation
- 120 new townhome units would be affordable to the median income
- 1,750 new apartment units would be affordable to the median income

# ISSAQUAH FINDINGS AND IMPLICATIONS

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1. While the city has grown, few both live and work in the city
2. Rents and home prices have increased quickly since 2012
3. The city has a variety of housing types, but over half are 3 bedrooms or more. Just 8% are one bedroom units.
4. 40% of the inventory is affordable to households earning 100% of area median income



HOW MANY OF THESE  
BEDROOMS ARE IN  
EMPTY NESTER  
HOUSEHOLDS?

5. Various types of housing are likely feasible under a range of future rent scenarios
6. Modest densities are feasible under existing rents. As rents increase higher density developments become market ready
7. Development of new affordable units (especially larger units, workforce housing, and those affordable to very low incomes) will require some deliberate action



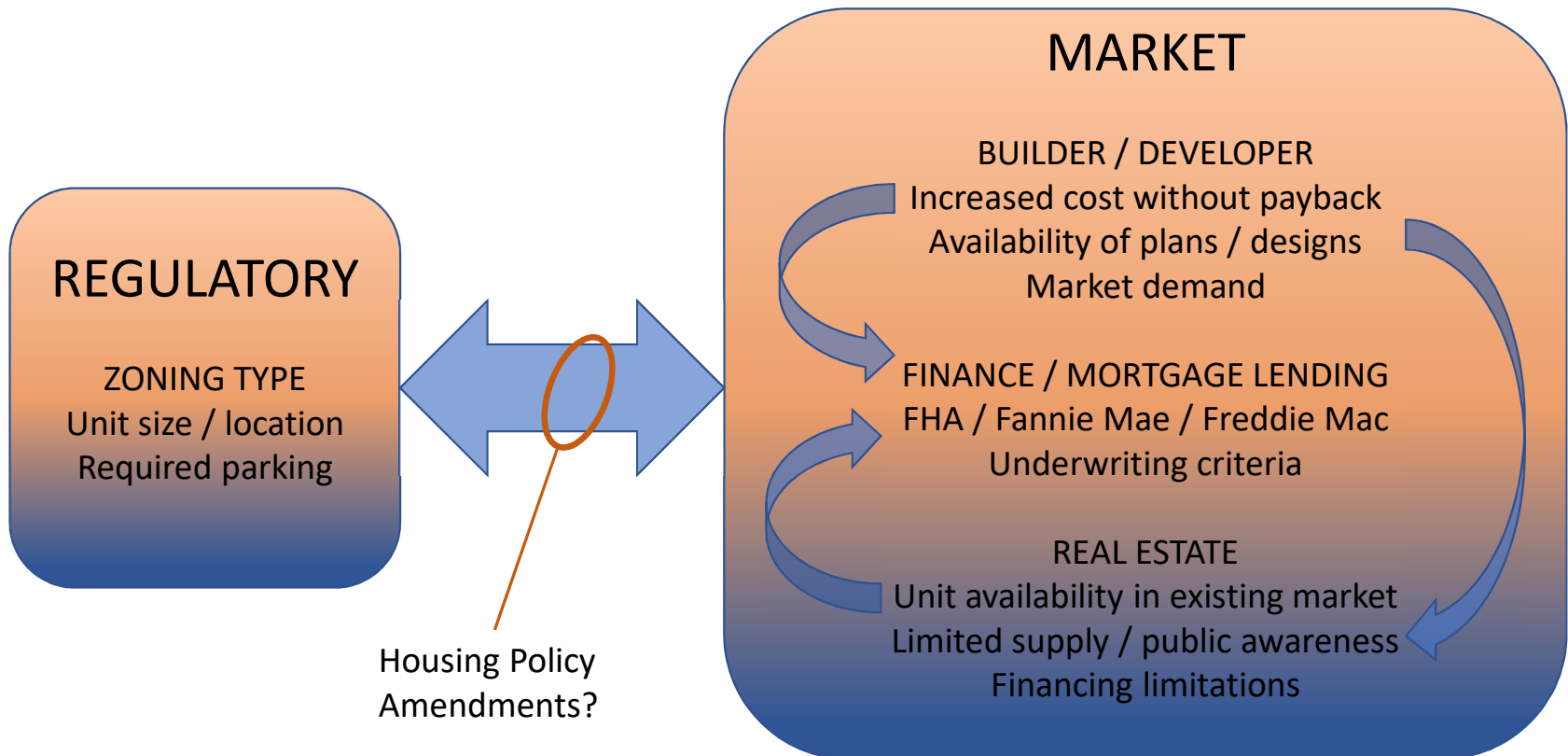
ADU / CO-HOUSING  
UNITS CONFORM TO  
MODEST DENSITY



