2020 Council Retreat

Friday, March 13, 2020

Public Safety Building Training Room

100 N. Pearl Street

Agenda

9:00 a.m.	Heart and Soul Implementation Discussion of Council Ranking Next Steps	
10:30 a.m.	BREAK	
10:40 a.m.	2020 Energy Policy Energy Video Gas Purchase Methodology CETA – Current Compliance Status What's Ahead	
12:00 p.m.	WORKING LUNCH - Energy Policy Discussion	
12:30 p.m.	Community Center / Racket, Recreation Center Future, and Pool Future Conceptual Plan Council Support? Funding Discussion	
2:20 p.m.	BREAK	
2:30 p.m.	Land Use Code Update Current Status Affordable Housing Density Strategies Code Interpretation Challenges.	
4:00 p.m.	Adjourn	

Ellensburg's Community Heart & Soul - Community Values

Community value statements - in brief	Engel	Goodloe	Lamb	Lillquist	Miller	Morgan	Tabb	**Total**	**Average**	Delta
#1: Small town feel and sense of community										
O 1(a): Thoughtful, intergenerational growth management	1	2	3	3	4	2	2	17	2.43	**1.14**
	3	4	3	3	5	3	4	25	3.57	
O 1(b): Diverse, inclusive, equitable community	3	3	3	3	4	2	2	20	2.86	**0.43**
	2	4	3	3	4	3	4	23	3.29	
#2: Built environment supports where we live, work and play										
O 2(a): Preserve existing infrastructure	3	3	3	3	4	3	4	23	3.29	**0.86**
	5	4	4	4	4	4	4	29	4.14	
O 2(b): Unique sense of place that balances old and new	4	4	3	3	4	4	2	24	3.43	**0.43**
	4	3	4	4	4	4	4	27	3.86	
O 2(c): Safe, efficient transportation system	3	3	2	2	4	2	4	20	2.86	**1.43**
	5	4	4	4	4	4	5	30	4.29	
O 2(d): Parks, open space and gathering spaces	2	3	4	4	3	4	4	24	3.43	**0.71**
	4	4	4	4	4	4	5	29	4.14	
#3: Economic vitality, vibrant downtown										
O 3(a): Distinct local businesses	2	2	2	3	4	3	2	18	2.57	**1.14**
	3	4	4	3	4	4	4	26	3.71	
O 3(b): Sustainable, living wage jobs	2	2	2	3	3	2	2	16	2.29	**1.00**
	3	3	3	3	4	3	4	23	3.29	
O 3(c): Vibrant and lively downtown as a destination	5	3	3	5	4	3	3	26	3.71	**-0.14**
	3	4	3	3	4	4	4	25	3.57	
#4: Goods, services, amenities available via local government and community service organizations										
O 4(a): Accessible, inclusive, participatory local government	4	4	3	4	4	3	2	24	3.43	**0.71**
	5	2	4	5	4	4	5	29	4.14	
O 4(b): Quality outcomes, consistent/efficient planning	3	3	3	3	3	2	2	19	2.71	**1.29**
	5	4	4	3	3	4	5	28	4.00	
O 4(c): Quality, attainable housing for all	1	2	2	3	4	4	3	19	2.71	**1.57**
	4	4	4	3	5	5	5	30	4.29	
O 4(d): Access to services that reduce landfill contributions	2	2	1	3	3	2	2	15	2.14	**0.57**
	3	2	3	2	3	3	3	19	2.71	
#5: Local arts, culture, year-round events										
O 5(a): Thriving community via family-friendly, cultural events	2	4	5	5	4	4	3	27	3.86	**-0.71**
	2	3	3	3	4	4	3	22	3.14	
O 5(b): Treasure, support performing and visual arts	4	3	5	5	4	4	4	29	4.14	**-1.14**
	2	3	3	3	4	3	3	21	3.00	
#6: Community connection to natural environment and central location in the state										
O 6(a): Affordable, accessible, diverse recreation opportunities	3	3	2	4	4	4	4	24	3.43	**0.00**
	3	3	3	4	4	3	4	24	3.43	
O 6(b): Celebrate, protect diverse natural environment	3	3	3	4	4	3	3	23	3.29	**-0.71**
	2	3	2	2	4	3	2	18	2.57	
O 6(c): Location provides recreation, social, economic opportunities	5	4	4	4	4	4	4	29	4.14	**-1.57**
	1	3	3	1	4	4	2	18	2.57	
#7: Recognize CWU as an integral part of our community										
O 7(a): Cultural diversity, intellectual energy, partnerships	3	2	2	3	2	3	2	17	2.43	**1.14**
	3	4	3	3	4	4	4	25	3.57	

Rank ordered

1	4(c): Quality, attainable housing for all	**1.57**
2	2(c): Safe, efficient transportation system	**1.43**
3	4(b): Quality outcomes, consistent/efficient planning	**1.29**
4	3(a): Distinct local businesses	**1.14**
5	7(a): Cultural diversity, intellectual energy, partnerships	**1.14**
6	1(a): Thoughtful, intergenerational growth management	**1.14**
7	3(b): Sustainable, living wage jobs	**1.00**

UPDATED: March 11, 2020 1:20 PM

#1: Small town feel and sense of community is represented in our small town character, our inclusiveness and tolerance of others, and our friendly and supportive community.

- 1(a) We value thoughtful growth management that maintains the small town community character, recognizes economic opportunities, and provides innovative ideas to improve our diverse neighborhoods for the benefit of current and future generations.
- 1(b) We value a diverse, inclusive, and equitable community that is welcoming and supportive to everyone because it enriches our lives and enhances our individual and community well-being.

#2: The **built environment** provides the setting for community activity, ranging from buildings to streets and parks; these are the areas we live, work, and play on a day-to-day basis.

- 2(a) We value the preservation of existing infrastructure through effective and efficient maintenance programs that keep public services affordable and in good condition for all users.
- 2(b) We value the physical infrastructure of our existing neighborhoods and downtown core which balance old and new, and which together reflect the historic and distinct feel of Ellensburg and contribute to our unique sense of place.
- 2(c) We value a transportation system that provides safe and efficient use for all users, and promotes efficient use of resources, facilitates access to goods and services throughout our region, encourages healthy lifestyle choices, and reduces traffic.
- 2(d) We treasure the incorporation of parks, open space, and gathering spaces within our community where everyone can play, meet our neighbors, and enjoy safe and well maintained facilities year round that build community and promote physical and mental health.

#3: Our **downtown and our local economy** strengthens the economic vitality of our community and supports the vibrancy of our downtown.

- 3(a) We value local businesses because they contribute to our distinctive character, help build a strong community, and strengthen our economy.
- 3(b) We promote sustainable, living wage jobs that enable a suitable standard of living, contribute to our local economy, and allow community members to live and work in our area.
- 3(c) We support our vibrant and lively downtown that serves as a valued destination for our local community and visitors through its diversity of retail businesses, restaurants, galleries, gathering and event spaces, non-profit organizations, and housing and lodging opportunities.

Procuring Natural Gas

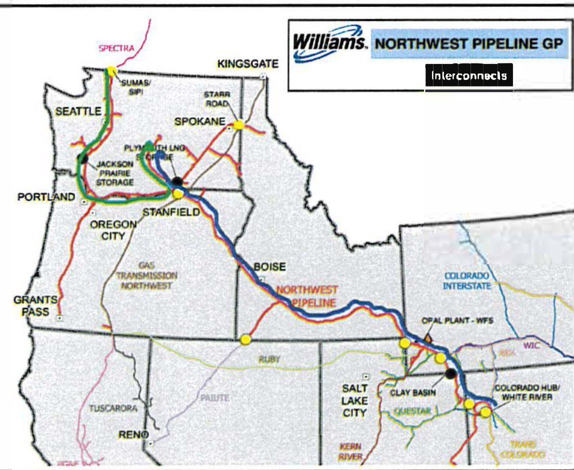
For The City of Ellensburg

1

Pricing (Supply & Demand)

- Pipeline Constraints –
  - The ability to purchase from the cheapest basin may not always be possible if too much gas is flowing the same direction.
- Market Events –
  - Force Majeure (Pipeline Incidents, Compressor Failures, Underground Storage limitations)
- Extreme Cold Weather (Regionally, Nationally, and Beyond)
- Power Generation
- Storage

2



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Burn / DD	D Days	HI	LO	AVG	Month Total	Actual	Nom	DAILY IMBAL	NW BAL	[illegible]
115	29	51	20	36	11/1/2019	3341	4942	1,001	2,296	
117	27	53	23	38	11/2/2019	3106	4942	1,776	4,072	
120	25	54	26	40	11/3/2019	2998	4942	1,944	6,016	Daylight Time Ends
135	22	58	28	43	11/4/2019	2980	4942	1,962	7,978	
134	22	58	28	43	11/5/2019	2952	4942	1,990	9,968	
131	23	57	26	42	11/6/2019	3017	3877	860	10,828	
119	27	51	25	38	11/7/2019	3208	3877	669	11,497	
114	30	44	25	35	11/8/2019	3420	3756	336	11,833	
103	24	53	29	41	11/9/2019	2477	4745	2,268	14,101	
156	14	62	39	51	11/10/2019	2179	4745	2,566	16,667	
121	24	52	29	41	11/11/2019	2895	4745	1,850	18,517	Veterans Day
114	24	54	28	41	11/12/2019	2741	3477	736	19,253	
111	27	44	32	38	11/13/2019	3002	2977	-25	19,228	
112	25	43	37	40	11/14/2019	2803	2977	174	19,402	
122	21	48	39	44	11/15/2019	2564	2977	413	19,815	
105	23	52	31	42	11/16/2019	2423	2977	554	20,369	
160	13	64	40	52	11/17/2019	2076	2977	901	21,270	
118	24	48	34	41	11/18/2019	2825	2977	152	21,422	
134	20	54	36	45	11/19/2019	2670	2977	307	21,729	
123	26	52	26	39	11/20/2019	3203	2477	-726	21,003	
118	29	48	23	36	11/21/2019	3408	2477	-931	20,073	
114	27	48	29	38	11/22/2019	3065	2477	-588	19,485	
115	22	51	34	43	11/23/2019	2530	2477	-53	19,432	
115	24	50	31	41	11/24/2019	2760	2477	-283	19,149	
116	30	45	24	35	11/25/2019	3480	2477	-1,003	18,146	
113	34	40	22	31	11/26/2019	3842	2477	-1,365	16,781	
110	37	37	18	28	11/27/2019	4052	2477	-1,575	15,207	
106	40	33	16	25	11/28/2019	4240	3459	-781	14,426	Thanksgiving
109	41	31	17	24	11/29/2019	4469	3459	-1,010	13,416	Thanksgiving
106	40	33	16	25	11/30/2019	4240	3459	-781	12,635	

