



COMMUNITY DEVELOPMENT DEPARTMENT

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To: Ellensburg City Council and the Affordable Housing Commission

Subject: Summary Memo from the 11/6/2023 Joint Study Session – 1st and Pine Discussion

Good afternoon,

Thank you to all that attended the joint study session on Monday, November 6. This memo is intended to summarize prominent elements of the discussion to assess future development proposals for the 1st and Pine properties. The purpose of the study session was to provide guidance to the Affordable Housing Commission to utilize during review of future proposals and ensure that the proposals brought before City Council reflect the characteristics desired for the 1st and Pine properties.

Four items were noted under the terms section of our work board. This section indicates the primary considerations for future proposals and include:

1) Multifamily style

-The City of Ellensburg has been falling short of the 281 annual units necessary to address current needs and anticipated growth. Multi-family units are the fastest and most cost-effective way to increase housing units to meet this demand.

2) Adequate parking plan

-The 1st and Pine property is approximately ½ acre. Any residential development of these properties will have to meet City parking standards. Due to the modest size of the site and a desire to maximize density, parking will be an important consideration for any proposal and should be addressed early in the project review process to ensure the feasibility of the project.

3) Demonstration of financial means to execute the proposal

-An important element of any development proposal's feasibility is the financial assurances that are in place. A proposal that can demonstrate existing financial commitments/ assurances should be given priority in utilizing the 1st and Pine surplus properties for affordable housing development.

4) A reasonable timeline for completion

-The 1st and Pine properties were declared as surplus by the City for affordable housing purposes on October 18, 2021. More than 2 years later and following termination of the contract for the previously proposed project, the City has a strong desire to see these properties utilized for affordable housing purposes. Timelines that expedite these goals should receive primary consideration.

In addition to the terms section, there was a discussion regarding preferences. These are items that, while not necessary, should be considered favorably when included in a development proposal. These items include:

1) Accessible units (universal design, ADA, other accessibility elements)

-Any multi-family development will require an ADA/accessibility component, however, due to the established need for affordable housing in the 62+ age demographic expressed in the Housing Action Plan's needs assessment, consideration of a development's specific accessibility levels was described as a preference item.

2) Proposals that maximize density

-Since the adoption of the Housing Action Plan in 2021, current development levels have fallen well short of the 281 units needed annually to meet projected growth. Proposals that maximize density are very important to begin establishing annual development levels that are more consistent with this need.

3) Proposals that account for livability (green space, resident amenities, etc.)

-In addition to maximizing density, the Council expressed a desire to consider items that promote quality of life. Green space serves as a benefit to residents of the development as well as providing aesthetic benefits to the neighborhood. Green space and other resident amenities that promote quality of life should be considered.

4) Studio and 1-bedroom units

-The Housing Action Plan describes a primary need for housing units that suit single adults of all ages. A focus on studio and one-bedroom units will directly address this need and should be a consideration for development proposals.

5) Proposals that maximize affordability timeline commitments.

-Several subsidized developments in the City of Ellensburg are closely approaching subsidy expiration timelines. This will result in a loss of requirements to maintain unit costs below market rate. It is likely that this will result in higher rental costs, which may significantly impact cost burdened individuals/families and could even price them out of the market. Longer affordability commitments provide more value and predictability to the cost burdened community.

During the joint study session, City Council and the Affordable Housing Commission expressed a desire for staff to provide more information on the following topics:

- 1) Research affordable housing projects of a similar scale that have been successful in other jurisdictions.
 - a. Staff will begin research to identify successful projects in other jurisdictions of a similar scale.
- 2) City Council and the Affordable Housing Commission expressed a desire for staff to develop a site plan that demonstrates specific site constraints such as streetscape and dimensional standard requirements to assist developers in understanding the development context of the site.
 - a. Staff will begin work on developing a site plan and any additional documentation that can serve to provide this context to potential developers.

Recommendations and Next Steps

Community Development staff recommend that City Council approve the general guidance listed above and instruct staff to forward these recommendations to the Affordable Housing Commission to utilize in review of future development proposals for the 1st and Pine properties.

Upon the Affordable Housing Commission receiving this guidance, Community Development staff will initiate the application process which will include:

- Request for proposals (RFP)
- Preliminary staff review of proposals
- AHC review of proposals and recommendations to City Council
- City Council general design and conditional approval
- Develop Affordable Housing Agreement for selected project
- Monitor project progress and agreement benchmarks

City staff are committed to supporting the City Council and the Affordable Housing Commission in the goal of providing more affordable housing options in Ellensburg. We appreciate the opportunity to help facilitate these processes and look forward to achieving successful results. We will update the City Council and the Affordable Housing Commission on the research items noted above as we complete them.



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