

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorizing the City Manager to Execute a Contract with Community Attributes, Inc. in the Amount of \$94,000 for Creation of a Housing Action Plan
<b>DEPARTMENT:</b>	Planning and Community Development
<b>PRESENTED BY:</b>	Nora Gierloff, Planning Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Staff is requesting that Council authorize the City Manager to execute a contract for development of a Housing Action Plan for Shoreline. A Department of Commerce Growth Management Services Grant will fund the \$94,000 cost of the Plan.

The grant funds will allow the City to hire Community Attributes, Inc. to complete the Housing Action Plan, which would include performing an analysis of existing housing conditions (Housing Needs Assessment), evaluating the effectiveness of the current housing incentives, identifying additional housing tools and types (Housing Toolkit), conducting public outreach, and developing a prioritized schedule of strategies to address community housing needs (Housing Action Plan). This work would also set the stage for an update to the Housing Element of the Comprehensive Plan, which is due to occur by June of 2023.

The work will occur over the next year as the grant agreement will expire on June 15, 2021. In accordance with the City's purchasing policies, Council authorization is required for staff to obligate funds exceeding \$50,000. Tonight, staff is seeking Council authorization for this contract with Community Attributes, Inc.

**FINANCIAL IMPACT:**

All in-house City staff work including project management, preparation and mailing of notices, meeting and open house attendance, review of deliverables, and grant management would be an in-kind contribution to the project. PCD does not currently have budget authority to spend the \$94,000 grant but that will be added to the next budget amendment.

If developing ordinances to allow cottage housing or tiny houses is identified as a recommended strategy in the Plan, some funding from the \$70,000 allocated to the Housing Options project could be used to develop ordinances tailored to Shoreline's needs. This would be a separate contract developed later in the planning process.

### **RECOMMENDATION**

Staff recommends that the Council move to authorize the City Manager to execute a contract with Community Attributes, Inc. for \$94,000 for creation of a Housing Action Plan for Shoreline.

Approved By:        City Manager ***DT***    City Attorney ***MK***

## **BACKGROUND**

As of 2017, over one-third of Shoreline's households paid 30% or more of their income for housing costs. Among renters, 43% are cost burdened, with 22% extremely cost burdened, and among homeowners, 29% are cost burdened, with 10% extremely burdened. The vast majority of the new housing under construction in Shoreline is higher cost townhouses and rental apartments, so these cost-burdened numbers will likely increase without action to increase affordable housing preservation and production. Shoreline has adopted a progressive set of regulations and incentives for housing in its station areas and has seen rapid redevelopment as a result.

To begin to further assess Shoreline's housing challenges and needs, staff applied for a competitive Department of Commerce grant on September 30, 2019 to help the City develop a Housing Action Plan. Notification of the grant offer was received on November 6, 2019, and the grant agreement will expire on June 30, 2021.

The grant funds will allow the City to hire a consultant to complete a Housing Action Plan that would include performing a deeper analysis of existing housing conditions (Housing Needs Assessment), evaluating the effectiveness of the current incentives, identifying additional housing tools and types (Housing Toolkit), expanding public outreach efforts, and developing a prioritized schedule of strategies to address community housing needs (Housing Action Plan). This work would also set the stage for an update to the Housing Element of the Comprehensive Plan, which is due to occur by 2023.

The Action Plan will evaluate the effectiveness of incentives and regulations and make recommendations for fine tuning or adding additional tools. The Plan will also explore how to ensure that the current rapid growth in the City's housing stock does not leave out our cost-burdened residents, including those in the "missing middle" earning 80% to 120% of the King County Area Median Income (AMI). The Council has specifically mentioned cottages, tiny houses and more options for ADUs as areas to explore. By developing options for additional housing types for densities between single family and mid-rise apartments Shoreline could diversify its housing stock and promote infill in lower density residential zones.

## **DISCUSSION**

Staff is requesting that Council authorize the City Manager to execute a contract for development of the Housing Action Plan. To select a qualified consultant for this work, the City issued a Request for Proposals (RFP) and received four responses. City staff interviewed three of the consultant teams, and ultimately selected Community Attributes, Inc. (CAI) as the best qualified for the project. CAI has expertise in working with demographic, income and property data, facilitating public outreach and analyzing housing policy.

The proposed Scope of Work for CAI's contract is attached to this staff report as Attachment A. In accordance with the City's purchasing policies, Council authorization is required for contracts exceeding \$50,000.

### **COUNCIL GOAL(S) ADDRESSED**

This project helps to implement City Council Goal 1: Strengthen Shoreline's economic climate and opportunities. The Council goals include an action step of "Encourage affordable housing development in Shoreline and engage the community to determine which additional housing types and policies may be appropriate for Shoreline and codify standards for selected styles."