INCREASED DENSITY  
UTILIZING ADU, DADU,  
CO-HOUSING UNITS  
ADDRESSES PART OF  
THE ISSUE



# BARRIERS TO IMPLEMENTATION OF ADU / DADU, CO-HOUSING SOLUTIONS



# AFFORDABLE HOUSING STAKEHOLDERS

MARKET

REGULATORY

MARKET

**SEATTLE KING  
CO.  
ASSOCIATION  
OF REALTORS**  
Russell Hokanson  
Val Towler

**ARCH**  
A REGIONAL COALITION  
FOR HOUSING  
Arthur Sullivan  
Mike Stanger

**MASTER  
BUILDERS  
ASSOCIATION  
KING /  
SNOHOMISH  
CO.**  
Jennifer Anderson  
David Hoffman

**REALTORS**  
Brian Tenhulzen  
Peggy Foster

**MORTGAGE  
BROKERS  
ASSOCIATION**  
Ron Culver  
Casey Oiness

**ARCHITECT/DESIGN**  
Dakotah Apostolou

MARKET / GOVERNMENTAL

# FORUM CHALLENGES

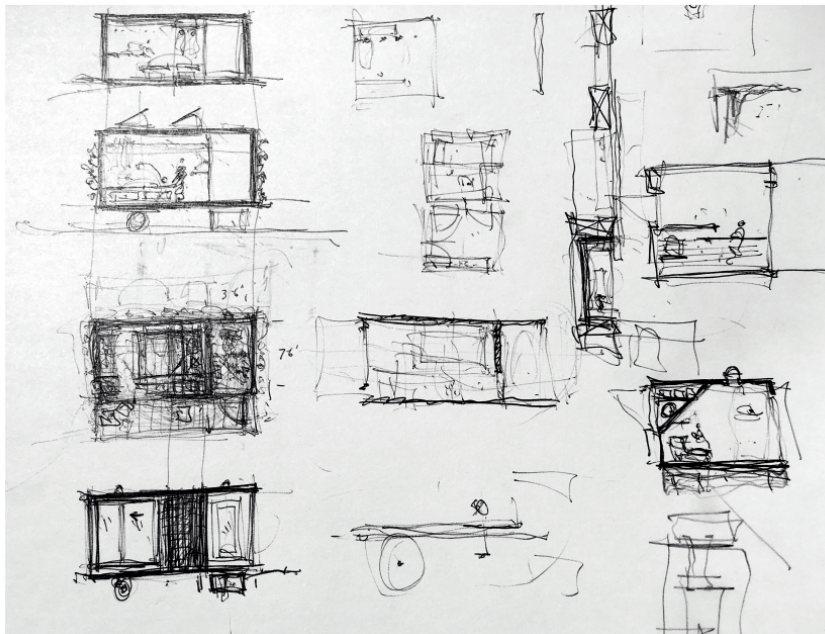
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1. How can the builder be incentivized to include ADU planning in new homes? How can builder's awareness of this opportunity be increased? How can remaining barriers be removed to increase product availability in the market?
2. What flexibility exists in current underwriting criteria to allow value/income from ADU in loan qualification? Do programs exist that address ADU financing? If so, what can be done to promote public awareness? If not what would be the process for creating and implementing them?
3. How can public awareness of ADU, DADU and Co-housing be increased? How can the desirability of these housing types be marketed to target demographic? How can financing challenges be overcome?
4. How can housing policy be adjusted to support solutions? What opportunities exist to influence/adjust current adoption process?

