

Planning Policy Commission
8-24-17

**CITY OF ISSAQUAH
PLANNING POLICY COMMISSION
MINUTES**

August 24, 2017

City Hall South
Council Chambers

135 E. Sunset Way
Issaquah, WA 98027

PPC MEMBERS PRESENT

Joan Probala, Chair
Ron Faul, Vice Chair
Joy Lewis
AJ McGauley, Alt.
Troy Rahmig

STAFF/OTHERS PRESENT

Trish Heinonen, Long-Range Planning Manager
Arthur Sullivan, Program Manager, ARCH

CALL TO ORDER

PROBALA, Chair, called the meeting to order at 6:35 PM.

APPROVAL OF MINUTES

MOVED BY FAUL, SECONDED BY McGAULEY, that minutes of the PPC meeting on July 13, 2017 be approved as presented. MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING: PROPOSED HOUSING STRATEGY

Heinonen introduced the draft Housing Strategy that is the result of activities the City has undertaken to address housing problems in the City. She discussed the purpose of the Housing Strategy; an overview of the process; mission and problem statements; nine proposed strategies; “unpacking” the strategies; and next steps, leading to final Council approval of a Housing Strategy for the City. Her presentation highlighted information in the agenda packet, including observations and data; information from the focus groups and surveys; the final housing implementation vision that came from the Joint Commission’s work on a housing vision for the City; the three problem statements; and the nine housing strategies.

McGAULEY asked whether the nine housing strategies are ordered in any particular way. Heinonen replied no. She continued her presentation on the description and policy issues and/or questions for each of the nine strategies. McGAULEY asked will there be an additional process and discussions to define what actions would be taken for each of the policy issues and questions. Heinonen replied yes. PROBALA asked will that level of detail come to PPC for additional discussion. Heinonen replied yes.

FAUL asked why the policy questions are posed as questions rather than statements. Heinonen explained they will be rewritten as statements in the draft that is presented to Council. Sullivan said the policy questions are the result of working on these questions in the past, listening to conversations with focus groups, the work of the Joint Commission, and so on. We presented them as questions to the City Council at a recent work session, but it is our intention to recast them as affirmative statements. Heinonen noted the answers to the questions may give us more ideas for implementation.

LEWIS asked whether staff found that the proposed set of policy questions and strategies turned out to be significantly different from the first discussions on a potential housing strategy. In other words, how did thinking evolve as a result of the public outreach, work by the Joint

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Commission, and so on, she asked. Heinonen said we had an estimated 50 possible strategies on the table, which were narrowed to these nine. In the beginning, staff had a sense that three or four of them might end up in the final proposal, but the others came organically from talking to people in the focus groups, the on-line survey, and the work of the Joint Commission.

LEWIS asked for details about what “develop implementation plans and timelines” means in terms of the PPC and public input. Heinonen said staff would develop the timeline; the other details would require more outreach and input, especially Strategy #9, which focuses on on seniors, homeless/transition housing and special needs populations.

LEWIS asked about a possible extension of the City’s current moratorium. Heinonen explained that the Council has already taken action to lift the moratorium at the end of 2017 (12-31-17). LEWIS asked whether there have been any discussions by the Council or City about additional resources to finish these important strategies that will be impacted by lifting the moratorium. Heinonen replied the Administration will be asking for resources in 2018, but the budget deliberations for next year have not yet started.

Heinonen continued with the contents of the Appendix to the proposed Housing Strategy. McGAULEY asked about any new units in the pipeline. Heinonen referred to a chart on page 13, “Housing Forecast,” which reflects how the City is estimated to grow by 2031. LEWIS asked are spaces available for housing development referred to in the strategies located in urban villages or in Central Issaquah? Heinonen said the assumption is that the majority of additional housing be developed in Central Issaquah, however some strategies, such as Accessory Dwelling Units (ADUs) may be appropriate for other areas of the City.

Heinonen concluded her presentation with the next steps in the process, including a tentatively scheduled public hearing on October 26 for PPC to review and make a recommendation to Council on Central Issaquah inclusionary zoning (Strategy #6.1, page 21).

