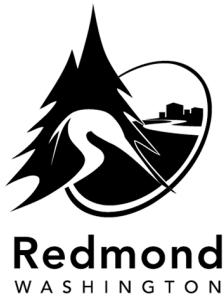


# City of Redmond



## Agenda

### Special Meeting Notice and Agenda

**Tuesday, February 13, 2024**  
**6:30 PM**

**City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziply Ch. 34,  
Facebook (@CityofRedmond), Redmond.gov/rctvlive, or 510-335-7371**

## City Council

*Mayor  
Angela Birney*

*Councilmembers  
Vanessa Kritzer, President  
Jessica Forsythe, Vice President  
Jeralee Anderson  
Steve Fields  
Angie Nuevacamina  
Osman Salahuddin  
Melissa Stuart*

**Redmond City Council Agendas, Meeting Notices, and Minutes are available on the City's Web Site:  
<http://www.redmond.gov/CouncilMeetings>**

**FOR ASSISTANCE AT COUNCIL MEETINGS FOR THE HEARING OR VISUALLY IMPAIRED:  
Please contact the City Clerk's office at (425) 556-2194 one week in advance of the meeting.**

*Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctvlive), Comcast Channel 21/321, Ziply Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371*

## **AGENDA**

### **ROLL CALL**

#### **I. NEW BUSINESS**

A. AM No.  
24-A024 Approval of Proposed Land Transfer to Plymouth Housing Development

[Attachment A: Overview of Kenmore Supportive Housing](#)

[Attachment B: Map of 16725 Cleveland Street](#)

[Attachment C: Plymouth Housing Funding Sources](#)

[Attachment D: Plymouth Housing Relocation Steps](#)

[Attachment E: ARCH Preliminary Site Analysis](#)

### **ADJOURNMENT**

*Meeting videos are usually posted by 12 p.m. the day following the meeting at redmond.legistar.com, and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at redmond.gov/OnDemand*



# City of Redmond

15670 NE 85th Street  
Redmond, WA

## Memorandum

**Date:** 2/13/2024

**Meeting of:** City Council

**File No.** AM No. 24-A024

**Type:** New Business

**TO:** Members of the City Council

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

Executive	Malisa Files, Chief Operating Officer	425-556-2166
Planning and Community Development	Carol Helland, Director	425-556-2107

**DEPARTMENT STAFF:**

N/A	N/A	N/A
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**TITLE:**

Approval of Proposed Land Transfer to Plymouth Housing Development

**OVERVIEW STATEMENT:**

The City of Redmond has the opportunity to capitalize on an affordable housing development, originally sited in the City of Kenmore, through Plymouth Housing. In partnership with the City of Redmond, Plymouth Housing is looking for land to develop a six-story building with 100 affordable units and ground floor commercial space (see description of the project in Attachment A). Redmond owns a parcel at 16725 Cleveland Street (see parcel map in Attachment B) next to light rail that is appropriately zoned for the project. Council has given the Mayor approval to pursue a land transfer contingent on further discussion of the project.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

**• Relevant Plans/Policies:**

The acquisition of affordable housing is one of the City's major initiatives in the Community Strategic Plan, the Comprehensive Plan, the Housing Action Plan, and in the 2023-2024 Budget.

**• Required:**

N/A

**• Council Request:**

At the Council meeting on Tuesday, February 6, 2024, the City Council approved staff to pursue a land transfer to Plymouth Housing contingent on further discussion of the housing project.

**• Other Key Facts:**

The City of Kenmore originally worked with Plymouth Housing to design and build a project on Bothell Way in Kenmore. The Kenmore City Council denied the project which gave Redmond the opportunity to partner with Plymouth Housing to bring the project within Redmond city limits.

#### **OUTCOMES:**

An overarching objective of Redmond's Housing Action Plan is to build more housing, diversify housing options, and target resources to less advantaged households. An aim of the objective is to increase housing development opportunities and housing access for all income levels with particular attention to underserved communities. Plymouth Housing is a non-profit organization whose mission is to eliminate homelessness and address its causes by preserving, developing, and operating safe, quality, supportive housing and by providing adults experiencing homelessness with opportunities to stabilize and improve their lives. The proposed Plymouth Housing project takes another step forward in reaching both organization's goals.