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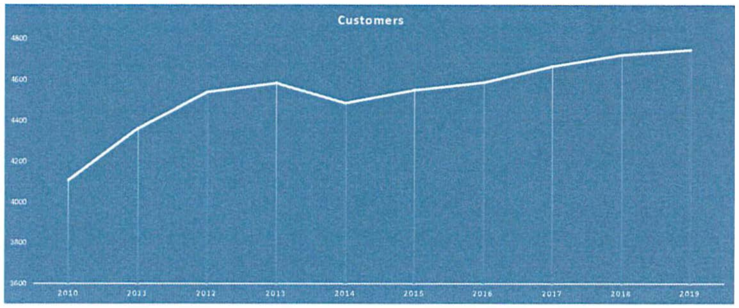
Customer Growth (2010 – 2019)



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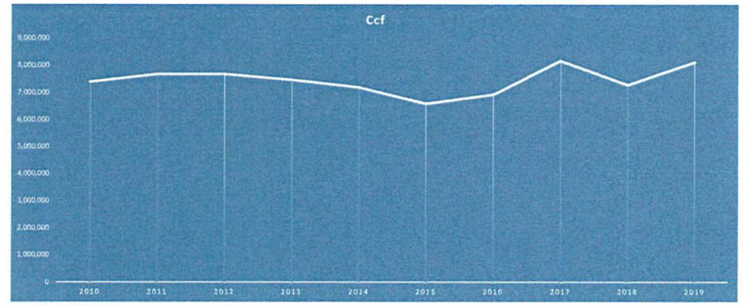
Ccf Usage (2010 – 2019)



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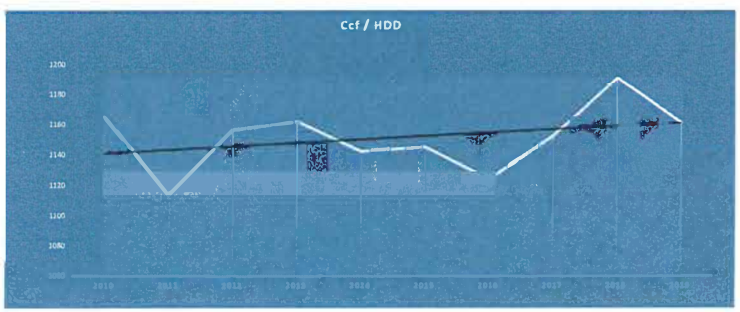
Ccf Usage/Degree Day (HDD) (2010 – 2019)



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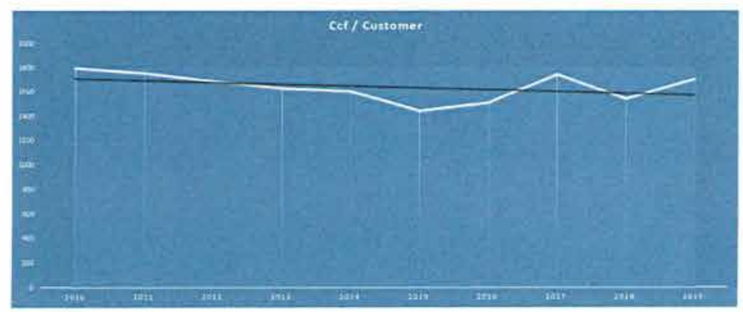
Ccf Usage/Customer(2010 – 2019)



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The process used to purchase gas in the wholesale marketplace is fairly complex and relies on the judgment and expertise of staff to: forecast, execute, and procure low-cost reliable energy for utility customers.

- Gas is purchased in units of Mmbtu's/day (Dth's)

- Typical gas purchases (deals) are:
  - Day Gas
  - Fixed Forwards (Futures)
  - First of the month Index (Volume locked in Bid week, Unknown price until close)
  - Winter Strip – Daily volume from November to March (NOV – MAR)
  - One or two month deals

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Gas Purchasing Process

- Determine how much gas to purchase, anticipated burn rate.
- Determine how much of that gas to buy at fixed prices and over what period of time.
- Determine when to solicit quotes and make purchases.

10

Fixed Forward monthly pricing for Sumas and Rockies Basins Price per MMBtu

Trade Day	Sumas Front Winter	1 Year Out Nov-Mar	2 years Out Nov-Mar	3 Years Out Nov-Mar	Rockies Front Winter	1 Year Out Nov-Mar	2 years Out Nov-Mar	3 Years Out Nov-Mar
12/31/19	$3.288	$3.127	$3.145	[illegible]	$2.577	$2.500	$2.547	$2.569
01/02/20	$3.261	$3.116	$3.120	$3.104	$2.508	$2.500	$2.520	$2.552
01/03/20	$3.278	$3.120	$3.121	$3.103	$2.524	$2.504	$2.523	$2.551
01/06/20	$3.276	$3.116	$3.127	$3.109	$2.535	$2.501	$2.532	$2.580
01/07/20	$3.276	$3.118	$3.033	[illegible]	$2.541	$2.509	$2.544	$2.570
01/08/20	$3.274	$3.021	$3.039	$3.121	$2.540	$2.523	$2.562	$2.578
01/09/20	$3.264	$3.129	$3.048	[illegible]	$2.528	$2.520	$2.569	$2.586
01/10/20	$3.245	$3.126	$3.150	[illegible]	$2.509	$2.510	$2.563	$2.590
01/13/20	$3.240	$3.114	$3.140	[illegible]	$2.464	$2.490	$2.542	$2.569
01/14/20	$3.205	$3.091	$3.011	[illegible]	$2.462	$2.457	$2.512	$2.558
01/15/20	$3.155	$3.077	$3.083	$3.074	$2.414	$2.454	$2.493	$2.536
01/16/20	$3.138	$3.066	$3.073	$3.071	$2.350	$2.453	$2.406	$2.536
01/17/20	$3.124	$3.079	$3.076	[illegible]	$2.369	$2.433	$2.486	$2.541
01/21/20	$3.116	$3.042	$3.079	$3.088	$2.355	$2.438	$2.482	$2.545
01/22/20	$3.135	$3.050	$3.083	$3.080	$2.342	$2.444	$2.488	$2.546
01/23/20	$3.146	$3.037	$3.074	$3.071	$2.325	$2.430	$2.487	$2.537
01/24/20	$3.106	$3.010	$3.055	$3.060	$2.266	$2.404	$2.469	$2.525
01/27/20	$3.088	$2.996	$3.040	$3.044	$2.280	$2.389	$2.454	$2.510
01/28/20	$3.075	$3.004	$3.038	$3.044	$2.289	$2.388	$2.453	$2.511
01/29/20	$3.048	$2.990	$3.009	[illegible]	$2.258	$2.383	$2.424	$2.493
01/30/20	$3.040	$2.994	$3.023	$3.028	$2.254	$2.382	$2.430	$2.488
01/31/20	$3.045	$2.990	$3.016	$3.027	$2.259	$2.388	$2.432	$2.487
02/03/20	$3.002	$2.960	$2.996	[illegible]	$2.227	$2.352	$2.411	$2.471
02/04/20	$3.005	$2.952	$2.993	$3.011	$2.222	$2.345	$2.408	$2.471
02/05/20	$3.003	$2.942	[illegible]	$3.004	$2.220	$2.336	$2.400	$2.454
02/06/20	$3.016	$2.955	$3.010	$3.010	$2.234	$2.350	$2.428	$2.470
02/07/20	$3.044	$2.981	$3.028	$3.029	$2.251	$2.372	$2.444	$2.488
02/10/20	$3.032	$2.989	$3.025	$3.026	$2.257	$2.377	$2.441	$2.486
02/11/20	$3.031	$3.011	$3.034	$3.036	$2.277	$2.386	$2.440	$2.495
02/12/20	$3.042	$3.015	$3.038	$3.042	$2.301	$2.402	$2.454	$2.502
02/13/20	[illegible]	$2.982	$3.024	$3.019	$2.283	$2.385	$2.443	$2.493
02/14/20	$2.961	$2.988	$3.006	[illegible]	$2.245	$2.372	$2.428	$2.486
02/18/20	$2.982	$2.987	$3.007	[illegible]	$2.271	$2.371	$2.429	$2.447
02/19/20	$3.000	$2.956	$2.994	[illegible]	$2.280	$2.360	$2.416	$2.452
02/20/20	$2.984	$2.951	$2.988	$2.981	$2.266	$2.354	$2.414	$2.447
02/21/20	$2.961	$2.945	$2.984	[illegible]	$2.263	$2.349	$2.410	$2.454
02/24/20	$2.958	$2.946	$2.979	[illegible]	$2.240	$2.349	$2.408	$2.450
02/25/20	$2.950	$2.952	$2.963	[illegible]	$2.251	[illegible]	$2.410	$2.453
02/26/20	$2.976	$2.958	$2.997	$3.002	$2.250	$2.352	$2.423	$2.468
02/27/20	$2.916	$2.942	$2.983	$3.003	$2.238	$2.362	$2.427	$2.475
02/28/20	$2.851	$2.915	$2.981	$3.005	$2.286	$2.394	$2.448	$2.488
03/02/20	$2.982	$2.938	$3.012	$3.042	$2.234	$2.363	$2.477	$2.528
03/03/20	$2.995	$2.918	$2.987	$3.021	$2.256	$2.363	$2.478	$2.524
03/04/20	$2.831	$2.903	$2.964	$3.004	$2.278	$2.388	$2.464	$2.508
03/05/20	$2.912	$2.912	$2.950	[illegible]	$2.258	$2.379	$2.450	$2.494
03/06/20	$2.896	$2.913	$2.951	$3.011	$2.230	$2.354	$2.451	$2.513

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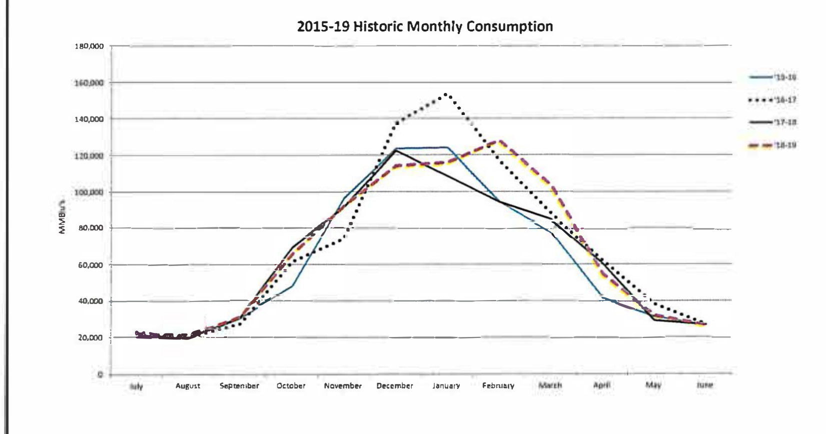