# Market Responses

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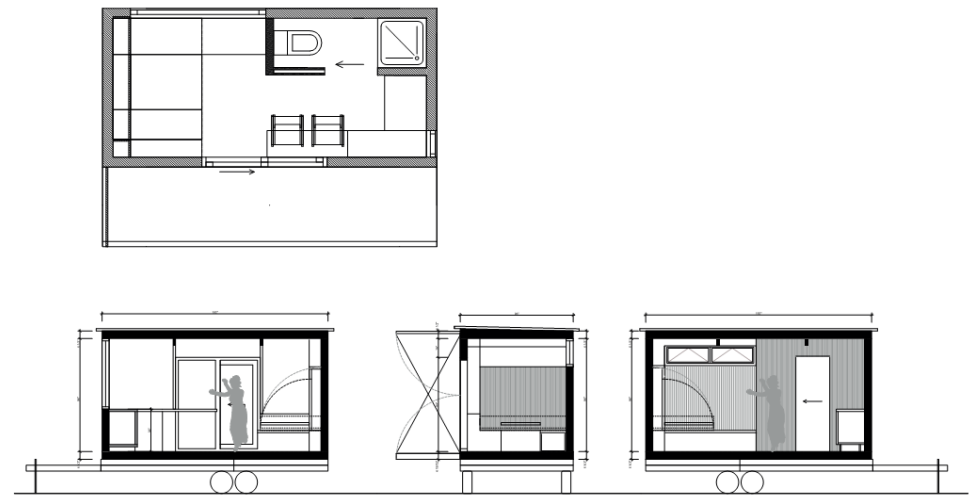
BYRU - BACKYARD RENTAL UNIT