### **FINANCIAL IMPACT**

All in-house City staff work including project management, preparation and mailing of notices, meeting and open house attendance, review of deliverables, and grant management would be an in-kind contribution to the project. PCD does not currently have budget authority to spend the \$94,000 grant but that will be added to the next budget amendment.

If developing ordinances to allow cottage housing or tiny houses is identified as a recommended strategy in the Plan, some funding from the \$70,000 allocated to the Housing Options project could be used to develop ordinances tailored to Shoreline's needs. This would be a separate contract developed later in the planning process.

### **RECOMMENDATION**

Staff recommends that the Council move to authorize the City Manager to execute a contract with Community Attributes, Inc. for \$94,000 for creation of a Housing Action Plan for Shoreline.

### **ATTACHMENTS**

Attachment A: Community Attributes, Inc. Scope of Work and Compensation

# Attachment A. Scope of Work and Compensation

## Shoreline Housing Action Plan

*February 6, 2020*

### Action 1. Housing Needs Assessment

#### Task 1.1. Document Current Conditions

CAI will update Shoreline's Housing Element Supporting Analysis. The purpose of this report is to provide all background data and analysis required to update the Housing Element of the Comprehensive Plan and inform the Housing Action Plan. The topic areas currently included in the report are:

- **Housing Inventory.** Basic count of Shoreline's housing units by type, age and size.
- **Special Needs Housing.** Basic count of Shoreline's group quarters identified in Census data, total assisted units, and emergency and transitional housing units.
- **Housing Tenure and Vacancy.** Change in housing tenure, household size, and other household characteristics over time.
- **Housing Issues.** Current distribution of households by income level, "affordability gap", sale prices and rents, market segmentation by neighborhood, and homelessness.

In addition to updating existing data where possible, this analysis will add deeper analysis on household cost burden by income level, both homeowners and renters. The analysis will also include an inventory of existing assisted housing, as identified in existing HUD datasets, including housing for special needs populations such as seniors and people with disabilities.

CAI will provide a deeper analysis of the income levels associated with Shoreline's major industries. This will include data on people who work in Shoreline but do not live in the City.

The existing report identifies several housing submarkets within the City. CAI will map current King County Assessor's data and analyze home price segmentation changes to determine how these submarkets may have changed. CAI will also gather market data on Shoreline's rental housing stock from Zillow, Redfin, and other sources, as appropriate.

The "Housing Issues" section will also be updated to reflect current market conditions and housing issues.

## **Task 1.2. Analyze Population and Employment Trends**

CAI will review and analyze:

- Recent population growth trends to understand how Shoreline has been growing compared to its planning assumptions
- Population segments served by recent housing development
- Population and employment projections to assess future housing needs, segmented by tenure, type, and price level
- Underserved categories such as senior independent and assisted living

## **Task 1.3. Draft and Final Housing Needs Assessment**

CAI will compile analysis from Tasks 1.1 and 1.2 into a Draft Housing Needs Assessment. The purpose of this assessment is to describe Shoreline's housing needs to be addressed in subsequent tasks.

CAI will respond to one consolidated round of client comments on the draft to produce the Final Housing Needs Assessment. CAI will provide all data used in the analysis in a well-organized format to allow for ease in updating the data at a later date. This will include the native form of any exhibits embedded in the report.

As part of Action 1., CAI will facilitate an in-person kickoff meeting, with assistance of BDS, to complete introductions, discuss project scope and schedule, data needs, and key project priorities.

### **Deliverables**

- 1A. Kick Off meeting and support
- 1B. Complete data sets with source citations
- 1C. Draft Housing Needs Assessment
- 1D. Final Housing Needs Assessment

## **Action 2. Housing Toolkit to Address Unmet Housing Needs**

### **Task 2.1. Analyze Existing Housing Regulations and Incentives**

To best understand which housing needs are receiving adequate attention and which needs require additional tools, CAI will:

- Review existing affordable housing regulations and incentives such as MFTE, parking reductions, density bonuses, height increases and fee waivers

- Assess outcomes of current efforts, including the number of affordable units produced by income level
- Understand the population segments and housing types encouraged by current policies
- Compare current regulations and incentives to housing needs, as determined through the Housing Needs Assessment

### **Task 2.2. Recommend New Tools**

CAI will work with the City to establish priorities and understand the types of tools it wants to consider, such as incentives, public-private partnerships, and development code changes. Based on the areas of need identified in Task 2.1, CAI will assemble options to serve these needs, including new programs or incentives, changes to existing programs or incentives, and partnership opportunities. Include specific recommendations for “missing middle” housing types including:

- Cottage housing
- Tiny houses
- Small lot single family/single family condominium
- Revisions to ADU regulations

### **Task 2.3. Identify Strategies to Minimize Displacement**

CAI will analyze Shoreline’s neighborhoods to understand areas of the greatest displacement risk. This will include the demographic and social characteristics of households at risk of displacement as well as their proximity to jobs, schools, transit, and other essential services. CAI will identify specific strategies to serve Shoreline’s most vulnerable populations.