#### **Project Description (see Attachment A):**

The Plymouth Housing project is a fully funded, unique partnership between the City of Redmond, A Regional Coalition for Housing (ARCH), and Plymouth housing, including:

- 100 units of permanent supportive housing constructed and operated by Plymouth Housing
- 100% of residents will have documented disabilities (a condition of the Federal Trust Fund money)
- Residents will be below 30% area median income (AMI)
- Residents will be those currently experiencing homelessness
- Ground floor services

ARCH conducted a preliminary site analysis (see Attachment E) that concluded, based on the potential alternatives, the proposed Plymouth project represents a relatively greater return on the City's investment of land in terms of the number of affordable units created and the depth of affordability.

#### **Why Redmond?**

Redmond is uniquely situated to offer Plymouth Housing a place for their project, including:

- Redmond has land appropriately zoned for housing that is situated next to light rail.
- The City had planned to use the Cleveland parcel for affordable housing.
- The Plymouth Housing project is currently without a home and both jurisdictions (City of Kenmore and City of Redmond) are a part of ARCH which would keep the current ARCH contribution to the project available for use in Redmond.
- Redmond already has the \$3.2 million in allocated affordable housing resources to supplant the funds committed by the City of Kenmore.
- Redmond has a successful track record of approval with the County Permanent Supportive Housing project in Overlake and would engage in the same community outreach effort.
- Redmond staff are knowledgeable and eager to lend support to this project based on the recent success with the Together Center.

#### **Project Funding**

The Plymouth Housing Project is fully funded as described in Attachment C. The project is using a combination of sources from the Washington State Housing Finance Commission, the National Housing Trust, ARCH, Washington State Department of Commerce, Plymouth Housing, Federal Home Loan Bank, direct appropriation from the State, and Connecting Housing to Infrastructure (CHIP). The City of Redmond would also contribute \$3.2 million from money set aside in the Capital Investment Program for affordable housing. Redmond's contribution would supplant the funds committed by the City of Kenmore.

A timeline of the re-location steps is contained in Attachment D. The next step in bringing the Plymouth Housing project to Redmond is the commitment to transfer the Cleveland parcel to Plymouth Housing. Redmond purchased the 25,928 square foot Cleveland parcel in 2019 for \$5.5 million with the intent to develop affordable housing. Staff recommends transferring the land to Plymouth Housing, putting in place adequate covenants which would ensure the property is used in furtherance of the governmental objectives (affordable housing) including reversionary interest back to the City if the property is ever not used for those expressed purposes. With Council's approval giving authority to the Mayor, staff will work with Plymouth Housing to transfer the land with the covenants and revisionary interest as described in the Executive Session.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

• **Timeline (previous or planned):**

Redmond would follow the same community outreach process as the permanent supportive housing project in Overlake once the project is approved to move forward.

• **Outreach Methods and Results:**

N/A

• **Feedback Summary:**

N/A

**BUDGET IMPACT:**

**Total Cost:**

Redmond purchased the parcel at 16725 Cleveland Street for \$5.5 million in 2019 from King County Housing Authority. In addition to the land, the City would contribute approximately \$3 million out of funds set aside for affordable housing which was the contribution the City of Kenmore was making to the project. Other costs that will be incurred by Redmond include staff, administrative and legal expenses as well as waived permit fees allowable under the Redmond code.

**Approved in current biennial budget:**  Yes  No  N/A

**Budget Offer Number:**

CIP project Affordable Housing Development (page 261 in the 2023-2024 Budget)

**Budget Priority:**

Vibrant and Connected

**Other budget impacts or additional costs:**  Yes  No  N/A

**If yes, explain:**

Additional expenses will be incurred by the City for staff time, administration, and legal costs.

**Funding source(s):**

Capital Investment Program

**Budget/Funding Constraints:**

N/A

**Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

<b>Date</b>	<b>Meeting</b>	<b>Requested Action</b>
2/6/2024	Business Meeting	Provide Direction

**Proposed Upcoming Contact(s)**

<b>Date</b>	<b>Meeting</b>	<b>Requested Action</b>
2/13/2024	Special Meeting	Approve

**Time Constraints:**

Per Council action, the City is pursuing the land transfer to Plymouth Housing. Staff will complete the transfer once Council makes a final decision.

**ANTICIPATED RESULT IF NOT APPROVED:**

If the project and land transfer is not approved the City would release an RFP for affordable housing developers to propose projects for the Cleveland parcel. Plymouth Housing would seek a new piece of land for their project.

