

Puyallup City Council Study Session

Date: Tuesday, March 9, 2021

Name of Observer: Liz Knox

Meeting called to order at 6:30 pm

Present: Mayor Julie Door, Deputy Mayor John Palmer, Council Members Robin Farris, Dean Johnson, Cyndy Jacobsen, Jim Kastama, and Ned Witting

Others present: Brenda Fritsvold-City Clerk, Pierce County Executive Bruce Dammeier, Mayor Victoria Woodards, John Howell and Marty Kooistra-SSHAP, Katie Baker-planning department, Radhika Nair-Consultant, Meredith Neal-Economic Development Manager

PLEDGE OF ALLEGIANCE ROLL CALL**APPROVAL OF THE AGENDA**

Approved unanimously

1.a South Sound Housing Affordability Partners (SSHAP-pronounced shape)

Deputy Mayor Palmer introduced John Howell, who presented on this project regarding and inter-governmental agreement. Howell introduced Mayor Woodards.

- Mayor Woodards reviewed the formation of the South Sound Housing Affordability Partners (SSHAP) and explained that they had hired John Howell and Marty Kooistra who will present regarding this effort. She stressed the importance of having a regional approach so that people can stay in their own communities and that communities can keep their individual characteristics without concern for competition from other Pierce County communities, but still gain the benefits of collaboration.
- John Howell began a Power Point presentation on SSHAP. The A stands for accessible, affordable and attainable. He introduced Marty Kooistra who continued. Housing needs are expanding outside the urban core. Seattle has seen reductions in rent, but Pierce County has had significant rent increases, even in the more rural areas. This Partnership to address housing was first discussed in 2018 and is still in process. Access to affordable and attainable housing is a challenge. Pooling resources will allow jurisdictions to achieve more in the partnership than they could alone. It has been proven effective elsewhere. This collaboration will give Pierce county a stronger voice in Olympia and will help reduce housing insecurity, accelerate access to affordable housing. It will help member governments create housing units, research and implement housing action plans, streamline permitting and secure grants. An executive board will be formed to develop a targeted work plan to address housing needs and create specific plans. It is not intended to usurp any government land use authority or duplicate work already being done.

Howell explained that this would be a coalition of the ‘willing.’ It is strictly voluntary. Several city governments have expressed interest. Priority next steps: continue to deliver presentation to each council, determine each government’s interest in reviewing the intergovernmental agreement, draft the final Inter-governmental agreement, and finalize it. Details would include the governance, voting rights, terms of agreement, operating fund, administrative agency role, creation of a community advisory board, and the potential for a capital fund. Each city would need to make a financial commitment to support an initial 1.5 FTE. Puyallup’s amount could be \$11,000-\$15,000. The final determination would depend upon how many governments would participate. He displayed a variety of housing types for varying income levels of examples of project SSHAP might undertake.

Executive Dammeier concluded the presentation stating that rents in rural Pierce County are about the same as those on Capitol Hill in Seattle. He shared examples of houses which sold for \$40,000, \$70,000, and \$110,000 over the asking price. He emphasized that the importance of this work has been exacerbated by the pandemic. Taking action is critical. We need a lot more housing to meet the need. Pierce County has not competed very successfully for the Washington State Housing Trust Fund and it is important to pursue this more actively. He emphasized the importance of involving the private sector in helping to solve the challenge of lack of housing and reminded the Council that Puyallup is his hometown, and that Puyallup is very important. The big four are governments involved would be Pierce County, Tacoma, Lakewood, and Puyallup. He is eager to see Puyallup join this effort.

Discussion:

