

Creating Affordable Housing in Pricy Newcastle

City Councilor Jean Garber
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About Newcastle

- Seattle/Eastside suburb
- About 10,000 people in 4.4 square miles
- Incorporated 1994
- Has become a high-end community
 - Median home price in all King County: \$527,178
 - Median in east King County: \$590,362
 - Median in Newcastle: \$725,000

Affordable Housing Steps

- 1997 Comp Plan with “Housing Element”
 - In 2000, allowed Accessory Dwelling Units
- 2000 specific plan for downtown area
 - In 2001, new code required housing agreements
 - Affordable Housing Targets in 2003 Comp Plan:
 - Moderate Income—17% of overall growth
 - Low Income—20% of overall growth
- 2006 Housing Strategy Plan

Successes?

- So far, 11 ADUs (that we know about...)
- Mutual Materials entered housing agreement
 - Very progressive leadership, but...
 - ...project didn't happen
- Inexplicably, code not enforced after that
 - One townhouse development—no affordability
 - One senior assisted living—no affordability
- ARCH noticed

Recent Advocacy and Changes

- Tax Exemption Program
 - Available to larger cities for years
 - Those cities sometimes used it for market rate
 - Legislature sought changes
 - Newcastle advocated extending to small cities

Recent Advocacy and Changes

- Legislative Changes in 2007
 - Exemption available to cities 5,000 and larger
 - If for affordable housing, 12-year exemption
 - If for economic development, 8-year exemption
 - Customization by each city possible

‘Meanwhile, back in the stacks...’

- New library by KCLS funded for Newcastle
- After debate, KCLS chose site: March 2006
- But site cost, plus high construction costs, hampered ability to do single-story library
- City fostered new partnership: Spring 2007
- Olympia amended exemption program: April 2007
- Project asked for tax exemption

Community Voices Opinions

- Why encourage affordable housing?
 - Police Chief factually refuted claims of crime
- Why waive taxes on new project?
 - Even with abatement, new City revenues
- Why seek mixed-use, multistory?
 - KCLS sees approach as mutually beneficial
 - Likely to be model for future libraries in area

Newcastle's Ordinance

- First, DO enforce housing requirements
- Second, program in Newcastle is for:
 - 1. Economic Development (8 years)
 - 2. Advancement of Downtown vision

Specific Features of Ordinance

- Required features:
 - Located in “target area”
 - At least 4 DUs
 - Cannot result in net loss of affordable housing
 - Must be completed within 3 years

Specific Features of Ordinance

- Custom features:
 - High architectural quality, aesthetic benefit
 - Built to LEED/sustainable design standards
 - Must be in mixed-use that includes housing
 - Must include civic or cultural use
 - Library, municipal offices
 - Museum, art gallery, performance/recital space
 - Additional structured parking that facilitates transit
 - Recreation/entertainment use, or “other” per Council

It Worked!

- First project almost immediately
 - Mixed use library
 - 10% units affordable to “moderate” for project life
 - Ground level retail
 - Structured parking
 - Small plaza
- City foresees numerous benefits to program