**ATTACHMENTS:**

Attachment A: Overview of Plymouth Housing Project  
Attachment B: 16725 Cleveland Street Parcel Map  
Attachment C: Plymouth Housing Project Funding Sources  
Attachment D: Plymouth Housing Project Re-Location Steps  
Attachment E: ARCH Preliminary Site Analysis

# Overview of Kenmore Supportive Housing



- City parcel at 6532 Bothell Way
- Unique Partnership/Coalition
  - City of Kenmore
  - Plymouth Housing
  - ARCH
- Six-story building
- 100 affordable housing units
- Ground floor commercial space
- Onsite resident services
- Courtyard area

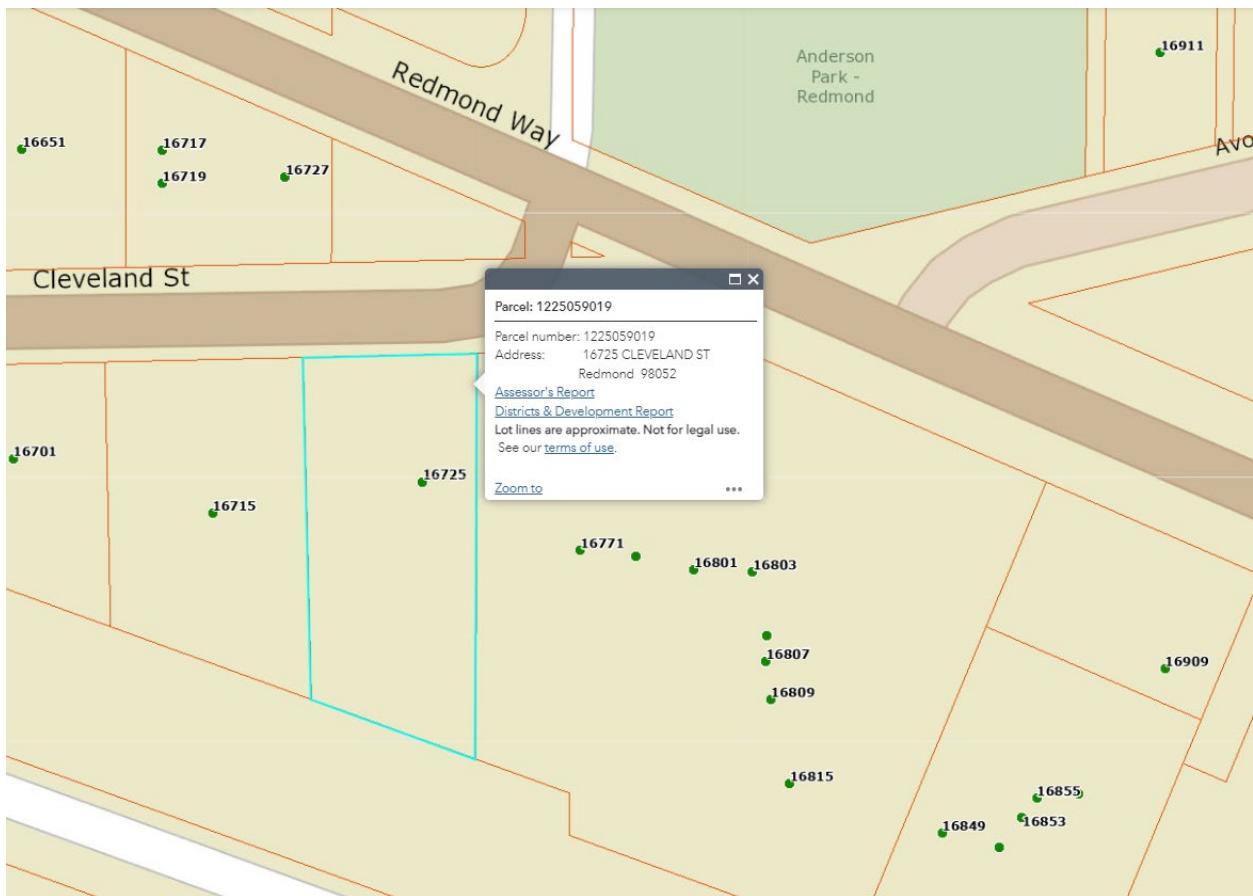


ARCH  
ARCH  
ARCH  
ARCH

Plymouth  
Housing

## Attachment B

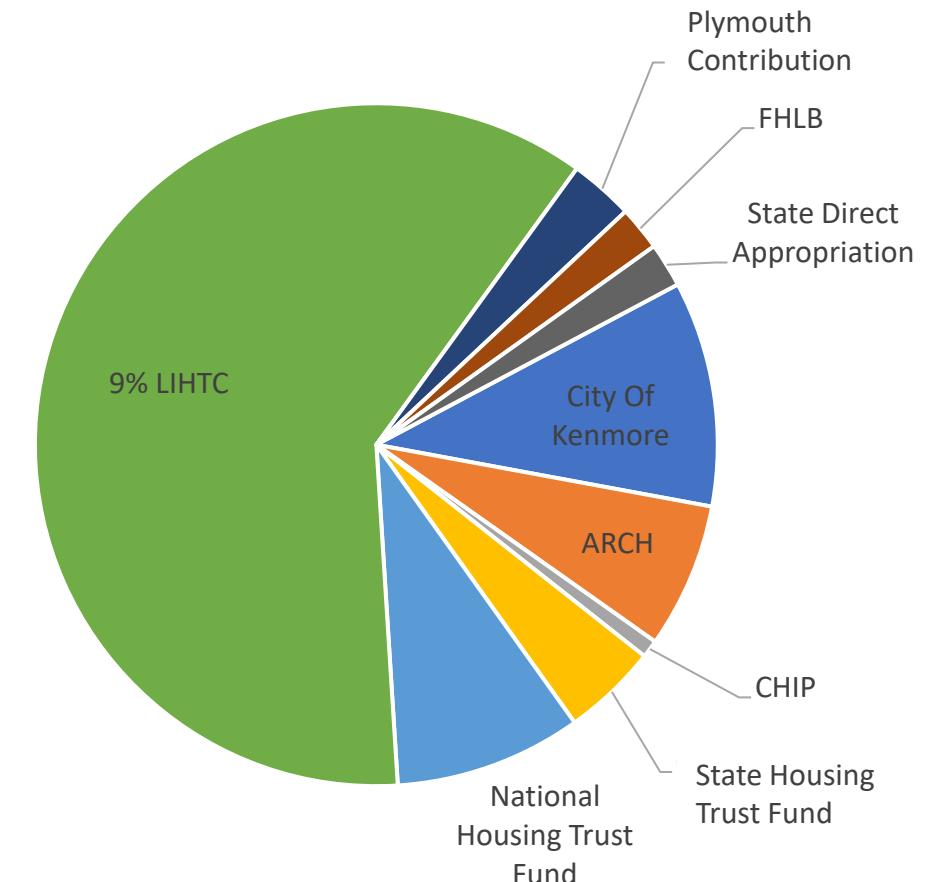
City of Redmond Property  
16725 Cleveland St.



# Kenmore Financing Sources\*

## Attachment C

Source	% of Total Funding
Washington State Housing Finance Commission (LIHTC Equity)	61%
City of Kenmore (Land & Funding)	11%
National Housing Trust Fund (NHTF)	9%
A Regional Coalition for Housing (ARCH)	7%
Washington State Department of Commerce (Housing Trust Fund)	5%
Plymouth Housing Contribution	3%
Federal Home Loan Bank AHP (FHLB)	2%
State Direct Appropriation	2%
Connecting Housing to Infrastructure (CHIP)	1%



\*Pre-closing sources as of December 2023