PROBALA said she understands that this effort represents a huge undertaking for the City. She continued she is a little concerned that the majority of this growth is projected for Central Issaquah, but Central Issaquah is mostly individual homes, without much available land. She questioned where all the growth will go, and said she would like to see a plan for Central Issaquah that shows where it will all fit. She also added her concern that in Strategy #3, there has to be some kind of provision that people who purchase affordable homes are limited as to how much they can sell the home for. She referred to areas in the Highlands where people purchased \$300,000 homes and turned around and sold them for \$500,000.

PUBLIC COMMENT

PROBALA opened the public hearing for public comment at 7:05 PM.

Randy Bannecker, Seattle-King County Realtors, 12410 SE 32nd Street, Suite 100, Bellevue, distributed a letter to Commissioners that gave his views on the proposed strategies. Among his comments were the following. The chief focus of the City needs to be on how the City will use zoning to enable a new housing supply. Removing barriers to ADUs creates potential rental opportunities, and offers particular advantages to senior home owners. He said limiting and mitigating teardowns in established neighborhoods is difficult to accomplish and he does not favor that approach. Retaining affordable multifamily projects can be a cost-effective strategy. Identifying additional funding options should be regional or citywide, rather than narrowly focused on new construction. He encouraged the City to offer the multifamily tax exemption program. The City should facilitate its densest zoning to facilitate transit-oriented development.

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Developer-provided affordable housing is misleading because the ultimate payer is the buyer of the market-rate housing unit, and in general is not economically feasible. He said he would love to work with the City to address condominium liability, which is a statewide problem. He spoke in favor of code provisions to increase alternative, smaller housing types that would be affordable to a wide range of buyers. He said it is important to identify, and quantify, who and how many people are in need of direct assistance and develop a plan to address those needs.

PROBALA asked for Mr. Bannecker's perspective on what other nearby cities are doing. He replied Bellevue has pursued some multifamily housing projects with aggressive height allowances. He acknowledged that Issaquah doesn't want to become a downtown Bellevue, but said it's wise to look out 50 years, not just 20 years, in thinking about zoning concepts. It is also important to think about how to develop your employment base. He said Kirkland has also figured out how to pivot off its downtown in terms of housing.

Karen Tennyson, a Redmond resident who was active on housing issues in the City of Kirkland for many years, gave examples of activities undertaken by Kirkland on zoning changes, innovative housing, and inclusionary housing. She said it is not possible to incentivize affordable housing enough to get developers to do it; a city has to make it inclusionary.

Elizabeth Maupin, Issaquah resident and Human Services Commission member, spoke in favor of having a City day center for residents who are homeless or on the edge of homelessness. She said doing so would give the City good opportunities to find out what the homeless population really needs and what obstacles exist that are keeping them from getting into more permanent housing. She said it would also help the City identify best practices for creating housing that people really want to live in and that meets their needs. We are so far behind on providing affordable housing, she continued. We need to integrate it into ways that allow all residents of diverse income levels to know and understand each other, and to live joyously in this community.

Steve Pereira, 170 NE Dogwood, Issaquah, offered comments on the Housing Strategies, including the following. He's not sure how ADUs really create affordable housing per se, and is not sure how great the benefits would be. He would like to see a 30-percent affordable housing concept, as was used in the Highlands, apply to new development in the Central Plan area. He favors extending the moratorium for the downtown area, specifically Olde Town, so that no more housing stock is lost. He would like to see funds raised through taxes to enable the City to reach its affordable housing goals.

Mary Lynch, 2690 Oakcrest Drive, Issaquah, raised her concern that the moratorium may be lifted before some of these things can be put in place. She noted that there is not a lot of available land in downtown; Olde Town tends to have smaller, older houses with lot lines of nearly zero. The quality of life for many downtown residents has gone down as they find themselves next to taller buildings. The City needs to look at zoning and decide whether it wants to keep downtown's character or just let it change. She also spoke of the need for more workforce housing, which would help alleviate traffic problems. She also said she would like to see all the strategies and policies become activated as soon as possible.