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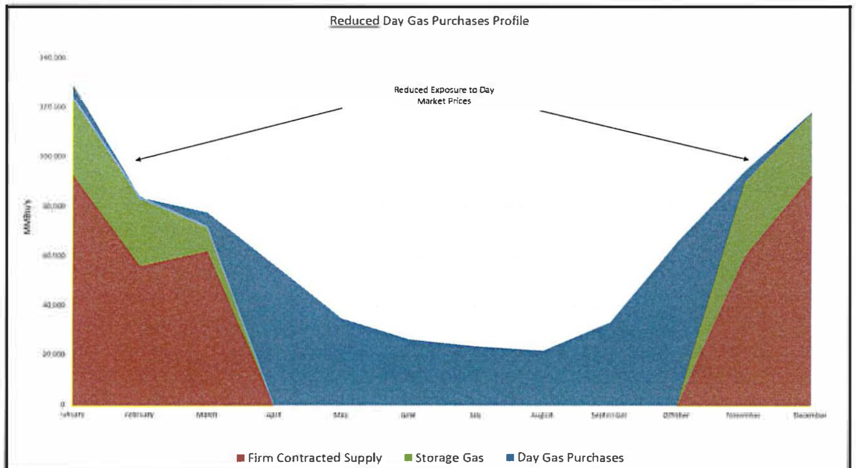

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Early March 2019 Market Event

- **A collision of events (perfect storm) led to a spike in market prices in early March:**
  - NW loads were peaking due to cold weather
  - Canada was not exporting power to U.S. due to high loads in Canada (extremely cold weather)
  - Low water flows on Columbia River due to freezing temperatures
  - No power available from California because the DC intertie was down for maintenance
  - No wind generation due to high pressure system that brought cold temperatures
  - Constrained natural gas flows from BC due to lingering effects of the October Enbridge gas pipeline incident
  - Scaled back withdrawals from Jackson Prairie gas storage facility due to compressor problems
- Last two on list resulted in very high running costs for natural gas-fired generation projects

14

Fixed Forward monthly pricing for Sumas and Rockies Basins after Enbridge pipeline incident
Price per MMBtu

Trade Day	Sumas Front Winter	1 Year Out Nov-Mar	2 years Out Nov-Mar	3 Years Out Nov-Mar	Rockies Front Winter	1 Year Out Nov-Mar	2 years Out Nov-Mar	3 Years Out Nov-Mar
10/01/18	[illegible]	$2.427	$2.322	$2.285	$2.625	$2.286	$2.230	$2.253
10/02/18	[illegible]	$2.477	$2.371	$2.305	$2.720	$2.344	$2.277	$2.274
10/03/18	$2.842	$2.495	$2.384	$2.308	$2.792	$2.357	$2.291	$2.278
10/04/18	[illegible]	$2.498	$2.394	$2.312	$2.708	$2.366	$2.301	$2.281
10/05/18	[illegible]	$2.561	$2.385	$2.300	$2.685	$2.360	$2.294	$2.278
10/08/18	$2.949	$2.536	$2.413	$2.321	$2.793	$2.385	$2.320	$2.291
10/09/18	$2.871	$2.541	$2.421	$2.325	$2.804	$2.398	$2.329	$2.294
10/10/18	$3.462	$2.535	$2.414	$2.318	$2.875	$2.396	$2.321	$2.287
10/11/18	$3.488	$2.563	$2.420	$2.347	$2.815	$2.414	$2.327	$2.318
10/12/18	$3.936	$2.627	$2.452	$2.351	$2.792	$2.413	$2.342	$2.320
10/15/18	$4.151	$2.651	$2.456	$2.350	$2.882	$2.428	$2.342	$2.320
10/16/18	$4.179	$2.656	$2.453	$2.342	$2.891	$2.430	$2.338	$2.311
10/17/18	$4.917	$2.660	$2.446	$2.337	$3.026	$2.460	$2.333	$2.306
10/18/18	[illegible]	$2.690	$2.471	$2.357	$2.934	$2.466	$2.354	$2.328
10/19/18	$6.444	$2.753	$2.483	$2.364	$3.151	$2.484	$2.366	$2.333
10/22/18	[illegible]	$2.800	$2.485	$2.368	$3.099	$2.495	$2.369	$2.337
10/23/18	[illegible]	$2.839	$2.530	$2.380	$3.174	$2.520	$2.382	$2.349
10/24/18	$7.798	$2.817	$2.523	$2.377	$3.047	$2.488	$2.366	$2.347
10/25/18	$7.813	$2.810	$2.514	$2.373	$3.108	$2.471	$2.357	$2.342
10/26/18	$7.436	$2.801	$2.549	$2.372	$3.043	$2.466	$2.328	$2.342
10/29/18	$8.200	$2.809	$2.559	$2.377	$2.989	$2.478	$2.336	$2.347
10/30/18	$7.881	$2.817	$2.562	$2.383	$2.944	$2.480	$2.339	$2.353
10/31/18	$7.881	$2.817	$2.562	$2.383	$2.944	$2.480	$2.339	$2.353
11/01/18	$6.290	$2.795	$2.560	$2.377	$2.812	$2.459	$3.237	$2.347
11/02/18	$6.290	$2.798	$2.580	$2.390	$2.840	$2.464	$2.337	$2.360
11/05/18	$6.643	$2.813	$2.554	$2.402	$3.079	$2.480	$2.331	$2.372
11/06/18	$6.218	$2.847	$2.563	$2.417	$3.110	$2.496	$2.340	$2.387
11/07/18	$5.737	$2.826	$2.545	$2.406	$3.110	$2.469	$2.323	$2.375
11/08/18	$5.899	$2.830	$2.552	$2.392	$3.127	$2.473	$2.330	$2.361
11/09/18	$5.847	$2.838	$2.560	$2.405	$3.265	$2.481	$2.337	$2.378
11/12/18	$6.004	$2.847	$2.580	$2.424	$3.358	$2.493	$2.358	$2.394
11/13/18	$7.096	$2.829	$2.574	$2.416	$3.749	$2.473	$2.350	$2.385
11/14/18	$9.389	$2.862	$2.575	$2.417	$4.524	$2.482	$2.315	$2.387
11/15/18	$9.869	$2.853	$2.572	$2.432	$3.775	$2.454	$2.348	$2.401
11/16/18	$10.862	$2.866	$2.591	$2.433	$4.121	$2.471	$2.368	$2.402
11/19/18	$8.031	$2.902	$2.562	$2.409	$4.565	$2.503	$2.336	$2.378
11/20/18	[illegible]	[illegible]	$2.535	$2.407	$4.527	$2.451	$2.312	$2.376

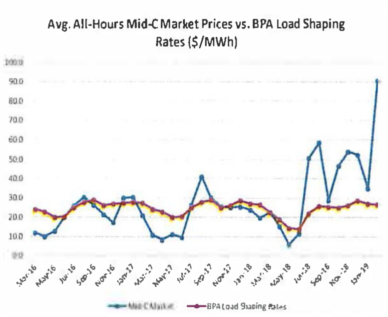
15

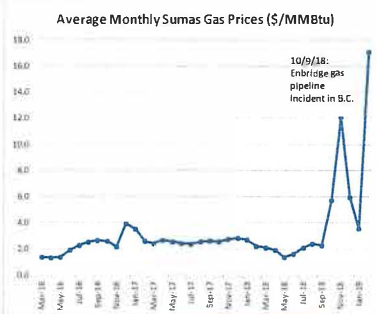
Early March Market Event

- BPA put out a call for conservation and gave a "must run" order to Columbia Generating Station
- Mid-C hourly prices hit $1,000/MWh price cap for first time since the energy crisis (2000)
- Market prices significantly greater than same period in CY18:

- **Sumas gas prices also hit record highs**
  - $200/MMBtu was the highest single trade on Friday (March 1)
  - $180/MMBtu for Saturday only deliveries (March 2)
  - $152/MMBtu for Saturday-Monday deliveries (March 2-4)

16





Average Mid-C Prices
- Mar-2016 – Feb-2017: $21.3/MWh
- Mar-2017 – Feb-2018: $21.2/MWh
- Mar 2018 – Feb-2019: $39.2/MWh (85% Increase)

Average Sumas Prices
- Mar-2016 – Feb-2017: $2.3/MMBtu
- Mar-2017 – Feb-2018: $2.5/MWMBtu
- Mar 2018 – Feb-2019: $4.8/MMBtu (91% Increase)

* Natural gas prices are historically the biggest driver of electric market prices

17

Questions?

18

CLEAN ENERGY TRANSFORMATION ACT

(CETA) E2SSB 5116

MILESTONE CHECKLIST

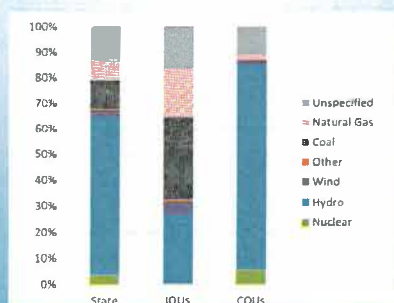
1

Transition to 100% clean energy

- 2025: Eliminate coal
- 2030: Greenhouse gas neutral standard
  - At least 80% of electricity delivered must be renewable or non-emitting
  - Alternative compliance options for up to 20%
- 2045: 100% renewable or non-emitting retail electricity supply

2

WASHINGTON'S CURRENT RESOURCE MIX



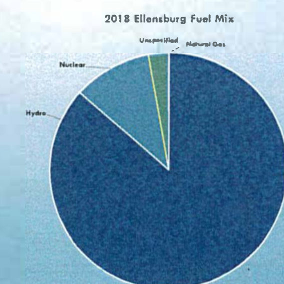
- From Washington State Department Of Commerce

IOUs – Investor Owned Utilities
COUs – Consumer Owned Utilities

3

2018 CITY OF ELLENSBURG FUEL MIX

- 86.47% HYDRO
- 10.75% NUCLEAR
- 2.77% UNSPECIFIED
- 0.01% NATURAL GAS
- 0.00% COAL



4

2020 – JULY 31
ENERGY ASSISTANCE REPORTING - BIENNIALLY

LOW-INCOME: The higher of 80% area median household income or 200% of federal poverty level, adjusted for household size
ENERGY BURDEN: Share of annual household income used to pay annual home energy bills

- Amount & type of energy assistance
  - Number & type of households
- Amount of money passed through to third parties that administer energy assistance programs
- Estimated level of energy burden and energy assistance need
  - Housing characteristics
  - Energy efficiency potential
- Assessment of programs & mechanisms to reduce energy burden
- Effectiveness of programs & mechanisms in both short-term and sustained energy burden reductions
- Assessment of outreach strategies to encourage participation:
  - Consultation with community-based organizations
  - Comprehensive enrollment campaigns that are linguistically & culturally appropriate
- Cumulative assessment of previous funding levels for energy assistance needed to meet:
  - A – 60% of current energy assistance need, or increasing energy assistance by 15% over the amount provided in 2018, whichever is greater, by 2030
  - B – 90% of the current energy assistance need by 2050
- Plan to improve effectiveness toward meeting energy assistance need

