

CITY OF BELLEVUE  
HUMAN SERVICES COMMISSION  
MINUTES

April 15, 2008  
6:30 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chairperson Yantis, Commissioners Beighle, Hoople, Huenefeld-Gese, Lazetti, Seltzer, Stout

COMMISSIONERS ABSENT: None

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Joseph Adriano, Senait Taddese, Terry Smith, Camron Parker, Department of Parks and Community Services; Arthur Sullivan, ARCH

GUESTS: Diana Thompson, Bellevue Network on Aging; Angela Kennedy, Katie Edwards, Leo Finnegan, Debbie Broome, Joe Podorsek; Issaquah Human Services Commission; Steve Gierke, City of Issaquah Staff; Elizabeth Maupin, Issaquah Community Church; Lynn Fleshman, Diana Farrow, Redmond Human Services; Sante Ramos, Tom Sherrard, Liz Haddon, Kirkland Human Services Advisory Committee; Sharon Anderson, Judy Manchester, City of Kirkland Staff; Steve Roberts, Congregations for the Homeless; Eileen Rasnack, Catholic Community Services

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:32 p.m. by Chair Yantis who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. PETITIONS AND COMMUNICATIONS – None

4. STAFF AND COMMISSION REPORTS

Commissioner Hoople reported that he attended a session called Problem Solving, Decision Making and Conflict Resolution at the Kindering Center. He said he also attended the Community Relations Outreach Program meeting at City Hall where the topic was community redevelopment.

Commissioner Hoople also reported that both sides of the King County Veterans and Human Services levy have been given unprogrammed funds. In the beginning the estimate was that the levy would bring in \$14.3 million, and that is the amount that was allocated to both sides. However, as the taxes were collected the revenues exceeded the projections. The human services side will be voting on how to allocate their unprogrammed funds on April 17, and the veterans side will make a decision soon.

## 5. DISCUSSION

### A. ARCH Presentation on Affordable Housing 101

Human Services Manager Emily Leslie thanked everyone for attending. She said the Bellevue Human Services Commission had intended to receive an update from ARCH and concluded that it would be advantageous for the human service advisory bodies from other cities to receive the same information. It was also thought that the assembled groups could benefit from hearing the report on the East King County Plan to End Homelessness.

ARCH Program Manager Arthur Sullivan said in making presentations to city councils around the area regarding housing issues he has found that those bodies are used to dealing with fire and police departments, roads, parks and other areas in which government is considered to be the lead provider. When it comes to housing, however, the economy is set up to have the private sector be the primary provider. Local government actions, however, have a very large impact on housing, especially on what it looks and feels like. At times local governments also have a direct role, but generally as a secondary purpose. The private sector and public sector must work together to layer outcomes that will benefit the entire community, though it does not always work as well as everyone would like. In all instances, education is absolutely necessary for all public officials in order to better understand housing.

Mr. Sullivan said a series of workshops was conducted in the spring of 2007. The workshops involved city council, planning commission and human service representatives along with senior staff and housing providers, both non-profit and for-profit. At the time the Housing Trust Fund was under review by the ARCH executive board, which consists of the chief administrators of the ARCH member cities. The executive board recognized that the Housing Trust Fund was not addressing the full list of housing needs and that there needed to be a more concerted effort by the

various local governments to use all of the housing tools available to them. The executive board felt that because of the complex issues involved in housing, education and outreach is a critical component, especially for all new public officials, including commissioners, councilmembers and staff.

The education outreach effort is intended primarily to provide solid background information. The workbook materials do not lay out specific proposals or solutions, rather they are intended to serve as a resource for public officials to use over time to understand housing. The second part of the education program is to provide annual updates regarding key issues and to facilitate conversations about how the various programs are working and how they can be kept fresh.

Mr. Sullivan asked the group if housing generally and affordable housing specifically is seen as an important issue in their respective communities.

Ms. Elizabeth Maupin said she hears often from people who cannot afford to remain in their current homes and cannot find other affordable housing. She said one member of the congregation is living in her car in the church parking lot.