### **Task 2.4. Draft and Final Housing Toolkit**

CAI will compile analysis from Tasks 2.1-2.3 into a Draft Housing Toolkit. The Toolkit will provide high-level guidance on when each tool is useful, such as the general income level targeted and populations served. The Toolkit will make use of graphics, diagrams or other means to communicate regulatory concepts to a non-technical audience. CAI will respond to a consolidated round of client comments on the draft to produce a public review draft, and then incorporate Planning Commission edits for a PC Draft Housing Toolkit

### **Deliverables**

- 2A. Staff Draft Housing Toolkit
- 2B. Public Review Draft Housing Toolkit
- 2C. PC Draft Housing Toolkit

## **Action 3. Review Housing Element**

### **Task 3.1. Review Current Housing Element**

CAI will review the City's current Comprehensive Plan Housing Element and assess its goals for alignment with the Housing Needs Assessment. Any existing data in the Element will be updated.

### **Task 3.2. Draft Housing Element Update Recommendations**

CAI will suggest revisions to better serve the needs of all economic segments of Shoreline's population. These revisions will be informed by the Housing Needs Assessment, stakeholder outreach, and findings from developing the Housing Toolkit. CAI will provide a draft editable document for the City to finalize.

### **Deliverables**

- 3. Draft Housing Element Update Recommendations

## **Action 4. Public Outreach and Input**

### **Task 4.1. Communication Plan**

BDS will develop a project communications plan in consultation with City staff. This plan will identify stakeholders and engagement methods.

### **Task 4.2. Technical Advisory Group Meetings**

BDS will work with City staff to convene a Technical Advisory Group. This group will help develop plans to engage the public. The Technical Advisory Group should be a group with deep knowledge of Shoreline's housing market and important local stakeholders.

Technical Advisory Group meetings will be scheduled to gather input for draft deliverables.

### **Task 4.3. Stakeholder Focus Groups**

BDS will work with the Technical Advisory Group and City staff to identify critical stakeholders to engage. BDS will meet with them in focus groups and through other means to meet stakeholders where they are. The focus groups will be scheduled to allow CAI to incorporate feedback into the housing toolkit and action plan.

### **Task 4.4. Online Community Survey**

BDS and CAI will work with City staff to develop an online survey for the broad community not engaged in focus groups. CAI will design the notice postcard and City staff will distribute the postcard and advertise the survey through additional methods.



#### **Task 4.5. Visual Communication**

CAST will model proposed recommendations developed in the Housing Action Plan process, then use input from policy makers, the community, and development professionals to improve the built form. CAST will test the boundaries and critical thresholds of what would be allowed and model street-level changes with easy to understand illustrations to raise public understanding and support for changes.

#### **Task 4.6. Stakeholder Input Summary**

BDS will summarize stakeholder feedback in a document for internal review, noting important implications for all forthcoming project deliverables.

#### **Meetings**

The number of meetings and outreach will be determined during early phases on the contract work.

#### **Deliverables**

- 4A. Communication Plan
- 4B. Online Community Survey
- 4C. Models of Recommendations
- 4D. Stakeholder Input Summary

### **Action 5. Housing Action Plan**

#### **Task 5.1. Summary of Findings**

CAI will summarize the key analysis, comments, issues, and recommendations from all previous tasks. This report will be approachable and formatted to be visually engaging for those with less housing experience, and comprehensive and data-rich for official use.

#### **Task 5.2. Non-Project SEPA Analysis**

CAI will work with City staff to gather all information required to complete the non-project SEPA checklist. This scope and budget presumes that no additional environmental or other technical analysis will be required. We will screen and determine whether additional technical work will be necessary (not scoped).

#### **Task 5.3. Recommended Actions**

CAI will develop implementation-focused housing actions that are appropriate for Shoreline's needs. We will identify the entity responsible for each action, the general timeframe for implementation and level of public investment required.

#### **Task 5.4. Draft and Final Housing Action Plan**

CAI will develop a preliminary draft Action Plan for the City's internal review. CAI will incorporate one round of consolidated edits from the City into a Public Review Draft Action Plan. The City will compile comments to be addressed by the public, City Council, and others, and CAI will prepare a Final Housing Action Plan.

#### **Meetings**

- One in-person kickoff meeting
- Regular phone or in person check-ins between CAI and City project managers
- Up to four presentations to the Planning Commission and/or City Council

#### **Deliverables**

- 5A. Preliminary Draft Housing Action Plan
- 5B. Public Review Draft Housing Action Plan
- 5C. Final Housing Action Plan

## Compensation

Action		Costs
1	Housing Needs Assessment	\$11,800
2	Housing Toolkit	\$24,000
3	Review Housing Element	\$9,000
4	Public Outreach and Input	\$21,000
5	Housing Action Plan	\$28,200
Total Budget		\$94,000