5

UTILITY RESOURCE PLAN

CURRENT REQUIREMENTS

REQUIRED EVERY TWO YEARS

DUE BY SEPTEMBER 1ST OF EVEN YEARS

INCLUDES LOADS & RESOURCES FOR:

BASE YEAR

5-YEAR FORECAST

10-YEAR FORECAST

City of Ellensburg	<< Utility Name		
Washington State Utility Resource Plan Year	2018		
Prepared by:	S Rowbotham		

	Base Year	5 Yr. Est.	10 Yr Est.
Estimate Year	2017	17-22	17-27
Period	Annual	Annual	Annual
Units	(MWa)	(MWa)	(MWa)
Loads	25.00	24.45	24.62
Resources:			
Future Conservation/Efficiency		0.10	0.10
Demand Response			
BPA Tier 1 (include BPA PF)	24.32	23.80	[illegible]
BPA Tier 2	0.68	0.00	[illegible]
Non BPA:			
Co-generation			
Hydro (critical water)			
Wind			
Other Renewables			
Thermal-Natural Gas			
Thermal-Coal			
Market Purchase (non BPA)		1.00	1.00
Other			
Distributed Generation			
Undecided			
Total Resources	25.00	[illegible]	[illegible]
Load Resource Balance	0.00	[illegible]	[illegible]

6

2020 – DECEMBER 31
INTEGRATED RESOURCE PLAN (IRP)

Updated plan every 2 years

- Estimate loads for the next 5 and 10 years
- Enumerate resources that will be maintained and / or acquired to serve those loads
  - Explain why resources were chosen
- If resources chosen are not:
  - Renewable resources
  - Methods, commercially available technologies, or facilities for integrating renewable resources, including addressing any over-generation event
  - Conservation and efficiency resources
- Explain why such a decision was made
- Utility plans over 10 years to meet:
  - Greenhouse gas (GHG) neutral by January 1, 2030
  - 100% Non-emitting / renewable by January 1, 2045
- Publish final plan available to the public

7

2021 – JANUARY 1
INITIAL RULES DUE

- Streamline implementation between CETA and Energy Independence Act (19.285 RCW)
- Establish reporting requirements to demonstrate compliance
- Electric utility must make required reports available to retail electric customers

8

STATE AGENCIES REQUIREMENTS

- All state agencies <u>must</u> incorporate the 2045 100% clean energy standard into all relevant planning and use all programs authorized by statute to achieve this policy – RCW 19.405.050(4)
- For example:
  - Utilities & Transportation Commission (UTC)
  - Commerce
  - Ecology
  - Health
  - Labor & Industries
  - Revenue

9

CETA STATUS

- Commerce phase 1 rulemaking completed
  - Updated Energy Independence Act rules
    - Included incremental generation from Federal hydro projects
    - Updated renewable energy credit language
  - Adopted values for social cost of greenhouse gas emissions
  - Rules took effect January 2020
- Phase 2 Issues
  - Reporting requirements
  - Planning requirements
  - Demonstration of compliance
  - Standards for alternative compliance methods
  - Measurement of incremental costs for 2% rate impact provision

10

SAFEGUARDS FOR LOW-INCOME CUSTOMERS AND VULNERABLE COMMUNITIES

- Requires utilities provide energy assistance to low-income customers
- Requires assessment of energy burden and adequacy of energy assistance programs
- Commerce will map data
- Prioritizing vulnerable communities guided by cumulative impact analysis of environmental and health disparities (Washington Tracking Network)

11

2021 – JULY 31
ENERGY ASSISTANCE PROGRAMS & FUNDING REQUIRED

- Electric utilities must make programs and funding available for energy assistance for low income households
- Low-Income: The higher of 80% area median household income or 200% of federal poverty level, adjusted for household size
- Energy Burden: Share of annual household income used to pay annual home energy bills
- Utility must demonstrate progress in providing energy assistance (see Energy Assistance slide)
- Priority must be given to low-income households with a higher energy burden

12

ENERGY ASSISTANCE STATUS

2018 ASSISTANCE

- 2018 – No customer charge and 10% discount on consumption
- 151 – Low-income customers
- $49,004 – Low-income residential electric daily & consumption charges
- 30 – Non-profits serving the disadvantaged
- $10,700 – Non-profits serving the disadvantaged daily & consumption charges

PROJECTED 2020 ASSISTANCE

- 2020 - 50% discount on daily customer charge and consumption
- $87,700 – electric daily & consumption charges
- 155 – Low-income customers
- $64,090 – Low-income residential electric daily & consumption charges
- 31 – Non-profits serving the disadvantaged
- $23,611 – Non-profits serving the disadvantaged daily & consumption charges

13

ENERGY ASSISTANCE STATUS
LOW INCOME ENERGY EFFICIENCY

- 2018 assistance
- 4 customers
- $20,080 in project funding through Hope Source
- 6,000 kWh savings annually

14

ENERGY ASSISTANCE

KITTITAS COUNTY
AREA MEDIAN INCOME (AMI)

Household Size	FY2019 80% Income Limits
1	$40,500
2	$46,300
3	$52,100
4	$57,850
5	$62,500
6	$67,150
7	$71,750
8	$76,400

FEDERAL POVERTY LEVEL (FPL)

Household Size	100%	125%	200%
1	$12,760	$15,950	$25,520
2	$17,240	$21,550	$34,480
3	$21,720	$27,150	$43,440
4	$26,200	$32,750	$52,400
5	$30,680	$38,350	$61,360
6	$35,160	$43,950	$70,320
7	$39,640	$49,550	$79,280
8	$44,120	$55,150	$88,240
Additional Over 8 add	$4,480		

15

2022 – JANUARY 1
CLEAN ENERGY IMPLEMENTATION PLAN

UPDATED AND SUBMITTED EVERY 4 YEARS

- Proposed interim targets between 2022 and 2030 and between 2030 and 2045
  - Proposed specific targets for:
  - Energy efficiency
  - Demand response
  - Renewable energy
- Identify specific actions over next 4 years consistent with long-range resource plan and resource adequacy requirements that demonstrate progress
- Council must hold public meeting
  - Adopt the plan
- Submit the plan to commerce dept.
- Make the plan available to the public

16

2025 – DECEMBER 31
ELIMINATE COAL-FIRED RESOURCES

- Utilities that fail to comply must pay the administrative penalty $150 / megawatt-hour

17

2030 – JANUARY 1
GREENHOUSE GAS NEUTRAL (GHG)

4-YEAR COMPLIANCE PERIODS THRU 2044

- Non-emitting electric generation
  - Renewable resources
- Up to 20% compliance may use alternative compliance options
- Utility may be considered in compliance if the average annual incremental cost to comply meets or exceeds 2% increase of utility's retail revenue requirement

ELECTRIC UTILITY MUST PURSUE ALL:

- Cost-effective
  - Reliable
- Feasible conservation
- Efficiency resources

FAILURE TO COMPLY

- Administrative penalty
  - (detailed in section 9)

18

2030 GREENHOUSE GAS NEUTRAL STANDARD

- Utilities must use renewable or non-emitting resources for at least 80% of retail electric load
  - Nuclear is non-emitting
- Utilities may use alternative compliance for up to 20%
  - Renewable Energy Certificates (RECs)
  - Carbon offset projects, called energy transformation projects
  - Power from Spokane Municipal Solid Waste Incinerator (subject to test)
  - Alternative compliance payments
- Utilities must ensure that all customers are benefiting from the transition to clean energy

19

2045 – JANUARY 1
100% NON-EMITTING GENERATION / RENEWABLE RESOURCES

DEMONSTRATE COMPLIANCE ANNUALLY

- Non-emitting electric generation
  - Renewable resources

ELECTRIC UTILITY MUST PURSUE ALL:

- Cost-effective
  - Reliable
- Feasible conservation
- Efficiency resources
- Demand response

FAILURE TO COMPLY

- Administrative penalty
  - (detailed in section 9)

20

ADMINISTRATIVE PENALTY SECTION 9

- Per megawatt-hour of electric generation used to meet load:
  - $150 – coal-fired resources
  - $84 – gas-fired peaking power plants
  - $60 – gas-fired combined-cycle power plants

21

WA CUSTOMERS WILL LIKELY HAVE QUESTIONS FOR BPA REGARDING:

- Fuel mix / content of its energy
- How market involvement affects CETA-compliant utilities
- Structure of 2028 contracts given CETA requirements
- Allocation of renewables and hydro RECs post-2028
- Evolution of the transmission system to accommodate significant renewable (and non-dispatchable) development
- Accounting for non-emitting generation (CGS)

22

2020
- 7/31 LI Report
- 12/31 IRP

2021
- 7/31 LI Program

2022
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2024
- 7/31 LI Report
- 12/31 IRP

2025
- 12/31 No Coal

2026
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2028
- 7/31 LI Report
- 12/31 IRP

2030
- 1/1 GHG Neutral
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2032
- 7/31 LI Report
- 12/31 IRP

2034
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2036
- 7/31 LI Report
- 12/31 IRP

2038
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2040
- 7/31 LI Report
- 12/31 IRP

2042
- 1/1 CEIP
- 7/31 LI Report
- 12/31 IRP

2044
- 7/31 LI Report
- 12/31 IRP

2045
- 100% Carbon free

CEIP – Clean Energy Implementation Plan
GHG – Greenhouse gas neutral
IRP – Integrated Resource Plan
LI – Low Income

23

RECAP – MAIN CETA PROVISIONS

- New additions to utility Integrated Resource Plans
- Energy assistance program mandate by <u>July 31, 2021</u>
- Develop Clean Energy Implementation Plans by <u>January 1, 2022</u>
- Coal eliminated by <u>December 31, 2025</u>
- Carbon neutrality by <u>January 1, 2030</u>
- 100% clean energy by <u>January 1, 2045</u>

24

Ellensburg Racquet & Recreation Center

Introduction and Background
In 1999, the City of Ellensburg acquired the privately-owned Ellensburg Racquet Club through a donation from the Racquet Club's owners. The City's mission with the acquisition was to take an existing 28,000 square foot facility and turn it into a publicly operated multi-purpose recreational facility for its residents to enjoy. Under the City's ownership, the facility was renamed the Ellensburg Racquet & Recreation Center, to more accurately reflect its planned uses.

Through the accepted donation the City agreed to the following conditions set forth by the previous owners:

1. The City would maintain the facility in its current condition for no less than 5 years, after which time the City could decide whether to continue operating the facility. If, after 5 years, the City chooses not to operate the facility as a racquet and recreation center, the original owners would have the first right to take the facility back into their ownership, with compensation to the City for the costs of all capital improvements made to that point.