- Cyndy Jacobsen asked if there was going to be a sales tax credit for housing (1406 money). She asked for clarification.
- Dammeier agreed that 1406 funding would be a potential source of revenue but that would be a separate discussion regarding contributing to specific projects.
- Howell indicated that South King County wants to pool their 1406 funds, but that is up to each coalition.
- Mayor Door asked what the governance structure would be. Dammeier indicated that there is language that has been vetted by the steering committee that will be coming out for review.
- Howell indicated that every governmental member would have a seat on the executive board. This may be the Mayor, a council member, or the City Manager, but that person must be a key decision maker. The County would have one vote but two seats.
- Dean Johnson asked if the intent is to provide rental housing or a path to home ownership.
- Howell responded that the work plan will be determined by the executive board including rental vs. owned and income levels represented etc.
- Johnson shared that high density rentals can result in problems over time. He spoke in favor of a path to home ownership over rentals. He asked if the home ownership could be smaller scale and allow individuals to build wealth. He is less inclined to support rental properties than home ownership possibilities.
- Dammeier responded that he has challenged the team to look at a 1-acre lot to allow 10 individually owned units with a collective parking area. He also has looked into senior housing options.
- Howell suggested that one of the things the executive board could do would be to work with Olympia on condo ownership. There may be other options for down payment assistance.
- Dammeier shared that through the weatherization program for \$14,000 per house it is possible to preserve existing housing stock in a smart way by reducing heating bills and helping homeowners to upgrade their aging homes.
- Dean Johnson agreed that this is the type of equity-building program he is interested in.
- Deputy Mayor Palmer asked what the next steps would be.

- Howell responded that they would like to have a response from governmental agencies by June. He offered to answer any questions online or in person.
- Robin Farris indicated that she doesn't feel that she has enough information to make a decision by June. As an example, she pointed out that permitting is done with different software in each jurisdiction and there are many complications to getting all these jurisdictions in the same organization. She suggested a more detailed study session on the scope of the work of the executive board.
- Mayor Door indicated that Deputy Mayor Palmer can offer information about that and perhaps they can get answers to the questions Robin Farris has.

1.b Update on Housing Action Plan: Preliminary Goals and Strategies

Katie Baker introduced the topic. Radhika Nair provided an overview of community input and possible strategies. Community input was collected through interviews, a survey online and in paper form, and an online idea wall

List of Survey Results: Vacancy rates are low. There is interest in increasing density. Rents are unaffordable, discrimination exists based on race, class, criminal record and more. There is a demand for smaller units. Existing stock does not meet residents' diversity of needs. Additional hardships were noted for BIPOC and people with disabilities. The survey was open from Nov. 9-Jan. 15 in both English and Spanish. It was publicized using community and Spanish media. 534 responded, 36% work in Puyallup but don't live here.

Goals of the Housing Action Plan: Livability, Attainability, Supply and Variety, Equity, Stability.

Nair shared a list of possible strategies: expedited permitting, developer agreements, deed restrictions, fee waivers, leveraging surplus lands, partnerships, strategic acquisition of existing multifamily before it goes on the open market, intent to sell ordinance so that the city can act to preserve multi-family buildings, expand Multi-Family Tax Exemption (MFTE) program outside of downtown, strategic rezoning, reduce minimum lot sizes, Accessory Dwelling Unit (ADU) standards, Just Cause eviction protections, rehabilitation, mobile home parks, down payment assistance, simplifying environmental review, encouraging contributions of land, credit assistance, encouraging permanent supportive housing, pilot programs, and strategic infrastructure investments.

Review and discussion of potential strategies: Nair asked for feedback on any strategies mentioned that should not be under consideration or those that should be especially emphasized as the city moves forward in planning.

- Jim Kastama asked if other communities have had success using large lots to accommodate more density. He asked about the pushback he has heard about to a six-story structure going into the Proctor District. He asked for successful examples in other places and how to avoid the problems in Tacoma.
- Nair responded that simplifying platting requirements, having flexibility in housing types and cottages with shared public spaces are possibilities. She is not familiar with the specific situation in Tacoma.
- Robin Farris expressed particular concern for people who feel they have been discriminated against. She suggested that there be a way to gather that information and for people to have a recourse if that happens. She expressed that the Council hasn't typically supported affordable housing and asked if we have the support of the building industry. She referred to an ADU project and asked if they had reduced the cost. Several Council members nodded that they did. She felt that the Council has spent a lot of time discussing these things but hasn't been willing to move forward over many years. She supported all of the recommendations but wondered if the Council is truly committed to increasing the amount of affordable housing.

