

SKHHP Advisory Board September 7, 2023 MINUTES

I. CALL TO ORDER

Dorsol Plants called the meeting to order at 3:34 pm.

II. ROLL CALL/ESTABLISHMENT OF QUORUM

Advisory Board members present: Andrew Calkins, Uche Okezie, Ryan Disch-Guzman, Bambi Chavez, Menka Soni, Maju Qureshi, Dr. Linda Smith, Cathy Sisk, Ziquora Banks

Other attendees: Claire Vanessa Goodwin, SKHHP; Dorsol Plants, SKHHP; Abby Anderson, KCRHA; Kristen Holdsworth, City of Kent; Kaelene Nobis, City of Kent; Daphne Hernandez, City of Covington; Cobie Sparks-Howard, MSC.

III. August 3, 2023, MEETING MINUTES

Motion to approve August 3, 2023 Minutes by Dr. Linda Smith, Second by Maju Qureshi. (9-0)

IV. SKHHP EXECUTIVE BOARD UPDATE FROM ADVISORY BOARD LIAISON

Maju Qureshi provided an update from the August SKHHP Executive Board meeting. Claire Goodwin did a presentation on the SKHHP legislative priorities and goals. Feedback was provided to SKHHP staff on a one-page flyer reviewing SKHHP and our legislative priorities. Maju Qureshi suggested that the Executive Board share the flyer with legislative aides to help tailor it to the correct audience.

V. HOUSING UPDATE FROM THE CITY OF KENT

Kristen Holdsworth, Long Range Planning Manager for the City of Kent, provided a brief overview of housing needs in Kent. Kent is actively engaged in its Comprehensive Plan work, a document and guide that integrates housing, parks, and transportation. It will guide growth over the next twenty years. This work is done in collaboration with the State Growth Management Act, Multi-county planning policies, and King County-wide planning policies. The local development regulations done by the City of Kent are where this process begins to impact and work on projects directly.

Kent is a 'lung-shaped' city in the central area of South King County. There is an industrial and downtown valley separating two residential areas which make up the city's layout. Almost all the land available to annex in the Urban Growth Area has been annexed as the city has had a regular growth pattern over the last ten to twenty years. The annexation of land brings unique challenges as most of the development has followed rural development standards and land use purposes, and as the land is brought into the city, it must be retrofitted to align with the more urban environment. Examples include roadways not featuring sidewalks and not initially designed to support pedestrian traffic.

Downtown Kent features a Sounder station and some Sound Transit and Bus Rapid Transit (BRT). The city will soon have two Sound Transit Link Light Rail stations connecting the city with the greater region. Since the early 2000s, Kent has planned to build new housing around the incoming transit, including the Midway Subarea Plan and the Downtown Subarea Action Plan. Kent has two identified regional growth areas, including the Downtown area. Kent is a central industrial hub for the entire Puget Sound Region, located between the Port of Seattle and Tacoma.

Work on the Comprehensive Plan began in early 2023 with a kick-off event and environmental scoping. The city is currently working on connecting with the community to receive direct feedback. Kent is also working to update its data, conducting a housing need and a racial equity analysis to understand the current conditions in the city better. Kent staff have been dedicated to meeting and involving the community and have gone to

community events, farmer's markets, and a teddy bear clinic. Kent also hosted "Games of Jobs and Homes" events where community members could directly demonstrate where they wanted growth in the city. Staff is actively reviewing all this collected information to develop the three land use scenarios for future growth analysis. The Comprehensive Plan Update must be completed by the end of 2024.

Kent is a city of 139,100 people with 50,362 housing units ranging from single-family homes to larger podium structures and the many different types between. Kent is a considerable job center and has 77,028 jobs. This means that during the day, a large population comes to the city for work, which adds to transportation considerations. Compared to the rest of King County, Kent has a more significant percentage of people who speak another language and a higher rate of foreign-born residents. This has led the city to have a larger average family size compared to King County, as more multi-generational households reside there. Kent's median home value is lower than King County, and the city has been a source of naturally occurring affordable housing (NOAH) in our region.

Kent is a plurality city, meaning no one racial group makes up most of the population. Home values vary throughout the city, with one area's homes having a value of around \$48,529 next to an area with homes valued at \$129,044 - \$172,587.