## Attachment D

### Plymouth Housing Project Re-Location Steps

Action	Due Date	Done
Establish Mayor Support – Malisa and Carol meeting with Mayor	1/23/24	✓
Consult with Briahna <ol style="list-style-type: none"> <li>1. Mayor/Briahna – Jan 23</li> <li>2. Carol/Briahna – Jan 24</li> </ol>	1/23/24 ongoing	✓
Establish Kenmore Support <ol style="list-style-type: none"> <li>1. Mayor Birney confirmed N. Herbig support - Jan 23</li> <li>2. C. Helland confirmed Rob Karlinsay support with N. Herbig - Jan 24</li> </ol>	1/24/24	✓
Establish City Council support – Mayor Birney to call Councilmembers	1/23/24	✓
Capital Fund Earmark from Kenmore to Redmond <ol style="list-style-type: none"> <li>1. ARCH/Plymouth preparing Capital Funding Request form – Jan 24</li> <li>2. Briahna talking to 48<sup>th</sup> District Legislators for sponsor – Jan 24</li> <li>3. Briahna talking to 1<sup>st</sup> District Legislators for support – Jan 29</li> </ol>	Due Jan 25	✓
2PW COTW meeting <ol style="list-style-type: none"> <li>1. ARCH HTF Recommendation presented</li> </ol>	Feb 6	
Business Meeting/Executive Session on Land transfer <ol style="list-style-type: none"> <li>1. Will recommend:               <ol style="list-style-type: none"> <li>a. Approve land transfer to Plymouth</li> <li>b. Transfer contingent on funding stack staying intact</li> </ol> </li> </ol>	Feb 6	

