

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: October 3, 2016

AGENDA ITEM: Consider request to reduce Traffic Impact Fees for Low Income Housing.	
PREPARED BY: Dave Koenig	DIRECTOR APPROVAL:
DEPARTMENT: Community Development	
ATTACHMENTS: Letter from Housing Hope	
BUDGET CODE:	AMOUNT:
SUMMARY:	

Housing Hope, a non-profit housing provider for low income families has requested that the City reduce the traffic impact fee for their Twin Lakes Landing project. State Law RCW 82.02.060(3) allows for impact fees for low-income housing to be exempted. Up to 80% can be deferred without other budget consequences. If there is an exemption of 100% than the additional 20% shall be paid from public funds other than impact fee accounts. This Housing Hope request was presented to Public Works Committee, with no action from the committee.

If Council wants to provide an exemption for low income housing it is recommended that:

The exemption targets families whose income are 50% or lower of median family income.

That the exemption be for 50% of the traffic impact fees.

That this is reviewed on a case by case based on: the public benefit of the specific project, the financial hardship to the project to pay the traffic impact fees, the housing developer is a nonprofit agency, the extent that the applicant has sought other funding sources, the impacts on the public facilities, and the consistency of the project with adopted city plans and policies.

Two communities in Snohomish County have passed ordinances to exempt impact fees, they are Monroe and Everett.

RECOMMENDED ACTION: Provide direction on bringing forward an ordinance to exempt the traffic impact fees for low income housing.
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August 22, 2016

Dave Koenig
Community Development Director
CITY OF MARYSVILLE
80 Columbia Avenue
Marysville, WA 98270

RE: TWIN LAKES LANDING
REQUEST FOR TRAFFIC IMPACT FEE REDUCTION

Dear Dave,

As you have discussed with our staff, Housing Hope is planning to soon commence construction of a new North County regional service hub equipped with housing and community space in Marysville at Smokey Point (see attached Figures). This development will ensure that 50 families are able to affordably live in our community, where the rising cost of market rate housing is currently forcing too many of our neighbors into homelessness and poverty.

The current housing wage in Snohomish County is \$29.29 an hour, meaning to reasonably afford a two bedroom apartment a family must earn a combined minimum income of \$29.29 an hour. Currently the minimum wage in Washington is \$9.37, obviously well below the threshold, even in a two income household.

The January 2016 Snohomish County Point-In-Time Count of Homeless Persons counted 51 homeless households in Marysville and 33 in Arlington, both of which were a substantial increase from the prior year. Furthermore, this is widely understood to be a low estimate of the actual number of unsheltered households in our community, especially families with children. The need for affordable housing and services in North Snohomish County far exceeds the capacity of community providers. The major cause of homelessness in the area is inadequate income combined with a shortage of affordable rentals.

North County has startling data related to poverty and homelessness. In Marysville, one-in-four households make less than 50% of the Area Median Income, (and nearly 10% of households below the poverty level) and 45% of students receive free or reduced lunch services. Additionally the city of Arlington has 30% of its students on reduced lunch.

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Promoting and providing affordable housing and tailored services to reduce homelessness and poverty
for residents of Snohomish County and Camano Island.

Housing Hope has a 20 year track record of serving North Snohomish County. Its newest project, Twin Lakes Landing, is a 50-unit project located directly north of Twin Lakes County Park which will serve families at or below 50% of AMI and over the next 10 years is expected to serve 182 families. Of the 50 units, 38 will provide housing for homeless households including six dedicated to serving households that have previously experienced substance abuse issues.

Since the initial construction cost estimate study to develop Twin Lakes Landing was provided to Housing Hope in 2014, the estimated total project development cost has significantly increased and exceeds \$14M. This is due in large part to regional economic pressures. Land prices and development costs in Puget Sound area continue to rise steadily. In 2016, the US Department of Housing and Urban Development identified Seattle-Bellevue HMFA and Mount Vernon-Anacortes MSA as Difficult to Develop/High Cost Areas. Further, the loss of over 40,000 construction workers in the Seattle-Bellevue-Everett area over a roughly three year period (Nov. 2007 to Jan. 2011 Bureau of Labor and Statistics) has drastically constricted the construction market.

While Housing Hope has assembled a variety of funding sources through the Washington State Housing Finance Commission's Low Income Housing Tax Credit program, Snohomish County, and private donors, there remains a significant funding gap for this project. To this end, the agency is continuing to pursue creative solutions to this challenge by seeking partnerships in the community we plan to serve. Throughout our 30 year history serving Snohomish County, municipalities have supported Housing Hope's mission through a variety of financial means to help offset development costs. Most recently, in 2014 the City of Monroe waived over \$350K in impact fees for the development of Monroe Family Village.

Given the rising cost of construction for the project, we are seeking relief from all involved parties who are committed to reducing homelessness in Marysville. By way of example, Housing Hope is soliciting support from the Lakewood School District and Powell-Smokey Point, LLC. The City of Marysville's waiver or significant reduction in Traffic Impact Fees would increase the likelihood of these other parties contributing. Further, your support would demonstrate bold leadership and commitment to other municipalities.

Currently we calculate the full amount of the Traffic Impact Fees to be \$164,500.00 (\$3,290/dwelling unit).

Thank you for your consideration.

Sincerely,



Fred Safstrom
Chief Executive Officer

Fig 1. Architect's rendering of Twin Lakes Landing



Fig 2. Twin Lakes Landing will be located directly south of the Costco and Michael's locations near Smokey Point (indicated by phase 1*). The location was chosen to provide families access to transit and entry level jobs within walking distance.

* Phase 2 has yet be assigned a project plan, but this property is owned by Housing Hope.

