



## MEMORANDUM

**TO:** Planning Policy Commission  
**FROM:** Minnie Dhaliwal, CPD Director  
**RE:** Title 18 Update – Affordable Housing  
**DATE:** June 21, 2022

### Background

Affordable Housing in the context of Chapter 18.514 is housing which has covenants attached to it stating that it will remain affordable to people at certain income levels for 50 years for home ownership and as long as the property remains a residential use for rental properties. Generally, income levels range from below 30% King County Area Median Income (AMI) to 80% AMI. Long ago, Issaquah recognized the need for affordable housing that extends up to 120% AMI.

The intent of the 18.514 Affordable Housing update is to:

- Clarify expectations for developers and planners regarding affordable units
- Provide consistency among regulations with other jurisdictions
- Ensure compatibility in size and quality between market-rate and affordable unit
- Update to current practices.

A table of substantive changes is included in Attachment A, below.

The Council Ad Hoc Committee's Title 18 Update Desired Goals and Outcome document identifies the following priority relevant to this topic.

**Goal 6:** *Increase housing diversity*

**Desired Outcome:**

- Housing affordability better meets the needs of individuals and families across the income spectrum and diverse cultural communities to live and work in the community.

**Goal 13:** *Modernize code and incorporate best practices*

**Desired Outcome:**

- Create a well-organized, clear code that improves public access to information; provides tools that address community needs; and helps create the kinds of places the community expects.

## Previous Meetings

- November 4, 2021 – Planning Policy Commission & Development Commission: Zoning and Development ([Agenda](#)/[Minutes](#)/[Video](#) )

## Things to Consider: Policy Discussion

Are the proposed changes adequately address the goals and outcomes identified by Council?

## Timeline

- July 14, 2022 – Public Hearing: Title 18 – Zoning and Development: Affordable Housing, Transfer of Development Rights, Landmarks, and Parking.
- July 28, 2022 – PPC Deliberation: Title 18 – Zoning and Development: Affordable Housing, Transfer of Development Rights, Landmarks, and Parking
- October 2022 – Public Hearings: Consolidated Draft Title 18 Update

## Attachments

- A. Summary of Substantive Changes
- B. Summary of Comments and Responses

## A. Summary of Substantial Changes

The following summarizes the substantive changes made to develop the proposed 18.514 Affordable Housing. The changes are based on the gaps analysis, previous discussions with the Planning Policy and Development Commissions, a staff evaluation of existing code, feedback from the City attorney’s office and A Regional Coalition for Housing (ARCH).

CHANGE	REASON
1. Revisions were made to create consistency with other ARCH jurisdictions.	Other jurisdictions codes have been updated more recently than Issaquah’s, so this brings our code up to date. Additionally, ARCH monitors the development of affordable units in all jurisdictions. Consistency among jurisdictions ensures same practices and is more enforceable for ARCH.
2. Moved definitions to the Definitions chapter	Consistency with other chapters in the code.
3. Removed 18.21.030 Affordable Housing Programs.	These weren’t all programs, and the list served no purpose.
4. Changed the 20-year affordability requirement for renter-occupied units to require affordability as long as the property is used for residential purposes.	The 30-year affordability requirement met the requirements of the banks, not the needs of the community.
5. Differentiated between developments consisting of all affordable units and market-rate developments containing affordable units.	This ensures affordable and market-rate units within mixed developments are on par with each other.
6. Added requirements for interior and exterior finishes	This is something monitored by ARCH but was not codified, therefore, not enforceable.
7. Removed the allowed reduction of recreation space as a way to save money in development.	There was no logic in allowing less open space for income qualified renters/owners.
8. Added carports as a flexible standard.	The need for this standard was identified in another affordable housing project. Parking, particularly structured parking, is an extremely expensive piece of the development.
9. Removed 18.21.060.D which states, “Alternative housing at affordability levels specified in subsections A, B and C of this section may be provided if it is determined by the Director to provide a comparable level of overall affordability, such as providing fewer units that are low income affordable housing.”	The City already provides an alternative compliance section that allows for other ways to meet the intent of the chapter.
10. Added requirements for off-site Alternative compliance by removing requirement for housing in the same subarea and by establishing time for building permit submittal and issuance of certificates of occupancy.	Code currently requires location of off-site units within the same area as the parent project. This is may not be possible due to land availability and may result in an undue concentration of affordable housing. Timing of submittal of building permits and certificates of occupancy ensure construction of affordable units.
11. Option for payment in lieu as Alternative Compliance was added	Provides funding for affordable housing in lieu of construction which may not be possible or may prohibit development of parent project.