#### Project Details (also see [link](#))

- 100 units of permanent supportive housing constructed and operated by Plymouth Housing
- Below 30% AMI; individuals exiting homelessness
- 100% of residents will have documented disability (condition of federal trust fund money)
- Ground floor services
- Fully funded project
- Project denied by 4-3 vote in Kenmore

#### Why Redmond?

- Kenmore has project without a home, and both jurisdictions are part of ARCH coalition which would keep ARCH Housing Trust Fund contribution available for use in Redmond
- Redmond has land appropriately zoned for use to be allowed as of right and next to light rail
- Redmond has \$3.2 M allocated to affordable housing to supplant funds committed by Kenmore
- Redmond has a track record of approval with County Permanent Supportive Housing project in Overlake, and would engage in the same outreach process
- Redmond staff are eager to lend support based on recent success with the Together Center

## **Attachment E**

### **ARCH Preliminary Site Analysis- Plymouth Redmond PSH**

SITE ADDRESS: 16725 CLEVELAND ST. REDMOND, WA

LOT AREA: 25,913 SF

ZONING: Downtown Mixed Use, Anderson Park

#### **Proposed project**

Plymouth contemplates developing 100 residential units, residential open space, supportive service amenities, and ground floor retail in a 5-story building on the Cleveland St. site.

The proposed residential area is driven and limited by four items that would impact any potential mixed-use development on the site.

1. Site dimensions;
2. Height limits;
3. Parking requirements; and
4. Shallow water table.

Based on these constraints, the preliminary Plymouth plan does not leave significant unrealized development capacity on the site.

#### **Development Capacity:**

1. The proposed site is a long skinny site (approximately 120' by 235') with vehicular and garbage access solely from Cleveland Street. This constraint narrows the allowable building width on the site by an additional 20'.
2. Plymouth's preliminary program maximizes the 5 stories allowable on the site. Other developers may seek a 6<sup>th</sup> floor through a TDR or Green Building program. An additional floor may yield 25 additional units. Plymouth is not seeking either route because of timing and financial limitations. Additionally, the parking requirements may be increased directly to the number of units, resulting in 31 additional required stalls.
3. The current parking requirement per Table 21.10.040C dictates a required 125 spaces for a 100 unit development. Plymouth is working to confirm their proposed development will meet Section 2 of RCW 36.70A.620 with 100% of the units serving people with disabilities.

The parking requirement may limit additional unit creation if another floor were feasible for non-affordable, senior, or supportive housing.

4. Plymouth does not have site specific geotechnical analysis at this time. Anecdotal information from other developers in the downtown area identify the water table is fairly shallow which may limit the depth of subterranean parking to a single level. 100 parking stalls is not feasible in a single level of parking. The water table would limit the parking stall count, and therefore,

residential unit count of any development not eligible for parking reductions will limit the total number of units created on the site.

### Development Alternatives

The following table summarizes potential development alternatives to achieve affordable housing on the property.

Program:	Plymouth Housing	4% Family*	4% Senior	Market Rate**
Units:	100	60	100	60
Narrative:	Supportive Housing for people with disabilities and exiting homelessness; uses parking reduction.	Blend of Studio, 1br, and 2br units in 6 story building; may need parking reduction	Affordable, senior housing in 5 story building in similar layout as Plymouth; uses parking reduction.	Blend of Studio, 1br, and 2br units in 6 story building; no parking reduction; affordable produced through mandatory requirements
Total Affordable Units:	100	60	100	6
0-50% AMI	100	0	0	0
51-60% AMI	0	60	100	0
61-80% AMI	0	0	0	6*
Assessed Land Value:	\$4,664,300	\$4,664,300	\$4,664,300	\$4,664,300
Land Investment per affordable unit:	\$46,643	\$77,738	\$46,643	\$777,383

### Notes:

\*A 4% family project may have challenges competing for funding with larger projects that can achieve greater construction cost-efficiencies.

\*\*In a market rate development, the City may be able to negotiate a small additional set-aside of affordable units by contributing the full value of the land (estimated 10-15 units ).

### Conclusion

Based on these potential alternatives, the proposed Plymouth project represent a relatively greater return on the City's investment of land in terms of the number of affordable units created and the depth of affordability.