2. After 10 years of continuous operations, the City shall become sole owner of the Racquet & Recreation Center, and if so desired can use the facility for any public purpose or sell the property if determined by the City Council to be in the best interest of the City.

3. The city would agree to maintain at least 2 of the existing tennis courts and two of the existing racquetball courts for public play during the first 5-year period.

4. The City would market the facility in order to maximize the public use of the facility.

5. The City is obligated to operate the Racquet Center, except as provided for by this agreement, for so long as its operation does not require a "substantial City operating subsidy", as defined by the Ellensburg City Council.

The City, in accepting the donation of the facility, did so with certain understandings in how it would be utilized:

1. The facility would not be utilized solely as a tennis and racquetball facility as it had been since it's existence. It would be operated by the Parks & Recreation Department as a multi-use public recreation facility, which would be utilized for a wide range of activities. The City would explore other uses such as seeking leasing partnerships (i.e. Rodeo City Gymnastics), facility rentals, and more. While racquet sports will certainly continue to be the primary draw to the facility, it is

the non-racquet activities and uses that will fill the available "gaps" of time, thus offsetting operating costs for all users.

2. The facility will not require any type of memberships for use, as had been the case when it was operated as a private club. Rather, court times and recreation programs will be provided on a per use basis, thus making it available as a recreational resource to all residents.

By accepting the donation of the Center and approving the conditions of the agreement, the City of Ellensburg made a commitment to the capital and operating expenses that would be necessary to run the facility. The Council did so with the intention that it could offer its residents a recreational asset, unique to a community the size of Ellensburg. With this risk however, City Council made clear its expectations to Parks & Recreation Department staff that the facility would need to offset a significant portion of its operating costs through the generation of fees and charges for its various programs and uses, to create as little impact on the City general fund as possible. This expectation creates a unique challenge to staff in the operation of a publicly owned and operated recreation facility. To meet this challenge, with the goal of continued operations of the Ellensburg Racquet and Recreation Center, the City has continually explored a variety of uses and programming in order to attract an expanded userbase.

Center Operations

In the 20 years of the City operating the ERRC, facility hours have been drastically reduced over time. For the first five plus years of existence, the ERRC was open to the public almost 90 hours per week during the peak season (October – middle of June) and 62 hours per week from the middle of June – end of October. Today, the facility is open a total of 62.5 hours a week during the peak season and only 40 hours a week June through mid-September.

Staffing at the ERRC consists of one full-time, salaried position, which is currently vacant, and up to six part-time employees. The ERRC Coordinator has historically worked a 4/10 schedule with part time employees covering evening and weekend shifts. As a general rule the facility is only staffed with one employee per shift. Programs such as the youth and adult indoor soccer are staffed through our department athletics division.

The biggest need right now at the ERRC are capital improvements to the building. Below is a table showing the capital improvements that have taken place at the ERRC since 1999, except for the racquetball court resurfacing and the indoor soccer field improvements, all these improvements took place within the first three years of the City owning the building.

ERRC Capital Improvements 1999-2019	
Sidewalk Repair	$1,500
HVAC Improvements	$64,492
Exterior Painting	$3,762
ADA Sidewalk Compliance	$7,813
Landscaping Improvements	$2,994
Roof Repair	$4,623
Exterior Wall Sealing	$5,880
Restroom Remodel	$37,695
New Carpet in Weightroom	$1,050
Fitness Equipment	$30,000 private donation
Racquetball Court Resurfacing	$5,000 private donation
Indoor Soccer Field Improvements	$50,000 through private/public partnership
Total	***$264,809***

If the City were to continue operating the ERRC, the following is a list of high prioritized projects identified in the July 2016 facility condition assessment report completed by Allana Buick & Bers, Inc. that should be completed:

Project Name	Cost	Justification
Tennis Court Resurfacing	$30,000	The tennis courts have not been resurfaced in over 40 years
Replace Court Lighting	$120,000	Currently has original lighting system; costs offset through higher efficiency lighting
Bathroom Upgrades	$15,000	
Recarpet the building	$37,000	Original Carpet
Paint interior of the building & office improvements	$20,000	
Total Cost	**$222,000.00**	

By completing these capital improvements and department staff placing a higher priority on the cleanliness of the Center, the City would address the majority of the concerns the public has regarding the ERRC.

ERRC Programming & Community Need

The City of Ellensburg officially began operations of the Ellensburg Racquet and Recreation Center in February 1999. Under City management, the facility has proven to be a popular seasonal recreation option for citizens of all ages in the community. The City of Ellensburg is one of only a handful of communities across the state that has a publicly owned and operated indoor tennis facility.

While racquetball and tennis continue to be popular activities at the ERRC, a range of activities outside of racquet sports is offered at the Center. Many of these activities are offered during the winter months when many of our residents are looking for indoor activities. Shown below are the current activities taking place at the ERRC along with the number of people who participate in those activities:

Activity	Sponsoring Agency	Number of Participants	Frequency Program Meets
Youth Indoor Soccer League	City of Ellensburg	150	
Adult Indoor Soccer League	City of Ellensburg	75	
Gymnastics	Rodeo City Gymnastics	65	5x per week throughout the year
Toddler Time	Rodeo City Gymnastics	25	1x per week througout the year
Select/Travel Soccer	Kittitas Valley Junior Soccer Association	150	Winter months
Intramural Soccer – Fall	CWU	255	4x per week fall
Intramural Soccer – Winter	CWU	350	4x per week winter
Pickleball	City of Ellensburg	35	November - April
Racquetball	City of Ellensburg	30	Year around
Tennis	City of Ellensburg	125	November – April
Baseball/Softball		50	Winter/Early Spring
Fitness	City of Ellensburg	15	Weekly
Tiny Tots Soccer – Fall	City of Ellensburg	115	Six weeks
Tiny Tots Tball - Spring	City of Ellensburg	115	Six Weeks
		1,555 total particpants	

There is an estimated 1,550 people that use the ERRC on a regular basis. Many of these activities are offered through public and private partnerships such as the City renting permanent space to Rodeo City Gymnastics, a privately-operated company. The Central Washington University intramural and club sports programs uses the ERRC for their club tennis program as well as intramural sports, while the Kittitas Valley Junior Soccer Association uses the indoor soccer field so their club teams can practice during the winter months. The Parks & Recreation Department athletics program uses the ERRC to offer youth and adult indoor soccer programs and the Tiny Tots Sports program, which serves kids ages 3-5 years old. The newest and arguably most popular activity at the ERRC is pickleball. Three days a week, four pickleball courts are filled with local pickleball enthusiasts, some traveling as far away as Yakima to play. As previously mentioned, the majority of the ERRC use takes place in the winter when indoor recreation space is at a premium. During this same time of year, the Ellensburg School District facilities, are at capacity, as well as the facilities on the CWU campus. Without the ERRC, many of these programs would not be available to our community.

Within the City of Ellensburg there is a significant shortage of tennis courts. The '2016 Park Recreation and Open Space Plan' calls out the need for 11 an additional courts tennis. Besides the 8 tennis courts at CWU, the ERRC has the only other tennis courts in Ellensburg. This compared to less than 20 years ago when there were 25 public tennis courts in Ellensburg.

The 2016 Park Plan also identified the high need for indoor recreation space, especially during the winter months when people do not have as many outdoor recreational choices, especially those with younger children or seniors. While maybe not located in the ideal location, and in need of building upgrades, the ERRC does provide 28,000 square feet of valuable winter indoor recreational space.

Financial Goals

The long-term goal of the ERRC was to provide a comprehensive recreational facility with minimal or no assistance from the City General Fund. Unfortunately, I do not believe this goal is attainable. In 2004 the City recovered 60% of its operating costs, that is the closest the building ever came to full cost recovery. Over the course of the ERRC's history, the City has eliminated one of two full time positions at the Center, significantly reduced facility operating hours, and continually operates on a shoestring budget. In 2019, 89% of the ERRC budget was dedicated to staff salaries and facility utilities. The following table reflects the yearly revenues and expenditures at the ERRC over the past nine years.

Year	***Revenue***	***Expenditures***	***% Subsidized by the General Fund***
2011	$44,621	$127,284	65%
2012	$43,566	$119,907	64%
2013	$39,160	$119,309	68%
2014	$40,592	$119,885	67%
2015	$42,514	$128,752	67%
2016	$36,350	$121,541	70%
2017	$38,939	$134,401	71%
2018	$33,481	$121,696	72%
2019	$31,349	$142,279	78%

In order to lessen the financial impact of the Center on the City general fund, Council could consider a season closure of the facility. As an example, in 2019, between June 1st- August 31st the City spent $27,255 operating the Center, while at the same time only bringing in $5,651 in program fees. Of the $5,651 in program fees, $4,425 came via monthly rent from Rodeo City Gymnastics. By closing the ERRC during these months, but still allowing Rodeo City Gymnastics to operate, the City would go from a negative to positive cash flow in the summer while impacting very few facility users.

Next Steps

??????

2020 PARKS COMMUNITY SURVEY				
Updated 3/6/2020 at 10:00 AM		**Total responses: 360**		
	Question	**Responses**	**#**	**%**
1	What City of Ellensburg recreational facility(s) do you/your family use? Select all that apply.	Pool	237	65.83%
		AAC	29	8.06%
		SBYC	29	8.06%
		ERRC	178	49.44%
		NA	60	16.67%
2	What are the reasons you/your family use the City of Ellensburg recreational facility(s) checked above? Select all that apply.	Location	86	23.89%
		Activities offered	242	67.22%
		Cost of service	83	23.06%
		Hours	64	17.78%
		NA	57	15.83%
		Other	42	11.67%
3	What are the barriers to using the City of Ellensburg recreational facility(s) more or using other park's facilties? Select all that apply.	Location	68	18.89%
		Activities offered	107	29.72%
		Cost of service	80	22.22%
		Hours	118	32.78%
		NA	86	23.89%
		Other	79	21.94%
4	Thinking of the City of Ellensburg recreational facility(s) and what is currently offered, what indoor space would you like to see available that currently isn't?	Open-ended question	360	
5	Which City of Ellensburg parks do you/your family use? Select all that apply.	Irene Rinehart Riverfront Park	298	82.78%
		Kiwanis Park	165	45.83%
		Kleinberg Park	4	1.11%
		McElroy Park	63	17.50%
		North Alder Street Park	161	44.72%
		Paul Rogers Wildlife Park	57	15.83%
		Reed Park	21	5.83%
		Rotary Park	231	64.17%
		Skate Park	32	8.89%
		Veteran's Memorial Park	104	28.89%
		West Ellensburg Park	220	61.11%
		Wippel Park	6	1.67%
		Rotary Park Dog Park	64	17.78%
		IRRP Dog Park	73	20.28%
		Reecer Creek walking trails	61	16.94%
		Mountain View/Lions Park	159	44.17%
		NA	11	3.06%

12	Age/s participating in parks activities?	under 18	212	58.89%
		0-5	28	7.78%
		6-12	53	14.72%
		13-17	19	5.28%
		18-24	32	8.89%
		25-34	67	18.61%
		35-44	126	35.00%
		45-54	69	19.17%
		55-64	25	6.94%
		65+	34	9.44%
13	Sufficient activities available for all people, all ages?	Yes	129	35.83%
		No	197	54.72%
		Other	34	9.44%
14	Questions/feedback/comments	180 responses; 180 skipped		
15	Residency	Ellensburg	234	65.00%
		County	113	31.39%
		Not in Eburg or County	12	3.33%
		I don't know	1	0.28%
16	Ethnicity in my household	Caucasian	336	93.79%
		Hispanic	22	6.83%
		African Am	8	2.48%
		Native Am	5	1.24%
		Pacific Islander	2	0.62%
		Asian	4	0.93%
		Other	20	5.59%
	36 respondents left their email and 21 left there phone number for folllow up			

City of Ellensburg WASHINGTON
COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

AGENDA REPORT

TO: City Council

FROM: Kirsten Sackett, Community Development Director

SUBJECT: Land Development Code Progress Report

DATE: March 13, 2020

BACKGROUND: The Community Development Department has been providing updates on the status of various amendments to the 2013-adopted Land Development Code since 2015. Based on staff experience in implementing the Land Development Code and the priorities identified in the 2017 Comprehensive Plan, various sections of the Code were identified for review and possibly revision. Staff made recommendations, worked with the Planning Commission and also received direction from Council after past retreats.

