



Land Use & Environment Committee

Session Two - Encouraging Affordable Housing Production and Residential Construction

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Title

Session Two - Encouraging Affordable Housing Production and Residential Construction

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss ways Olympia can support the production of workforce single family and multi-family housing for households at or above 80 percent of Area Median Income (AMI).

Report

Issue:

Whether to discuss ways the City of Olympia can incentivize construction and preservation of 'workforce' housing. For purposes of this discussion workforce housing means households at 80-120 percent of Area Median Income (AMI). Those households include younger wage earners, teachers, retail employees and many others who have been increasingly rent burdened. Nationally and in Olympia wages have not increased as rapidly as rents and home prices.

Staff Contact:

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Presenter(s):

Leonard Bauer, Deputy Director, Community Planning & Development

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. Height bonuses, Multifamily Tax Exemption and reduced Impact Fees are examples of multifamily housing incentives intended to benefit for workforce and market-rate residential construction.

Zillow reports that the median home value in Thurston County is currently \$323,800 and that Thurston County home values have gone up 7.5% over the past year. They predict home prices will

rise 3.5 percent in the next year. The median list price per square foot in Thurston County is \$185. The median listing in Thurston County is \$340,326 while the median price of homes sold is \$322,400. They report median rents in Thurston County at \$1,875 (the same as the Olympia-Tumwater Metro area's rents).

This discussion is intended to gather and hear from local and regional builders and others involved in housing development to answer questions that include:

- How can Olympia get more units for households at 80-120 percent AMI?
- How can Olympia best deploy limited resources to support those units?
- What have you used elsewhere? Are there other ways to do this work?
- How should resources be prioritized to get more units for these households?

Neighborhood/Community Interests (if known):

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

Options:

Discussion may result in future direction to staff related to this topic.

Financial Impact:

N/A

Attachments:

None