Mr. Tom Sherrard said the housing issue is incredibly important. The people who hold the majority of the jobs in the local community cannot afford local housing. He said it is very frustrating how few people in the community seem to think affordable housing is an issue at all.

Commissioner Huenefeld-Gese said she sees people trying to get into housing and struggling with the cost. People who have enough are not bothered by the cost, and people who are currently living in homes are hoping the retail price will continue to climb so they can profit from them at some point. Some of those issues play off of each other.

Commissioner Stout said there are many who are concerned that their own children cannot afford to live in the communities they grew up in and where their roots are. Many are earning reasonable salaries. Increasingly, people in many parts of Bellevue are becoming more aware of that fact.

Mr. Joe Podorsek suggested that more available help is needed for people who must pay more than 30 percent of their income for housing. Too often when those people have the smallest financial setback they lose their apartment. Many just need assistance to get them through a rough spot.

Mr. Sullivan noted that many in the room have participated with Tent City and have seen the positives and negatives associated with that venture. He asked what kind of concerns are being voiced in the various communities when the need to deal with the affordable housing issue is raised.

Mr. Podorsek said Tent City IV was sited just across from his church. He said the church members voiced concerns about having homeless across the street from the church and school and the possible threats. Too many people say they are all for affordable housing so long as it is not constructed in their back yard. Some believe that those of lower economic status are not as good or they would be better off financially.

Ms. Debbie Broome said she hears a lot of concern with the definition of affordable housing. Some think certain of the category levels are set too high.

Mr. Sullivan said ten to fifteen years ago many elected officials were involved in updating their Comprehensive Plans. All of those leaders are gone now and a whole new generation of leaders have come on board. The new leaders have recognized the need to be educated with regard to housing issues.

The ARCH Housing Trust Fund has over its history funded over 2500 units of low-income housing, all the way down to 80 percent of median, in east King County. Most of the units were brought about in a way acceptable to the local communities. In addition, the communities are happy with the results and want to see more done.

There are only two different reasons for having conversations about housing. The first is a technical one, namely that local governments have certain responsibilities under the Growth Management Act. All cities must write comprehensive plans and they must deal with housing. The second and more important reason is that each community has residents and employees with limited incomes or other special needs who need housing.

Mr. Sullivan said his job as housing planner for Eastside cities is to determine how housing is defined based on the needs of each community, and what the supply of housing looks like. When the task of overlaying the two leaves a gap, there is an issue to be addressed. The gap can result from the types of housing available, or it can be tied to the cost of the housing.

Mr. Sullivan provided the group with a brief description of the materials in the workbook and explained how it is intended to be used.

ARCH exists as an interlocal agency as the result of a formal agreement between all 15 cities in east King County. It is a voluntary organization that began with Bellevue, Kirkland, Redmond and King County as the only members. The executive board consists of the chief executives of each member jurisdiction. A citizen advisory board has also been appointed to oversee the workings of the organization. Each member city is responsible for taking all land use actions and deciding how much money will be spent and where it should be spent.

ARCH exists to help local governments do a better job of creating housing. The organization works in four general areas: 1) direct assistance, which includes the Housing Trust Fund, making land available, fee waivers and the like; 2) policy development; 3) program implementation; and 4) community conversations aimed at dialog and education.

Mr. Sullivan pointed out that the numbers in the workbook relative to income data are about 4.5 percent low. The median income for a family of four in King County is currently just over \$81,000. The Countywide Planning Policies define very low income as 30 percent of area median, low income as 50 percent of area median, and moderate income as 80 percent of area median. That means low income means \$28,000 per year for a single person or up to \$40,000 per year for a family of four. Moderate income works out to be \$45,000 for a single person or up to \$65,000 for a family of four. Many of the jobs in the community pay wages at the low- and moderate-income levels. Somewhere between 22 and 23 percent of all households in King County are low income. Another 17 percent or so are at the moderate-income level. The low- and moderate-wage jobs are for cooks, retail workers, teachers, firefighters, mechanics, office managers, bookkeepers, RNs and dental assistants. The areas with the highest number of job vacancies are retail sales, manufacturing and healthcare. Fully 73 percent of job vacancies pay a median wage of \$10 per hour.