The state provides estimates for the housing and jobs a jurisdiction needs the capacity to support. Kent will need 10,200 new housing units and 32,000 new jobs by 2044 to meet the assessed need. This matches the linear projections the city has been meeting over the past five years, and the city appears well prepared to meet the housing and jobs target. HB 1220 was a change to the housing assessment to include not just housing needed but housing needed by income. Kent is unique in its high demand for 0-30% AMI (28%) and Greater than 120% AMI (44%) but has been meeting the housing needs for incomes from 30-120% AMI. Including recent permit issues, the city will have already met the 30-50% AMI needs.

One challenge the city has identified and is working with is the desire to see more mixed-income developments. Mixed-income development can meet a broader range of AMI and benefit the participants. Current funding models do not favor mixed-income development and support the maximum number of affordable units in one project. The city is advocating funders for the need to invest more in mixed-income development.

Kent has one of the first rental housing inspection programs in South King County, which was adopted in 2018. The city was divided into three areas, with inspections broken down by year, and all multifamily rentals in the area were inspected. Tenants do receive notification that they are in an inspection year and are asked if repairs are needed. A third-party rental inspection company inspects 20% of the units on site that are randomly selected and reviews all the common areas and exteriors. After five cycles, all units in an area of the city will have been inspected.

Kent has been updating and reviewing its housing policies as part of the comprehensive plan. One example is a recent update to the city's Accessory Dwelling Unit (ADU) code, which was adopted before HB 1337, and the city is entirely in compliance except for the design review standard component. Kent undertook work to reduce the cost of utility hook-up fees as one example of how they are incentivizing ADU development. The city had previously required ADUs to have separate utilities and allowing shared utilities enables potential savings of \$40,000.

During the 2023 Washington State Legislative session, housing work relating to the City of Kent can be broken down into two categories: Permit Timelines and Streamlining and Supply. Kent has led the region in reducing permit timelines and streamlining the process. The majority of the city's work is related to increasing the housing supply. HB 1042, which allows for converting any existing commercial structure to housing if it is already in an area zoned for multifamily housing, is one area of focus for the city.

The next steps on housing for the city include interim and near-term code updates until January 2025. The 2044 Comprehensive Plan must be adopted in 2024, and planning codes related to the Comprehensive Plan

are due by June 2025. The city is still seeking community engagement to involve the residents throughout the process.

Bambi Chavez asked if the city had drafted their Environmental Impact Statement. Kristen Holdsworth responded that the city has done its scoping work and released the notice for public comment. The draft statement will likely be released in late Q2 of 2024.

Maju Qureshi asked about the information sessions with the residents, how they had gone, and how MSC could help get the word out. Kristen Holdsworth responded that there are two videos in English but with captions in the six most spoken languages in Kent that have been released via social media. Handouts have also been prepared in those languages to raise awareness. During phase two of engagement, the city hopes to engage with more community providers to help gather feedback and information from the community.

VI. HOUSING UPDATE FROM THE CITY OF COVINGTON

Dafne Hernandez, Associate Planner for the City of Covington, provided a brief overview of housing needs in Covington. In 2021, the estimated population of Covington was around 20,000 people, and it is one of the smaller cities in South King County. Covington is expected to grow by 4,310 households over the next twenty years, an increase of 60% compared to the estimate in 2021. The income distribution of the housing needed by 2044 is split between households earning 0-30% AMI and households earning above 100% AMI.

Covington just completed a community housing assessment, which provides statistics on the community's appearance. Three main findings from the assessment included discovering a possible housing gap for residents in their 20-30s, which may relate to a lack of housing options available, such as one- or two-bedroom rentals. Another finding was that one in five of Covington's households is housing cost burdened. Finally, there is a growing need for accessible housing for seniors and disabilities. Roughly 12% of Covington residents live with some form of disability.

As of 2021, there are an estimated 7,005 households, with 81% owned and 19% rentals. The average household size in Covington rounded up is three people. Compared to King County, Covington has more households with children but about the same senior citizens. The median household income for renters in 2021 was around \$78,000, and for homeowners was \$119,000, which is higher than King County.