SKETCHES

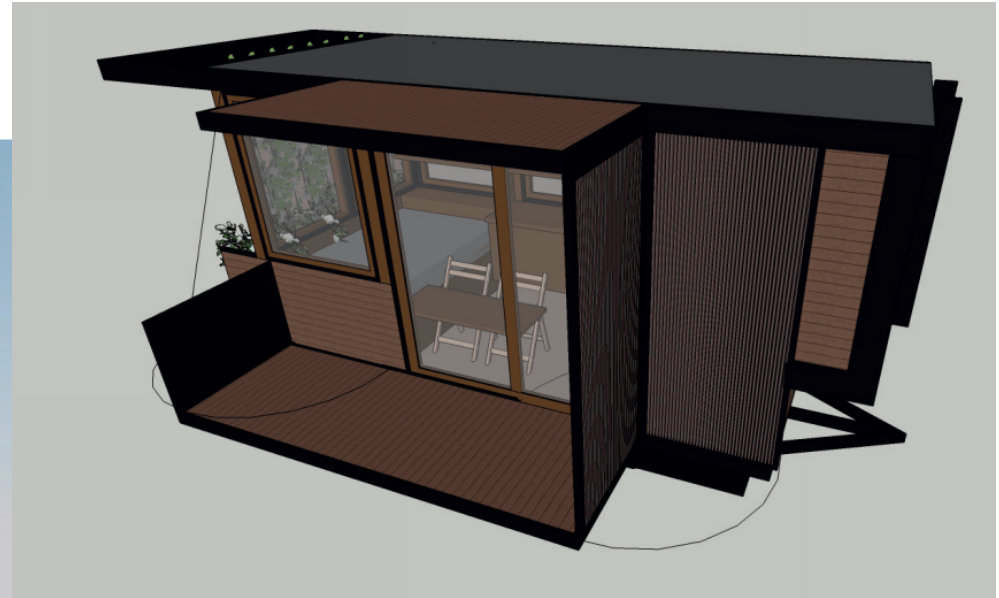
BYRU - BACKYARD RENTAL UNIT

SKETCHES



# Market Responses

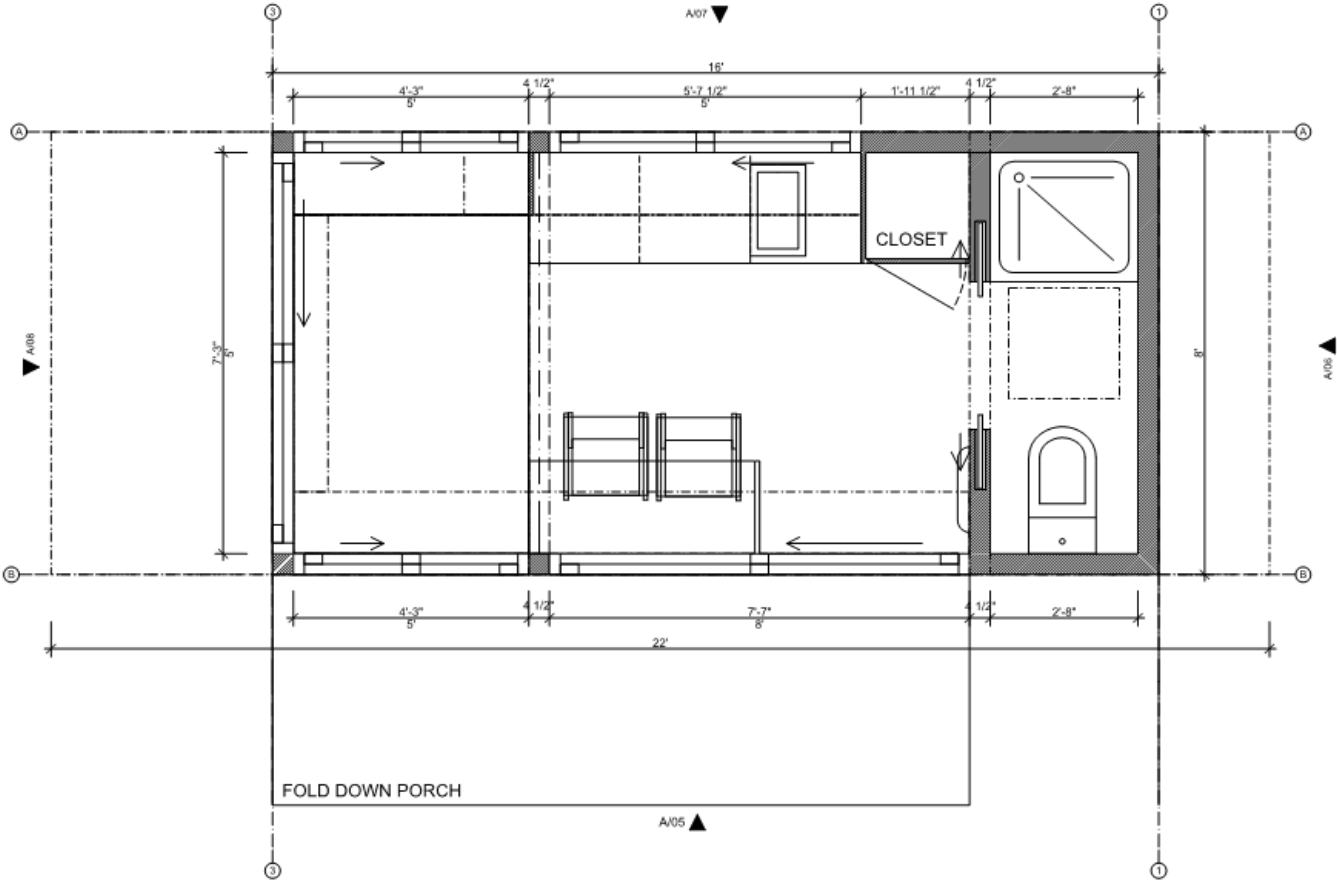
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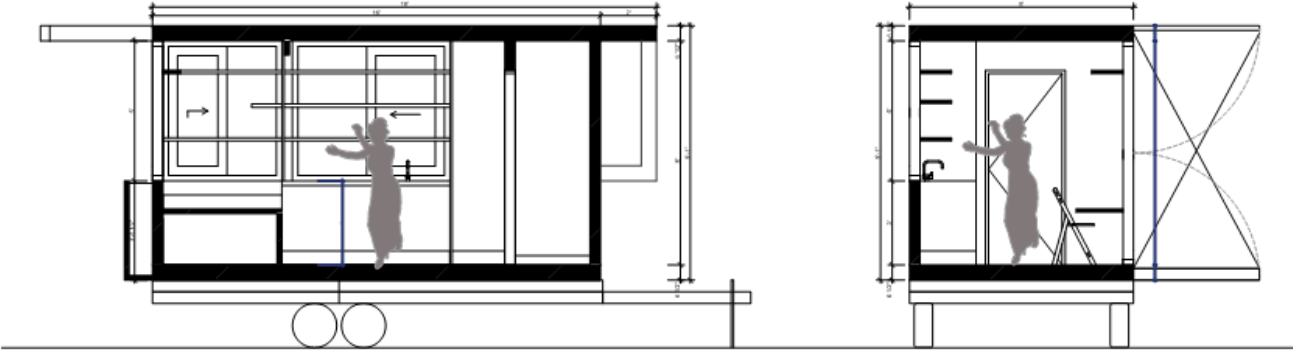
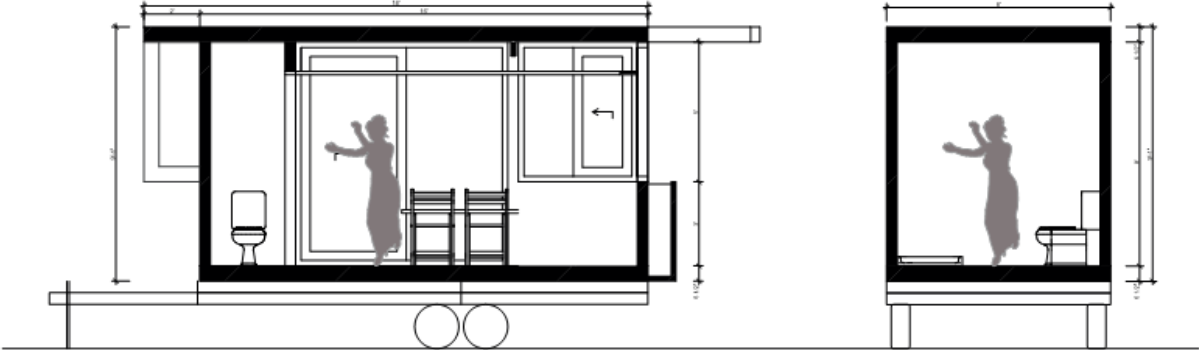
BYRU - BACKYARD RENTAL UNIT

FLOOR PLAN



BYRU - BACKYARD RENTAL UNIT

SECTIONS



# Market Responses

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**Cohousing** is an intentional **community** of private homes clustered around shared space. Each attached or single family home has traditional amenities, including a private kitchen.



# Market Responses

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Co-housing communities



# FURTHER ACTIONS FROM FORUM TOPICS:

- Cities / ARCH – Sewer capacity surcharge – Include King County Council in this discussion. Recommend elimination /reduction of surcharge for this housing type?
- Finance / Mortgage Brokers / WMBA – Review / revise underwriting criteria? Senator Patty Murray’s office has been contacted and is interested in participating
- Realtors – Can housing with an ADU be created as a condominium so that the housing cost of each unit is reduced?
- Architect / Design - Can public awareness of the benefits of ADU housing be increased by a design competition or other public discussion of the issue?