



Memorandum

Date: 2/13/2024
Meeting of: City Council

File No. AM No. 24-015
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)

Date	Meeting	Requested Action
2/6/2024	Business Meeting	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
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