The primary demand for housing is coming from the workforce. In 1970 east King County was truly a bedroom community, meaning it had more housing units than jobs. That statistic has dramatically changed: by 1990 the number of housing units roughly matched the number of jobs, and by 2000 there were more jobs than housing units. Seattle has traditionally been a net importer of jobs because it has never had enough housing units to match its workforce. All of the Eastside cities have upward trends; none of the cities see the growth curve improving, and in fact many believe it could get worse.

The majority of households in east King County consist of one- and two-person households. The largest percentage is single persons. Married with children accounts for less than one third of the total. Housing unit prices are skyrocketing in downtown Bellevue and downtown Kirkland, because the one- and two-bedroom units are meeting a pent up demand.

Diversity is another issue facing the area. Seventeen percent of all east King County households are foreign-born. Age is a factor in housing as well. The percentage of seniors is increasing; some communities have shockingly high percentages of seniors in their populations, and the percentage of seniors over 75 has increased the fastest. The trend line recently in the 18 to 44 age group has been downward, more so on the Eastside than in the rest of the County.

## 6. DISCUSSION

### A. Presentation of East King County Plan to End Homelessness

Senior Planner Camron Parker said a large percentage of Eastside residents may not think homelessness is a significant issue in east King County. He said one common misperception about the homeless is that they are from somewhere else, that they have traveled to the area for one reason or another; the fact is most who become homeless in King County are King County residents. Fully 88 percent had a last permanent address within Washington State, and 80 percent had a last permanent address in King County. Of those, seven percent had an Eastside address.

A significant percentage of the homeless in King County are under the age of 18, including a sizeable number of children. Some have been kicked out of their homes, while others have chosen to leave their homes.

The roots of the Eastside Plan to End Homelessness go back to 2000 and a grassroots effort spearheaded by religious leaders. The group met for quite a while and the official King County Committee to End Homelessness was formed in 2002, and shortly thereafter plans to end homelessness became a requirement for certain federal funds, which caused a lot more people to pay attention.

In 2004 Hopelink hosted a community conversation on homelessness. One group that attended that event began meeting regularly to talk about what homelessness looks like on the Eastside; the group became known as the Eastside Homelessness Advisory Committee. At the time, many of the homeless advocates and providers were focused on downtown Seattle where the needs are different from the Eastside. It was concluded that there should be a document focused more on Eastside issues.

The Eastside Homelessness Advisory Committee has been meeting monthly since 2004. In 2005 the countywide plan was completed, and then the state became interested in the topic and now predicates certain funding to having plans to end homelessness. In 2007 the Eastside Homelessness Advisory Committee partnered with the Eastside Human Services Forum to sponsor the Eastside plan. The key strategies in the Eastside plan mirror those in the countywide plan.

Mr. Parker commented that moving from a system that has managed homelessness to a system that seeks to end homelessness is a monumental system change. Each of the six key strategies are particularly important in seeing the change come about.

East King County faces challenges that are different from those in Seattle and in south King County. The countywide ten-year plan is written at a fairly high level with regard to policy recommendations; to get to specific action steps and targets requires

a more specific plan. The Eastside plan places a great deal of emphasis on early intervention to prevent homelessness. The faster those on the brink of becoming homeless are reached, the better it is for those facing homelessness and the non-profit and government agencies that support that work.

Mr. Parker shared with the group some numbers taken from the countywide one-night count. He explained that volunteers meet on one night of the year between the hours of 2:00 a.m. and 5:00 a.m. to count the number of people they find sleeping outside. The first Eastside-specific count was done in 2004 and it has been done annually every year since. The people living at Tent City IV are included in the count as unsheltered, and those numbers can go up or down for a variety of reasons; during the 2006 count the numbers were down because the camp was pitched to the east of Woodinville and many found it hard to get to. The number of persons sleeping in cars, under bridges, or wandering around in the middle of the night with no intended purpose has steadily increased from year to year.

Mr. Parker cautioned against using the numbers to say that street homelessness in east King County has doubled. Everyone is sure that during the first year of the Eastside count a number of homeless persons were missed; there is also certainty that people were missed again in 2008. It is particularly hard to get a comprehensive count in east King County; the counts are made only in five specific locations in the urban parts of east King County.