During 2018, the Planning Commission worked on amendments identified with the highest priority. These included updating the critical areas regulations, revising Ellensburg City Code Chapter 15.300 to be consistent with the 2017 Comprehensive Plan, as well as an "administrative review and clean-up" ordinance, 142 pages in length. This ordinance was comprehensive in nature and addressed many of the challenges previously identified in the code.

In summary, the ordinance provided corrections and clarification to definitions, terminology, time periods for issuing decisions, time limits for recording subdivisions, clarity in permit review procedures and permit types, noticing requirements, clarification to the SEPA categorical exemptions, to the form and intensity standards, floor area ratios, improved process on home occupation permits, updates to commercial wireless communication towers, as well as to the airport overlay standards, community design provisions, duplex and triplex standards, and finally provided clarity to the computation of off-street parking requirements.

Moving on to 2019, the Planning Commission continued their work on high priority items. The following is a summary of the work completed in 2018 and 2019 specific to the Land Development Code, followed by a proposed work program for 2020. The proposed work program is tentative and is subject to revision based on City Council guidance, changing priorities, staff capacity, and the public participation process.

2018

1. Chapter 15.300 – Maps, Zones, and Designations update for consistency with the 2017 Comprehensive Plan - **COMPLETE**
   - March 22 – Planning Commission public hearing and recommendation for Council approval
   - April 15 – City Council public hearing and 1st reading Ordinance 4798
   - May 7 – City Council adoption of Ordinance 4798

2. Critical areas regulations – **COMPLETE**
   - May 16 – Public open house
   - May 24 – Planning Commission public hearing and recommendation
   - June 4 – City Council public hearing
   - June 18 – City Council adoption of Ordinance 4803

3. Land Development Code administrative review and clean-up – **COMPLETE**
   - February – June – Planning Commission work sessions
   - July 12 – Planning Commission public hearing and recommendation
   - August 6 – City Council public hearing
   - August 20 – City Council adoption of Ordinance 4807

4. Accessory Dwelling Unit standards and regulations – **COMPLETE**
   - June and July – Planning Commission work sessions
   - September 27 – Planning Commission public hearing and recommendation
   - October 15 – City Council public hearing
   - December 17 – City Council adoption of Ordinance 4810

5. Annual Comprehensive Plan update – **COMPLETE**
   - September 13 – Planning Commission public hearing
   - October 15 – City Council public hearing and recommendation
   - November 5 – City Council adoption of Ordinance 4811

6. Planned Unit Developments – **IN PROCESS**
   - March 22 – Planning Commission discussion, tabled for inclusion in zoning district discussion

7. Review of Parking Regulations
   - May 24 – Planning Commission discussion

8. Zoning District boundaries and use tables – **IN PROCESS**
   - August – December – Planning Commission work sessions

2019

1. Zoning District Boundaries and Use Tables – **IN PROCESS**
    - Jan thru March - Planning Commission work sessions
    - April – City Council update and discussion
    - May – Report to Planning Commission on City Council response
    - Community Workshops held:
        - May 13
        - May 21
        - May 30
        - July 9 community workshop to report out findings
    - Online Surveys available to community: May thru June
    - July – Planning Commission work session on community feedback
    - August – Planning Commission work session
    - September – Planning Commission work session, including discussion on merging Commercial-Tourist (C-T) zoning with that of Commercial-Highway (C-H)
    - October 7 – Status update to City Council
    - October 24 – Planning Commission work session, including discussion on adding two new mixed-use zones.
    - November – Planning Commission work session, with follow-up on mixed-use zones, and impacts of merging C-T and C-H zones on the sign code.

2. Off-Street Parking requirements
    - February 22 – Case study report presented at City Council retreat

3. Affordable Housing Incentives– **IN PROCESS**
    - March – Planning Commission work session
    - April – Discussion on staff interviews with 6 communities, and local developers
    - September 19 - Final Report on staff interviews to Planning Commission

    Please refer to attached staff report for additional information

4. Siting Essential Public Facilities – **ON HOLD**
    - May and July – Planning Commission works session

    An administrative decision was later made to postpone code amendments for this topic. The desire to revamp the procedures came about when the County began their inquiries about siting the new transfer station. Staff has explored options for updated regulations, but did not want to complicate or disrupt the process that was already underway with the County.

5. Annual Comprehensive Plan update – **COMPLETE**
    - September 19 – Planning Commission public hearing

- October 7 – City Council public hearing and recommendation
- December – City Council adoption of Ordinance 4838

6. Wireless Communication Facilities - **COMPLETE**
    - November – Planning Commission Public Hearing
    - December 16 – City Council public hearing and recommendation
    - January 6, 2020 - City Council adoption of Ordinance 4846

2020 PROPOSED WORK PROGRAM:

In 2020, Staff has identified the following land development code updates as priorities, but will modify the program based on feedback from City Council:

- Finalize the updates to the Zoning District Boundaries and Permitted Uses (As drafted, this includes the allowance of duplexes in all residential zones)
- Sign Code – to follow after zoning districts updates
- Development of Affordable Housing Incentive Programs
- Demolition Ordinance (underway utilizing consultant services)
- Infill development in subdivisions
- Assess PUD regulations (will they be necessary if we adopt mixed-use zones?)
- Essential Public Facilities (after Transfer Station complete)
- Master Plans for P-R zones - update recommended after processing first application
- Critical Aquifer recharge areas
- Climate adaptation policies/regulations

City of Ellensburg WASHINGTON
COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

DATE: September 19, 2019

TO: Planning Commission

FROM: Angela San Filippo, Long Range Planner

RE: Land Development Code Revisions – affordable housing incentives

A. BACKGROUND

The Ellensburg Comprehensive Plan identifies the following action items in the Land Use, Housing, and Transportation chapters:

1. Review parking requirements and assess parking costs. Consider reducing parking requirements in areas within a quarter mile of transit and residential uses that are characterized by low rates of car ownership.
2. Evaluate, review, and revise the density bonus program to promote infill development in and around downtown. This will include evaluation of incentive programs used by other jurisdictions and outreach and engagement with the local development community.
3. Review and revise the land development code as necessary to allow for a wider variety of housing types; specifically review and identify potential barriers to small-scale multifamily developments such as duplexes, townhouses, and accessory dwelling units.
4. Review and revise zoning districts, and the allowable uses within each zoning district, as necessary to permit and encourage mixing of residential and commercial uses and ensure compatible land use patterns.

Additionally, these actions items were given highest priority by Council members at the February 2018 retreat. The parking review was again discussed and assigned high priority as it pertained to affordable housing development at the February 2019 Council retreat.

B. LAND DEVELOPMENT CODE UPDATES AND ZONING REVIEW

The Community Development Department has followed up with the Council's prioritized actions items by revising the Accessory Dwelling Unit requirements to allow for more flexibility and decreased off-street parking requirements. In addition, the Planning Commission and Community Development staff began a thorough review of the zoning district boundaries and allowed uses in each of the zones. The Planning Commission held 10 work sessions from August 2018 through January 2019. The Planning Commission proposal was reviewed by City Council at the April 1, 2019 regular Council meeting. Community outreach began in May 2019 with three community workshops and an online survey, a follow-up workshop was held on July 9 to report back to the community on the input received so far.

The Planning Commission reviewed the community feedback at their regularly scheduled meeting on July 25 and will be continuing their review and generating recommendations for next steps on August 22. The current proposal includes creating two new mixed use zoning districts – one near the west interchange and one on the east side of South Ruby Street. The proposal also includes an expansion of the Central-Commercial downtown zoning district to the east which would expand the Multifamily Tax Exemption (MFTE) area. In addition to zoning boundary changes the proposal includes allowing for more flexibility for locating small-scale apartments in single family residential neighborhoods and a wider variety of neighborhood scale commercial uses allowed in residential zones and the Residential-Office transition zone.

C. DENSITY BONUSES AND REDUCED PARKING FOR AFFORDABLE HOUSING

The current density bonus program provides for density bonuses between 5 and 150% for developments that incorporate a greater mix of housing types, affordable housing, green building, public trails, and/or historic preservation. To date, none of these density bonuses have been taken advantage of. The City's goal is to create a program that provides relevant incentives for builders and developers in order to further the purpose of the density bonus program as defined in Ellensburg City Code 15.330.010.

The current off-street parking requirements for residential uses in the City of Ellensburg provide for reduced requirements in the downtown Central-Commercial zone, and reduced parking requirements for cottage and senior housing.

In order to help inform the evaluation and review of the existing density bonus program and potential reductions in off-street parking requirements, staff conducted four interviews with local builders and developers, an interview with a local property management company owner and developer, and an interview with the executive director of the Central Washington Homebuilders Association. Staff also conducted case study research and interviews with six communities spread throughout Washington, Colorado, and Montana who have implemented successful parking reduction programs and/or implemented incentives for specific types of housing developments. The following is a summary of the key findings and recommendations from the interviews with builders and developers, and case study communities.