Peggy Foster, 2254 Newport Way NW, Issaquah resident and realtor, referred to her e-mail that was distributed to PPC prior to the meeting, and distributed a letter. She said she agreed with a lot of Mr. Bannecker's remarks. She gave highlights from her letter, including what is the City doing to educate residents about ADUs, or to provide incentives; there should be some allowances and incentives to create multifamily homes, like a duplex or triplex; the City should

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not tear down a perfectly usable home in order to replace it with a larger newer home; opportunities for co-housing and shared equity; inclusion of mixed-use space; and code provisions for allowing existing homes to be retrofitted as multifamily homes. She referred to how CoBuy can help facilitate co-housing and home ownership for more people.

Hearing no additional requests to speak, PROBALA closed the public comment period at 7:29 PM.

Commission Discussion

FAUL expressed his concern about the use of incentives, and said he thinks that affordable housing has to be mandated. Incentives would lead to increased property taxes, he continued, which in turn would make housing even more unaffordable for seniors and others.

LEWIS asked how does staff feel these strategies are addressing the homeless population in our community. Heinonen referred to Strategy #9, and said we don't know how these policies will work exactly because we haven't done the research yet. Sullivan said in thinking about how to provide housing for the homeless, it becomes apparent that there is an overlap with the need for other services in addition to housing. Strategy #9 tries to get at the complexity of homelessness, he continued, and described the efforts the City has undertaken in the past to address homelessness. LEWIS said she was hoping for something more concrete; this seems a little open and vague. Sullivan said we will get into more depth as we start to do more research on each policy question and strategy. He referred to regional and collective efforts to address homelessness, and said we can add those regional-level efforts to Strategy #9.

PROBALA added a slight charge is assessed when someone records a deed that a house has been sold, which is used for affordable housing revenue. She noted that ADUs may not be supportable in Central Issaquah because many dwellings are ramblers on small lots. A city like Bellevue, she continued, has large lots and room to spread out, so ADUs may make more sense there. She added she doesn't think it is fair to raise property taxes on everyone to support affordable housing.

RAHMIG suggested that staff prioritize the strategies, possibly listing those that will influence what comes in for permitting after the moratorium is lifted. Other Commissioners agreed. After additional discussion, the Commissioners suggested that staff prioritize the strategies, and further suggested that those strategies that impact code be given the highest priority, including Strategies #5 and #8.

MOVED BY McGAULEY, SECONDED BY RAHMIG that the Commission recommend to Council that the Housing Strategy, an action plan to be completely implemented in five years and focused on specific implementing actions to be taken within the next two years, be approved as an implementation strategy to the City's Comprehensive Plan. MOTION CARRIED UNANIMOUSLY.

LEWIS asked in how many languages is the Housing Strategies document available on the City's website. She said in the interest of outreach, she would encourage staff to seek ways to make the document available to all residents of our community. Heinonen made a note of it.

PROBALA said she hopes that those Strategies with corresponding code changes is put in place first so that the strategies can become executable.

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FAUL asked what can we do to help accelerate the process. Heinonen replied Commissioners can help by ensuring that adequate resources are allocated to do the work required to implement the policies, namely by becoming involved in the budget deliberations.

Sullivan noted we will try to incorporate comments made by the Commission at tonight's meeting into the transmittal letter that forwards your recommendation to the Council. The Commission discussed ways that the policies and strategies could be organized, such as indicating "code change," "public outreach," and so on to help readers navigate the document. FAUL also suggested that staff pursue any smaller, actionable items right away that are doable with current resources while pursuing additional resources. Staff made a note of it.

OTHER/ADJOURN

Heinonen said PPC's next meeting is August 31, and will be a public hearing on the draft Architectural Review and Urban Design Manual that the Development Commission has been working on with a consultant. The meeting will also include a public hearing on urban public schools, specifically a requirement for structured parking for a portion of the required parking. PPC is also scheduled to hold its annual Comprehensive Plan public hearing on September 14.

With no additional business to conduct, PROBALA adjourned the meeting at 7:59 PM.

Respectfully submitted,

Susan Lowe
Recording Secretary

(Note: Alternate Members did not vote at tonight's meeting as there was a quorum of Regular Members present.)