Overall, the east King County numbers represent a pretty low percentage of the countywide numbers. Without Tent City included in the tally, the percentage of homeless persons is slowly increasing; with Tent City included, the numbers are staying about the same. The fact is it is easier to actually accomplish something for the 82 Eastside persons who sleep outside; the task is much more daunting when looking at the overall King County figure of 2,631 persons.

The Eastside Plan to End Homelessness has two focus areas: the prevention of homelessness, and providing permanent supportive housing for the various groups. During the planning process steps were taken to determine how many units of housing are needed for each population group. On the prevention side, the fact that the cost of living is increasing at a steeper rate than incomes means that each year those who are marginally employed or underemployed find it harder and harder to keep paying their regular bills; that can often lead to homelessness. One unforeseen illness, a loss of work, or even a gap in employment, can throw things off kilter for those who live on very tight budgets. Many need only short-term assistance, but if that assistance is not there and they fall into homelessness, the toll goes up substantially.

To a large degree, those who become homeless first look for emergency shelter where they can stay for a couple of months. From there they must seek transitional

housing where they might be able to stay for as long as two years. Permanent housing is the third step in the system. The new model seeks to get people into permanent housing as fast as possible and providing the needed services to persons in their housing units. The ultimate goal is to bring the homeless to self sufficiency.

In all of east King County there are currently 30 emergency shelter beds and six units of permanent housing available to single homeless persons. The need is for 820 more housing units, including 50 units of interim housing where people could stabilize for a short period of time before going into permanent housing. The numbers were drawn from talks with service providers and are based on their estimates of the number of units needed to meet the demands they face.

There are 122 housing units available for families in east King County. The need is for 930 additional units. Providers report that for every family served with housing, four families are turned away.

Mr. Parker noted that victims of domestic violence can be either single adults or in family situations. The goal related to domestic violence victims is called out specifically because of the fact that such situations call for a different level of service and different kinds of services. The estimate is that 75 additional housing units are needed to cover the need for domestic violence victims.

Commissioner Stout asked how the cycle works to keep a supply of permanent housing units once the available units are filled by those in need of housing. Mr. Parker said the concept is that permanent housing units have no set time limits. The level of services offered, however, may fluctuate. On the day a family moves into a unit, there may be a whole list of services provided; as time goes by, that list will shrink depending on their needs. Presumably at some point they will no longer need services, but they may still need the subsidized housing. As they become self sufficient, they likely will seek new housing on their own. The expectation is that the turnover in permanent housing units will be sufficient to keep up with the demand.

Mr. Sullivan said part of the answer is that a number of the units earmarked to serve the homeless are in larger developments. A particular household may graduate to becoming a permanent residence, and as turnovers occur new families can move into vacant units and pick up the services that are no longer required by those who are moving toward self sufficiency. There can be graduation within a development that serves more than just the homeless.

Mr. Parker said homelessness among youth is one of the most hidden demographic groups on the Eastside. They either know how to hide well or are jumping around from one friend's house to another. The fact is not much is known about the group. Those who are providing services to youth in east King County sat down and determined that there are 21 units currently serving the population and that another

96 units are needed to keep youth from having to go to Seattle for services.

The overall goal is to provide a system where people will not have to leave their local community. In King County just moving ten miles away can add an hour to a commute and make things even more tricky for families that are only marginally stable. The intent, ambitious though it may be, is to have all of the pieces in place by 2015. Fulfilling the plan will not necessarily mean constructing a lot of new apartment buildings; there are existing units that could be acquired and put to use. Another goal of the plan is to build awareness about homelessness and the needs on the Eastside.

Mr. Sullivan said since the plan was released efforts have been under way to lease existing units; those efforts are being made by Congregations for the Homeless, Friends of Youth and Hopelink. The Housing at the Crossroads development on NE 8<sup>th</sup> Street is nearing completion. Several new family unit construction projects around the Eastside include affordable units; there are even homeless units in Issaquah Highlands and Talus. Friends of Youth just received funding to buy an existing eight-plex; six of the units will be used for young adults aged 18 to 23. The YWCA is operating a women's drop-in center and assessing the needs of single homeless women.