1. Builder and developer interviews

The list of questions used to conduct the builder and developer interviews are included as Exhibit 1. The builders/developers interviewed included the developer of the Patricia Place apartments, an investor in small-scale multifamily developments, developer of primarily single family homes primarily targeted to homeowners, the owner of a local property management firm who is also developing small-scale apartments, and the executive director of the Central Washington Home Builders Association (CWHBA). The interviews were conducted in a conversational manner and the questions were used as a framework to guide the conversation.

a. Recommended revisions to the City's Land Development Code to promote more diverse and affordable housing types:

- Implement zero lot line for single family homes (single family attached homes) in more zoning districts. It is more challenging to find buyers for multifamily because it is more challenging for residents to qualify for a mortgage because of shared wall and condominium laws, and it is more challenging to finance the construction costs for multifamily developments.
- Consider allowing reduced front yard setbacks, and open space requirements. Typically tenants care more about the number of bedrooms and bathrooms not the open space.
- Allow for tiny home villages; there are organizations that encourage homeownership through rent to own models.
- Relax development standards for affordable housing.
- Allow duplexes on all lots that allow a single family residence.
- Allow duplexes and triplexes in Residential-Low zones.
- Expand Central-Commercial zoning district and the Multifamily Tax Exemption area.
- Incorporate Planned Unit Developments back in the Land Development Code with a provision for shared driveways in order to cluster housing.
- Revise the modulation and articulation standards for nonconforming structures, the majority of existing housing stock is nonconforming with regard to these standards, because of this renovation or rehabilitation of existing housing stock may be cost prohibitive.

b. Reduced parking requirements for affordable housing:

- Reductions in off-street parking would not be enough to incentivize affordable single family home construction.
- Off-street parking requirements are reflective of a car culture that is changing.
- Implement reduced off-street parking requirements in older parts of town and adjacent to downtown where infill wouldn't otherwise be possible and where walking is more feasible.

- Parking reductions are not a viable option outside of the downtown core.
- Allow parking reductions for smaller apartment units – for example 1 parking space for a 1 or 2 bedroom apartment or 1 parking space per dwelling up to 3 bedrooms. Currently parking requirements are 1.5 parking spaces for 1 bedroom units and 1 parking space per bedroom for 2 bedroom units or larger.

c. Construction related comments and recommendations:

- Crews to build larger apartment complexes have to be brought in from other areas and that is expensive.
- Up front construction costs can be difficult to finance, City bearing some of those costs would be helpful.
- The profit margin is higher in single family homes than apartment construction this leads to the developer sacrificing affordability for other values.

d. Managing affordable housing rentals:

- Managing the clientele is difficult, would rather build single family homes for homebuyers at a lower price point.
- Most local developers do not have experience with the developer/operator model for multifamily projects.
- Management of affordable rental housing can be difficult because of outside prejudice, in reality all potential renters go through a background check and screening process regardless of household income.

e. Other suggestions that may encourage more diverse and affordable housing:

- Look into Opportunity Zones and what partnerships might be available for developers.
- Consider a 15-20 year affordability retention for affordable housing projects, this would be more consistent with private developer financing structures and would be more financially viable than 40-50 year retention periods.
- Petition the Washington State Department of Ecology for a higher threshold for stormwater permits in eastern Washington.

2. Case study community interviews

The list of questions used to conduct interviews with case study communities are included as Exhibit 2. The communities chosen as case studies have similarities to Ellensburg in terms of their size, climate, and presence of a University. The interviews were conducted in a conversational manner, the questions were used as a framework to guide the conversation.

a. **Bellingham.** Bellingham is a growing coastal city in Washington State with an estimated population of 90,665 located near the Canadian border. Bellingham is home to Western Washington University with a 2018 student enrollment of 16,121 students.

Off street parking requirements. Bellingham has a parking exempt district downtown and a donut shape around downtown with reduced parking requirements. Bellingham also implemented urban villages throughout the city with reduced parking requirements. The City allows for additional parking reductions on a case-by-case basis in waterfront and urban villages that can reduce parking requirements down to nothing.

Parking studies prepared by the applicant are required in order for applicants to qualify for reduced parking requirements. Staff review time is significantly reduced by putting the onus on the applicant. The parking study includes such things as: how they will mitigate for reduced parking standards; improvements to on-street parking; and information on residences showing they do not require as much parking (i.e. senior, low-income, etc.).

Bellingham provided an example of a student housing project that parking requirements reduced by 100 parking stalls which saved the developer from having to construct a second level of parking with an estimated cost of $30,000 - $50,000 per parking space (or total of $3-$5 million).

Bellingham is considering allowing parking requirement reductions for affordable housing. They have implemented an infill housing toolkit which has reduced parking requirements for cottage housing and houses that are under 1,000 square feet; this was intentionally done to encourage smaller houses to be built.

The City also revised the parking requirements for Accessory Dwelling Units (ADU) to one parking space per ADU (the previous requirement was one parking space per bedroom). The ADU parking requirement can be reduced to nothing through mitigation and completion of a parking study. If the additional parking required for the ADU results in an additional curb cut thereby eliminating an on-street parking space, the off-street parking requirement is waived for the ADU.

Previous to adopting the new ADU standards there was approximately one ADU being built in Bellingham per year. 48 ADUs were built in 2018 and staff projects that 2019 ADU construction will surpass 2018.

Bellingham heard public concerns when the reduced parking requirements were first proposed. Since projects have been implemented and the reduced parking requirements have been used the neighbors have seen the results and much of the concern has ceased.

Affordable housing incentives. Bellingham has an 80% reduction in utility connection fees for affordable housing which requires a covenant on the property. Typically these projects also receive funding from the City; if there is a change in use or if the property is no longer affordable the fees have to be paid back.

The City has the ability to reduce impact fees on a case-by-case basis. For example a homeless housing project serving single adults may have the school impact fees waived if there is no impact on schools as a result of the project. The City is able to claim reduced utility connection fees and reduced impact fees as match for federal funds because they are an entitlement community.

Bellingham expanded the Multifamily Tax Exemption (MFTE) program from downtown to include the urban villages. The program began in 1998 and not a single project has taken advantage of the affordable housing provision because the differential between an 8 and 12 year tax exemption is not enough to make it worth it to the developer. In Bellingham, the MFTE was crucial in showing that residential development in urban villages and downtown could be lucrative; now that it is a proven model staff believes the MFTE program may not be necessary.

Bellingham is considering making city surplus properties available to housing organizations but has not committed to giving away the properties. The City is also considering implementing a density bonus system for affordable housing.

The City has affordable housing funds that they allocate but to date these funds have all been awarded to nonprofit housing organizations. Staff believes that the subsidy the City is able to offer is not enough to entice for-profit developers, and construction costs in Bellingham are very similar to Snohomish County but rents are not high enough to support the cost of development.

b. **Boulder, Colorado.** Boulder is growing city with an estimated population of 107,353 at the foothills of the Rocky Mountains in northern Colorado. Boulder is home to the University of Colorado at Boulder with a 2017 student enrollment of 30,246 students.

Off-street parking requirements. Currently Boulder allows reductions to off-street parking requirements based on case-by-case analysis. There is no set criteria for this analysis but it has been used in negotiations for things like trails, open space, site circulation, design review, bike amenities, and travel demand management programs. Staff provides a recommendation on reduced parking based on the quality of the project, location, and proximity to transit and services. The staff recommendation and analysis is reviewed by the Planning Commission and City Council is the final decision maker. The process tends to be highly politicized with a lot of discretion and subjective decision-making. This has led to a high level of uncertainty for developers and adds time and expense to projects.

Staff tracks and monitors the program, however there are no consequences for lack of compliance. City Council has considered implementing lack of compliance consequences, for example a fee in escrow account to ensure compliance over a period of time.

Boulder routinely grants case-by-case parking reductions because the off-street parking requirements in place are very high. The reductions have been helpful in shaping the City, without these reductions staff believes Boulder would look very different. However, because of the inefficiency and uncertainty staff also believes that a complete overhaul of the off-street parking requirements would better serve the City and developers.

Affordable housing requirements. Boulder has a regulation for 25% inclusionary affordable housing in all new development to be maintained in perpetuity; residential developments with less than four units pay a fee-in-lieu for the inclusionary housing. The fee-in-lieu can be significant – up to $40,000 per single family home. Development of for-sale homes are required to provide a minimum of half the required affordable units on site.

Other incentives such as fee waivers or expedited review are not looked at positively. Boulder's political viewpoint is that all development should be treated equally, all development should pay its own way, and go through the same public process.

Affordable housing funds. The vast majority of City affordable housing funds come from the inclusionary housing fee-in-lieu program, other funding sources include: commercial linkage fees, property taxes, and leverage of state and federal funding (Housing Trust Fund and Community Development Block Grants).

c. **Bozeman, Montana.** Bozeman is a growing city with an estimated population of 46,696 located in southern Montana in the Rocky Mountains. Bozeman is home to Montana State University with a 2017 student enrollment of 16,703 students.

Off-street parking requirements. Bozeman has a cap on off-street parking requirements for affordable housing not to exceed two spaces per unit, but it has only been used a few times by low income housing tax credit projects.

The City also has 50-100% parking reductions available for mixed use projects, apartments that provide car share vehicles, and proximity to transit. One year ago, the City removed all parking requirements in the urban renewal district.

Bozeman has many big festivals downtown and private parking lots are not used during festivals. Staff believes if there really were a parking problem or more demand for parking private parking lots would be monetized. The City is currently reviewing the parking requirements and may see some changes towards the end of 2019.

Affordable housing requirements. Staff indicated that many efforts made for affordable housing have been thwarted by the hot housing market and the inability to subsidize enough of the cost to compete with the open market.

Montana state law does not say whether or not jurisdictions can implement inclusionary zoning; Bozeman implemented inclusionary zoning two years ago and expects the issue to be settled in court. Bozeman's inclusionary zoning requirement mandates 10% of new subdivided lots be sold as affordable housing but does not address redevelopment and only includes single family homeownership. The program is not deed restricted, the homeowner must occupy the home for two years and then the house can be rented or sold on the market. If the house sells above the original mortgage there is a lien on the change in price and the homeowner has to pay back 98% of the change in price.

The first developer under the inclusionary zoning law built 180 single family homes and because they chose not to incorporate affordable housing into the project they are required to pay $1.3 million as a fee-in-lieu. The City expects the developer to take the inclusionary zoning requirement to court.

The fee-in-lieu program is used to contribute to low income housing tax credit projects, Habitat for Humanity, Housing Authority, etc.

Bozeman has considered inclusionary zoning for multifamily development but staff believes they need to build up inventory so that the rent prices start to go down. Most builders in Bozeman are local or retirees building smaller scale projects that would not get into the market if the inclusionary zoning was in place and this would limit the overall number of housing units.

Affordable housing incentives. Bozeman provides a rebate of impact fees for affordable housing which is reimbursed through a property tax for affordable housing.

Bozeman's single family residential zoning districts allow for lot sizes down to 4,000 square feet, and lots sizes for affordable housing can be as small as 2,500 square feet; townhouses (attached single family) can have 2,000 square foot lots.

