



Land Use & Environment Committee

Scope of Review of City Regulations and Fees to Reduce Effects on Housing Costs

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Title

Scope of Review of City Regulations and Fees to Reduce Effects on Housing Costs

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss a scope of review of specific City regulations and fees for their effects on housing costs, particularly for households at approximately 80-120 percent of Area Median Income (AMI). Direct staff to initiate the review and report back to the Committee.

Report

Issue:

Whether to discuss ways the City of Olympia can address costs of construction and rehabilitation of 'workforce' housing. For purposes of this discussion workforce housing means households at approximately 80-120 percent of Area Median Income (AMI). Those households include younger wage earners, teachers, retail employees and many others who have been increasingly housing-cost burdened.

Staff Contact:

Leonard Bauer, Interim Director, Community Planning & Development, 360.753.8206

Presenter(s):

Leonard Bauer, Interim Director, Community Planning & Development
Rich Hoey, Director, Public Works

Background and Analysis:

The City of Olympia has adopted a variety of tools, incentives and programs designed to support a variety of housing production at a broad range of income levels. These include:

- 1. Reducing effects on the cost of housing construction through changes to fees and regulations**, such as reduced impact fees for smaller housing types and those with low incomes
- 2. Creating direct incentives intended to stimulate additional housing construction**, such

as height bonuses and the Multifamily Tax Exemption program.

The Committee received a briefing on existing and potential additional City tools to address housing costs at its March 21, 2019, meeting.

On August 12, 2019, the Committee held two study sessions with local producers of housing to better understand which potential City actions might effectively stimulate additional housing construction. The two study sessions focused on low-income housing (below 80 percent AMI) and moderate-income housing (80-120 percent AMI), respectively. Following the study sessions, the Committee held additional discussion at its September 19, 2019, meeting and directed staff to recommend specific tools that the City can focus on to address housing costs.

At today's meeting, the Committee will receive and consider staff's recommended scope of review of regulations and fees that have the highest potential to address the costs of producing housing for moderate-income households. At future meetings, the Committee will also consider potential specific, direct incentives for housing production.

Neighborhood/Community Interests (if known):

Housing costs continue to rise faster than wages in Olympia and Thurston County. New housing development is concerning to some residents.

Options:

1. Discuss the draft scope of review and direct staff to conduct the review as presented.
2. Revise the draft scope of review and direct staff to conduct the review as revised.
3. Discuss the draft scope of review and direct staff not to conduct a review.

Financial Impact:

None at this time. Staff review can be conducted within existing City budget. Future actions implemented as a result of the review may have financial impacts, which would be identified as part of the review.

Attachments:

None