## B. Summary of Public Comments

Date	Commentor Name	Topic	Comment	Response Notes
10/22/2021	Kristi Tripple	Zoning & Development	Shared an article discussing development of affordable housing discussing how cities should be welcoming, streamline the permitting process, and have a clear code and partnership.	NA
	Susan Neville	Zoning & Development	<p>It has been determined density bonus programs are not meeting our target goals. Instead, the program allows for encroachment on critical areas and increased impervious surface by maximizing the lot resulting in a fewer than expected affordable units.</p> <p>In order to increase our target goal, we should consider adding mandatory housing programs to Central Issaquah with the following considerations: No waiver for impact fees or parks; Keep incentives intact that lower development cost and offset affordable requirements (ex: connection charges/plan review fee, permit review fee); Carefully re-consider increased FAR and building height; and Multi-family tax exemptions for residential.</p> <p>Mandatory affordable housing should be added to Central Issaquah where the service amenities are already in place not citywide. Should not increase affordable housing until transit services are in place.</p>	<p>Inclusionary zoning (the requirement of affordable housing in residential/mixed-use developments) is required in the Urban Core, Mixed Use, and Vertical Mixed Use zones in Central Issaquah. The city will consider expanding inclusionary zoning to other zones within Central as well as outside of Central. In 2002 and 2008, the city adopted ordinances waiving all fees for affordable units, except for mitigation fees and pass through fees that go directly to other public entities. A multi-family tax exemption (MFTE) will be used with the transit oriented development (TOD) project. Whether to expand the MFTE program may be considered by council after the TOD project is completed.</p> <p>As noted above, inclusionary zoning is required in the Urban Core, Mixed Use, and Vertical Mixed Use zones in Central Issaquah.</p>

Date	Commentor Name	Topic	Comment	Response Notes
11/4/2021	Susan Neville	Zoning & Development	<p>Housing Strategy 6.3 and 8 seem redundant. Explain how this is different from the “Desired Policy Direction” #3 of current code change agenda: “Question 3: If you want to add affordable housing programs, do you want to see these applied citywide or just in Central Issaquah?”</p> <p>I was under the impression this type of affordable home types (missing middle) were already reviewed and added to our Central, Strategic and Housing Strategy Work Plans? If not, why are we not addressing these gap issues in our current updates rather than putting off?</p>	<p>Housing Strategies 6.3 and 8 are different. Inclusionary zoning (Strategy 6.3) is a requirement that a percentage of units within a residential development be affordable at a defined Area Median Income with covenants attached that keeps the sales price/rent regulated for a stipulated amount of time. Missing Middle (#8) includes market rate, typically smaller types of housing such as cottage housing, apodments (micro-units), condominiums, or courtyard apartments.</p> <p>Affordable housing programs refers to units with covenants attached – not market rate housing. The idea of increasing allowable missing middle is in the Housing Strategy Work Plan (as #8). The city received a \$100,000 grant to address missing middle and expansion inclusionary zoning</p>
	Tia Heim	Zoning & Development	<p>There is an opportunity to have income-qualified and workforce housing in the Highlands, specifically around the existing transit facility. Consider mixed-use development with affordable housing on all or a portion of the Highlands. Affordable housing should be located within a walkable community with easy access to transit.</p>	<p>The Title 18 update does not include allowing additional uses within zones. However, the commenter brings up important policy issues that could be considered in future code analysis work or during land use analysis for the Comprehensive Plan update.</p>