The City revised the ADU criteria to allow ADUs up to 600 square feet to be built on any lot in the City with one additional parking space. The previous code only allowed attached ADUs and had lot size requirements.

Bozeman's zoning code allows for up to two units on one lot but building a second home that the owner can't sell has not been popular. Most property owners are choosing to build ADUs instead because they don't require separate water, sewer, etc. Townhouses up to four units are allowed in all but the lowest density residential zone. In addition, the least dense zone in the City has a density of 8 dwelling units per acre and the Commission has taken the stance that they will approve any upzoning request.

Bozeman has had a cottage housing ordinance for four years but it has been a complete failure because of the fire access requirements and water and sewer connection costs. The cottage housing infrastructure costs amount to about $320/square foot versus multifamily development that is about $170/square foot; with high land costs the construction costs don't pencil out for cottage housing.

Affordable housing funds. The City has a property tax for affordable housing which amounts to about $310,000 per year, this funds one employee and the rest is used for impact fee reimbursement and a $10,000 down payment assistance program.

d. **Fort Collins, Colorado.** Fort Collins is a growing city with an estimated population of 165,080 in northern Colorado. Fort Collins is home to Colorado State University with a 2017 student enrollment of 33,413 students.

Off-street parking requirements. Fort Collins has a Transit-Oriented Development (TOD) overlay with off-street parking reductions because there is a reasonable expectation for transit service in these areas. Affordable housing projects serving households earning 60% of area median income are eligible for further parking reductions in the TOD.

Areas outside the TOD do not have prescriptive paring reductions, however applicants can apply for up to a 50% parking reduction through a variance process. This process is not very predictable and has not been the best way to approach parking reductions. To date only one project has applied for a parking reduction variance.

There have been some complaints in the neighborhoods surrounding the TOD regarding people parking in the neighborhood and walking to work or restaurants located in the TOD. Fort Collins implemented a residential parking permit program for areas surrounding the TOD overlay to help address spillover parking.

To date, two affordable housing developments have taken advantage of the TOD parking reductions. Both projects are permanent supportive housing for individuals earning 30% or less of area median income and they only have 25% of the parking that would have otherwise been required. The City requires affordable housing projects to have deed restrictions for a minimum of 20 years but many of the projects also receive federal funding and affordability is required to be retained for 40-50 years.

Affordable housing incentives. Fort Collins has a density bonus program in the TOD to encourage denser housing types and affordability. The density bonus program has been in place for 8 years and not one developer has used the bonus.

The City has concerns regarding implementing any incentives that would apply different standards to affordable housing thereby adding to the stigmas associated with affordable housing. However, the City has implemented several incentives including: fee waivers; less extensive landscaping requirements; and an expedited review process. The landscaping and expedited review process don't provide much monetary incentive so they usually aren't used.

Fort Collins is reviewing the TOD overlay zone with regard to whether it is helping to address the City's overall goals. The City's Planning/Zoning Board has mixed support for the TOD zone and with some members believing that single family neighborhoods are being needlessly attacked and should be more actively preserved.

Affordable housing funds. Fort Collins is working on establishing a sales tax funding source for affordable housing, the sales tax would be collected over a 10-year period and allocated periodically.

e. **Missoula, Montana.** Missoula is a growing city with a population of 73,340 in western Montana. Missoula is home to the University of Montana with a 2018 student enrollment of 10,962 students.

Off-street parking requirements. Missoula moved away from requiring off-street parking based on the number of bedrooms because developers were getting creative with what was being considered a bedroom. The City put a lot of effort into determining appropriate square footage breaking points for parking requirements. Currently the lowest parking requirement is for units that are 850 square feet or less because staff determined this size would likely be a one bedroom; this isn't always the case but it has proven to be a good threshold. Staff indicated they have found a balance between Council and members of the public – some think they have gone too far and others think they haven't gone far enough.

The City is currently working on a parking reduction for subsidized housing but it has not been implemented. The City has a reduced parking requirement for residential developments that serve people over the age of 55 years, but they don't have many age restricted communities so staff isn't sure how successful this has been.

Fort Collins does not require parking downtown for residential or nonresidential developments and there has been a spillover effect on adjacent neighborhoods. The City has a residential permit program to address spillover parking in areas adjacent to the University but not in the neighborhoods adjacent to downtown.

In 2019, the City implemented parking reductions for overlay corridor areas based on proximity to and frequency of public transportation service; proximity to bike routes; and inclusion of bike facilities in the project. A few developers have expressed interest in the program but have no one has taken advantage of the reductions yet. In theory, with the new code an applicant could reduce the parking requirements down to nothing because the parking reductions can be used in conjunction with each other.

Diversity of housing stock. The City has seen smaller houses being built but not necessarily more diverse housing stock; they still see primarily single family homes and larger scale apartment buildings without much in the middle component. The City has started to look at how to encourage more diversity in housing and allowing for more flexibility for townhouse style construction but have not implemented any code changes.

f. **Wenatchee, Washington.** Wenatchee is a growing city with a population of 33,962 located in north-central Washington. Wenatchee is home to Wenatchee Valley College with a student enrollment of 7,063 students.

Off-street parking requirements. Wenatchee currently has a 20% parking reduction for development in close proximity to transit or in close proximity to a public parking lot; close proximity is not defined and it is interpreted loosely. Staff indicated that pretty much all multifamily development projects that apply get the reduction and the reduced parking has been well received by the neighborhood as well as the development community.

In Wenatchee, all residential development has a limited maximum number of required parking spaces regardless of the number of bedrooms. Commercial development in the downtown does not have off-street parking requirements; residential development downtown requires one parking space per dwelling unit.

Staff would like to analyze the off-street parking requirements of certain neighborhoods and certain housing types but the community and Council are not ready; the parking reductions serve as the compromise.

Diversity of housing stock. Wenatchee is implementing revised housing development standards to address missing middles housing types which is tentatively scheduled for adoption in September/October 2019. The revised housing standards focus on outright permitting a variety of housing types throughout the city with more emphasis on neighborhood character and site planning and design.

The City has tried to implement density bonuses to encourage housing diversity and it didn't work; they are focused on how to outright permit diverse housing types to increase the overall housing inventory.

Wenatchee expanded the MFTE program in 2018. All multifamily developments that are part of this program have taken advantage of the market rate property tax exemption.

3. Planning Commission Recommendations

Staff will facilitate discussion with the Affordable Housing Commission and the Planning Commission for each item in the following lists. Staff asks that the Planning Commission make a recommendation on each of the items. The Commission recommendations are meant to inform the next steps and provide direction to staff on which items to pursue additional technical analysis and public feedback.

Affordable Housing. Each of the items in this list are either incentives or mandates for affordable housing. The incentives are intended to bring down the overall cost of development. The potential cost savings for each of the incentives will be project specific. Development projects in this category would be required to include housing that is affordable for specific household income levels, and an annual reporting component would be necessary to ensure compliance with affordability requirements over a specified period of time.

Mandates:

1. Require the inclusion of a percentage of affordable housing into residential development.
    a. New subdivisions over a certain number of lots.
    b. Multifamily development with over a certain number of units.

Incentives:

1. Reduce off-street parking requirements
    a. Case by case analysis based on project specific parking study.
    b. Prescriptive off-street parking requirements for affordable housing.
2. Reduce development standards – for example, reductions in front yard setbacks, reduction in open space requirements, transparency requirements, covered front entryway, garage placement and design, multifamily articulation standards, and landscaping standards.
3. Allow for smaller lot sizes/density bonus.

Missing middle housing. Each of the items in this list are ways to incorporate missing middle housing into housing development projects. These items include ways to outright permit missing middle housing types as well as incentives to encourage specific housing types. Development projects in this category would not include specific affordability requirements and would not require annual reporting.

1. Outright permit specific housing types in residential zones.
    a. Allow duplexes and townhouses in single family residential neighborhoods.
2. Allow for smaller lots sizes (increase density) in single family residential neighborhoods.
3. Reduce off-street parking requirements for smaller housing units.
4. Reduce off-street parking requirements based on proximity and frequency of public transit.

EXHIBIT 1 – BUILDER/DEVELOPER QUESTIONS

1. What types of housing have you built in Ellensburg? (Single family, multifamily, affordable, market rate)

2. What area(s) of town have you built housing? (locate general area(s) on map and if applicable indicate type of housing in each area).

3. How do you decide where to build? (For example undeveloped land versus infill development). What are the primary challenges in identifying locations to build?

4. In your experience with building housing in Ellensburg, has demand changed in the type and/or size of housing people are looking for? For example: single family versus multifamily; 2 bedroom versus 3 or 4 bedroom; demand for studios and 1 bedrooms.

5. In your opinion, what could the City do to encourage construction of diverse housing types and construction of housing that is affordable at a variety of economic levels?

6. Can you think of any incentives the City could offer that would make you more likely to integrate affordable housing into your developments (for example: density bonuses, fee waivers, reduced off-street parking requirements).

7. Has the minimum off-street parking requirements impacted your housing development projects? If so, how? (less density, cost of development, etc.). If not, why?

8. In your experience with building housing in Ellensburg, has demand for off-street parking changed? For example: less or more cars per household.

9. Have you received any feedback from tenants or homeowners regarding parking needs?

10. If the City of Ellensburg were to allow for reduced parking requirements for construction of affordable housing units would this incentivize you as a developer to build affordable housing units? For example affordable rent for a 2-bedroom apartment would be approximately $930 or less per month; affordable rent for a 3-bedroom apartment would be approximately $1075 or less per month. Please explain why you would or would not be interested

EXHIBIT 2 – CASE STUDY INTERVIEW QUESTIONS

1. How many housing development projects (including number of units per project) have taken advantage of the off-street parking reductions for:
    a. Affordable housing
    b. Senior housing
    c. Other

2. What does the case-by-case analysis to qualify for parking reductions entail? How much staff time is associated with the analysis? Do you have an example of an analysis that you would be willing to share?

3. What role does the public transportation and access to public transportation play in the eligibility of projects for parking reductions?

4. Do you have affordability or senior housing retention requirements for housing developments that have reduced parking requirements? If so, how are they monitored and do you have an example of monitoring and/or reporting requirements that you would be willing to share?

5. Have you received any feedback from the development community as to how the parking reductions impacted their decision to build, or the type of units they constructed? What role did parking reductions play in the decision to develop?

6. Have you received any feedback from residents living in units with reduced parking requirements, as to how it affected their own circumstances with parking vehicles?

7. How would you rate the overall success of the parking reductions? Are the reduced parking requirements helping meet the City's goals? If possible, please provide examples.

8. Do you have any on-street parking issues/challenges (including complaints from neighbors) in areas near housing developments that have reduced off-street parking requirements?

9. Do you have any other incentive programs that promote the construction of affordable housing? If so, please describe the overall program. What incentives are offered? Have developers taken advantage of the incentives? How many projects and/or units have taken advantage of the incentives?