Mr. Sullivan said there are three tiers to think about regarding supply: 1) the affordability of existing units; 2) the context created for communities by the Growth Management Act; and 3) the accomplishments to date.

Renters as a group generally earn 70 percent of median income or less. Less than ten percent of the rental housing stock on the Eastside is affordable to lower income households. Rents in east King County are higher than in all other areas of the County and have been trending upward faster than incomes, especially since 2003. Mr. Sullivan shared with the group a chart showing the percentage of income being spent on housing for each income group. He noted that over 85 percent of households earning up to \$35,000 spends more than 35 percent on their income for housing. As income levels increase, a smaller percentage of each income group spends more than 35 percent on housing.

The Growth Management Act actually has very little to say about affordable housing. It says local jurisdictions must have a housing element as part of their comprehensive plan, and the housing element must include a housing needs assessment and policies that address the housing needs. The GMA also requires each County to have countywide housing policies. The Countywide Planning Policies for King County has very specific information. Under it, every city in east King County must use the same formula for assessing housing goals moving forward into the future. Every city has as a goal affordable housing at 50 percent of median income equal to 24 percent of their growth number. That does not mean that 24 percent of all new housing units must meet the affordability standard, but it does mean that where 1000

new units are created, 240 affordable units are to be created in the community either through new development, through accessory dwelling units, or through preserving existing stock and guaranteeing it will stay affordable. The policies also require 17 percent of the growth number be affordable at the moderate income level.

Mr. Sullivan noted that each city also has an overall housing goal established by the Countywide Planning Policies, and he said that how the various jurisdictions are doing in meeting those goals presents a good news/bad news scenario. Every jurisdiction is doing very well in meeting their overall housing goals. The rate of ownership has increased over the past four years during the period when most of the new units created were multifamily; that means the vast majority of new housing units are condominiums.

Multifamily housing is the new reality, and local officials need to understand that. The fact is that over 50 percent of the total housing capacity in east King County is in mixed use zones. Over 80 percent of the multifamily housing capacity is in mixed use zones. If there is to be any hope of dealing with the housing needs in the various communities, it will have to happen in the mixed use zones, and it will be necessary to make sure the units meet differing needs in the community.

Condominium conversions is a form of entry level ownership, but the practice increases the level at which the units are affordable.

There are different ways for communities to create housing affordability. One approach is to create zoning which allows the market to create a diversity of unit types that will have the effect of keeping unit pricing down. Another approach is to use land use incentives such as density bonuses in exchange for providing affordable units. Allowing for accessory dwelling units is a good option. Direct assistance in the form of cash, land and fee waivers is another option. Successes have been clocked in east King County using all of those approaches relative to moderate income units. However, to get to the low income level, subsidies are always needed in conjunction with the other tools.

Collectively, the cities in east King County are meeting their moderate income housing goals. However, a close look at demographics indicates things are not all that rosy. Almost all of the market-rate moderate income units are rentals, and most are one-bedroom and studio units. Nationwide, first-time homebuyers earn 70 percent of median income. Having units available for first time buyers is very important; if there are no units available for first time buyers, they will not leave the rental units, and if they do not leave the rentals then the rental stock turnover is limited and rental rates increase, making it less affordable to the low-income households.

The average size of a home in 1950 was around 800 square feet. The average

condominium unit is now 800 square feet. Condominiums are the new ramblers.

Mr. Sullivan said ARCH was created under the notion of sharing resources in order to go after the best opportunities. Providers have a single stop to make in seeking funding for affordable housing projects in east King County. Prior to the creation of ARCH, the YWCA Family Village project sought funding from six different cities and received sums from \$50,000 down to \$10,000. Similar projects are now being constructed using as much as \$1 million from the Housing Trust Fund. The requirement for local jurisdictions to conduct a housing needs assessment and to have policies to address housing is met by the Housing Trust Fund. ARCH consciously has created long-term distribution goals rather than priorities.