Another finding from the community housing assessment was that the majority of Covington housing was created in 1960 or later. This means most of the housing was built after the Fair Housing Act, which prohibited racial discrimination in housing. Covington's density profile differs from the rest of King County in that most homes are single units. Only 6% of housing in Covington is considered multifamily or has more than one unit. Covington has 300 income-restricted housing units, with most serving 50-80% AMI. Only four units are available for 0-30% income in the city. Covington only has two large apartment complexes, and both were constructed using Multifamily Tax Exemption (MFTE).

Lakepointe Urban Village is a twenty-year development agreement between the city and the developer on land use. Lakepointe is 1,320,000 Sq Ft with over 1,700 commercial retail units and will have green and community space. There is no affordable housing requirement, and the site is not included in the MFTE program. The developer could return and ask the City Council to have them, but it would be developer lead.

In 2021, Covington updated their downtown and converted it to be designed using Form-Based Code. From-based code helps promote housing variety and affordability by modernizing design standards. This is a shift from Conventional Zoning and Zoning Design Guidelines, which the city had been using previously. This process will be used to convert an old Elementary School into a new town center with a focus on form and use instead of setbacks or floor area ratios. Traditionally, Form-Based Code has been applied to historical downtowns; Covington is newer and doesn't have a town center, which was a priority for the residents.

Bambi Chavez asked if Covington became a city in 1997 and asked where the city is in developing its town center. Daphne Hernadez confirmed that the city was incorporated in 1997, and the city is working with the Economic Development Commission to help drive the development of the town center.

Andrew Calkins asked about affordability requirements for the Lakepointe Urban Village. Daphne Hernadez responded that the vested agreement does not have any affordability requirements.

Ryan Disch-Guzman asked if Covington feels they are getting adequate support from the County as a rural city needing to build up its infrastructure quickly as the county grows. Daphne Hernadez responded that the city has different resources than the bigger cities, so they observe policy solutions that do not work for smaller jurisdictions. There is a fine line between keeping the community intact and providing resources when a city lacks the resources to provide support. There has been discussion to bring back affordability incentives in the Form-Based Code for downtown development. Being a part of SKHHP and getting regional information back to the City Council has been helpful. Covington has also been asked to be part of the work on HB 1110 to bring the voice of smaller cities to the broader conversation.

VII. HOUSING CAPITAL APPLICATION UPDATE

Dorsol Plants provided an update on the Housing Capital Fund applications. SKHHP staff held ten preapplication meetings with eight projects intending to submit applications in 2023. Two projects have decided to wait to apply in the 2024 funding cycle. The applicants are a mix of rental and homeownership opportunities, with the majority being rental projects. Two potential applications will be preservation, and the other six will be new development. Projects are geographically diverse and include Burien, Sea-Tac, Kent, and unincorporated King County. The October and November Advisory Board meetings will be a full review of the applications and develop a recommendation to the Executive Board for funding. The total request would be between \$13-15 million if all potential applicants apply. Applications are due by September 15, 2023. Claire Goodwin added that no one on the Executive Board thought SKHHP would be this far in the process, and there is a great sense of pride and excitement. SKHHP staff are working on the best strategy to disseminate the application materials to the Advisory Board for review. The goal is to allow the board to review the entire application, and SKHHP staff will also provide a summary of the information on each project. Project applicants will be invited to the SKHHP October meeting to answer any questions that may have come up during the application review.

Bambi Chavez asked for more details about the presentation to help avoid bias in decision-making. Claire Goodwin responded that the concern is valid so that SKHHP staff will present the projects to the Advisory Board, and the project sponsor is only there to answer questions, not in the application materials. Since there is a quick turnaround time to review applications, having them present for questions will help the process. There is a possibility that the Advisory Board will have to schedule additional time outside the standard meeting time to meet the review deadline.

VIII. ADVISORY BOARD RECRUITMENT UPDATE

Dorsol Plants provided a quick update on the Advisory Board Recruitment process. We have received eleven applicants; six are organizations, and five are community members. Three additional organizations are meeting with SKHHP staff in September to discuss applying. The Advisory Board has five open positions and is still finalizing the interview process details. Maju Qureshi has volunteered to help with the interview process.

IX. UPDATES & ANNOUNCEMENTS

Dorsol Plants reminded the Advisory Board of the importance of the October and November meeting to review and make a recommendation for the Housing Capital Fund.

X. CLOSING/ADJOURN

The meeting adjourned at 5:07 pm.

DP