The goal of the Trust Fund is to fund a wide variety of housing, with long-term goals to allocate 56 percent of resources for family housing, 19 percent for senior housing, 13 percent for homeless housing, and 12 percent for special needs housing. Those percentages have been reviewed and were found to still be appropriate by the member cities. For a time the overall allocation for senior projects hit 30 percent; it is since back down to 20 percent. The surge stemmed from the fact that several Section 8 housing projects were reaching their HUD contract limits and about to be lost and ARCH stepped in to preserve the Section 8 units. To date ARCH has preserved over 500 Section 8 units.

By pooling funds, the member cities of ARCH are able to access the opportunities as they arise, not just in their own jurisdictions. They recognize that housing needs do not stop at jurisdictional boundaries. To date, \$22.5 million has flowed through ARCH. That amount is only 15 percent of the total costs of the projects. The balance of funding has come from other sources, including federal, state and county agencies, along with non-profit and for-profit developers.

Preservation of existing units continues to be a prime ARCH goal. Many such opportunities are near transit centers and urban centers.

Special needs housing is for residents who require services as an integral part of their day-to-day living. The facilities are often smaller and have been converted from another use.

The total development cost per unit is currently running about a quarter of a million dollars. The target affordability level for the various projects determines to some extent the amount of funding ARCH will contribute.

Mr. Podorsek asked if large corporations like Microsoft contribute to the creation of affordable housing units. Mr. Sullivan said they do not contribute to ARCH directly but do contribute to non-profit organizations.

Mr. Sullivan shared with the group several stories of how affordable housing units have been brought online in east King County.

Mr. Sullivan said cities can use their code authority to create unit price diversity and some explicit affordability. He highlighted a project in Woodinville that was granted a density bonus. When jurisdictions act to allow for density, they can choose to seek something in return, such as parks, roads, and affordable housing. That discussion is currently going on in the Bel-Red area of Bellevue, in Mercer Island, in Sammamish, in Kirkland, in Kenmore, and in a number of other cities. Some cities elect to require a percentage of new units to be affordable; Redmond has taken that approach for its downtown area. In taking that approach, cities need to analyze how much value they are creating and compare that against what they are asking for in return.

Allowing for the creation of accessory dwelling units is one good way for cities to achieve their housing goals. Mercer Island recognized that fact 15 years ago and made it easy to get a permit and follow the rules. As a result, Mercer Island is ahead of its goals for moderate income housing; there are currently almost 200 accessory dwelling units in the jurisdiction.

Housing diversity is a key element. Kirkland has allowed a demonstration program involving small homes in single family neighborhoods. Some cities have allowed triplex developments across from single family homes. For a while Bellevue allowed duplexes in single family zones. Several communities allow for planned unit developments in which the individual homes are smaller. Some cities are being aggressive in making sure housing happens in mixed use zones; there is a portion of Overlake where redevelopment with only commercial uses very nearly does not pencil out, but when housing is included in the mix the density options are dramatically increased.

Cities have taken a variety of approaches in bringing about senior housing. Both Bellevue and Bothell have senior overlays. The approach in Bothell is to throw out density calculations for senior housing in certain parts of the city and allows building the setbacks and maximum height limits. Redmond has taken a similar approach in some areas.

ARCH is administering programs consistently from city to city. Some 300 homes have been created through land use incentives that have long-term resale restrictions to keep them relatively affordable; the homes are in Kirkland, Redmond, Bellevue, Issaquah, Woodinville and unincorporated King County, and hopefully there will be some units in Newcastle very soon. The agreements are identical in each city for the builders, the homebuyers, the realtors and the bankers.

## 7. OLD BUSINESS – None

8. NEW BUSINESS

Ms. Leslie reported that the next North and East King County Human Services Funders Workshop is slated for Wednesday, April 23, at the Bellevue City Hall. She said the new online funding application will be unveiled at the workshop, which begins at 2:30 p.m. in the Council Chambers.

9. PETITIONS AND COMMUNICATIONS – None

10. ADJOURNMENT

Chair Yantis adjourned the meeting at 8:41 p.m.

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Secretary to the Human Services Commission

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Date

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Chairperson of the Human Services Commission

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Date