- Cyndy Jacobsen indicated that she was less enthusiastic about the options as the presentation went on. She stated that government does better when it gets out of the way of the private sector. She supported faster permitting. She asked what the intent to sell notice would entail.
- Nair indicated that this would give advance notice so that, for example, a non-profit could purchase the property.
- Jacobsen indicated concern with stepping on the rights of the seller. She described the state's current effort to protect against eviction and expressed concern with interference with landlords if they want to cancel a lease at the end of its term. She wasn't sure how much land could be used for mobile home parks. She expressed a desire to use 1406 money to work to increase affordable housing.
- Ned Witting shared that Pierce county is on track to need housing for 250,000 more people by 2050. 40% of our housing needs to be affordable for lower and mid-income people. Only 1/3 of the families have children. Generating single family homes on lots will lead to lack of housing. Our transit at the South Hill Mall and the Train Station make transportation available, but many of the areas around those are already built up. He spoke in favor of re-zoning so that more people are within walking distance of those transportation hubs. He doesn't believe that public dollars will be enough to generate enough housing. He believes that the private sector needs to get involved. He spoke in favor of row houses where five row houses can fit on the property where there is one house now. He spoke in favor of formulas for putting more housing units onto specific types of lots. Developers like to have formulas. He is more in favor of row houses than cottage housing. He referred to Shoreline as an example. We need incentives at the lower end of the marketplace. We're currently 46,000 houses behind in the inventory that we need. He wants to encourage builders to put in condominiums, micro-units, and dorm-style housing with a shared kitchen and restroom.
- Dean Johnson was encouraged to hear about micro stick-built units and prioritization of home ownership. He only knows of two high density condo units in downtown Puyallup and would like to see more. He liked the idea of incentivizing owners to subdivide into higher density units. He spoke in favor of down payment assistance and rehab assistance and helping seniors remain in their homes. Use of surplus land is a possibility to maximize high density. He suggested tax incentives or tax deferral. He is not enthusiastic about cottage housing but prefers small houses that share walls. He responded to Farris's concerns and indicated that he felt the Council was ready to move forward.
- Mayor Door asked if the Villages on South Hill are cottage housing.
- Katie Baker responded that this is the closest we have in Puyallup to that type of housing.
- Deputy Mayor Palmer expressed that he is glad the Council is undertaking this effort. He said that there's a theme of maximizing our land. Wages are not keeping up with the rise in housing costs. He agreed that creating more housing stock, and figuring out how to create smaller, more affordable units would be important. He wanted to prioritize the list of strategies. He wondered how we can build simple town houses and what the obstacles are to that. He liked the idea of having a picture of a desired outcome and working backward from it. He is a fan of cottage housing and believes that we can get the density similar to row housing. He has seen some really nice ones in Kirkland. He would like a toolkit for lower cost housing and may want to undertake this within the SSHA³P group.
- Mayor Door reviewed that cottage homes are allowed in Puyallup. She expressed that she felt this is a good option for seniors. She feels that the Council is ready to take this on.
- Kastama expressed that he is troubled that people are feeling discriminated against in this community and asked to see the specific data.
- Johnson liked the idea of re-zoning the areas around the transit station and the train station to encourage high density and walkability in a targeted way. He supported the idea of doing things that have worked elsewhere for cottage housing.
- Mayor Door asked about the zoning near the mall.

- Katie Baker responded that everything in the area by the mall already has the increased zoning density, but that is not the case by the train station.
- Jacobsen reviewed with Baker that the multi-family tax exemption is not available on South Hill. She spoke in favor of this tax exemption to encourage private industry to build more multi-family units.
- Johnson asked Baker what needs to happen to allow for this tax exemption. He encouraged further effort in that direction.
- Witting spoke in favor of having standard ADU plans and involving a local construction company to create those. In terms of zoning up by the South Hill Mall, there is a neighborhood near the Vet Clinic or the space across from Costco that would be good locations for Multi-Family construction.
- Baker indicated that area has recently been re-zoned to allow for this.

1.c Outdoor Dining Parklet Program Update

Meredith Neal reviewed the five locations where the parklets have been located during the pandemic as relief for the lack of indoor seating. The parklets have been very successful. Some of the restaurants have chosen other options, but many are finding them very useful. Modifications for summer use have been recommended.

Council members were positive about the use of parklets during the pandemic but expressed concern of the impact of the parklets on other businesses. There will be an opportunity to discuss the possibility of continuing the use of the parklets post-pandemic.

CITIZEN COMMENTS: Two minutes allowed per person; topics restricted to items on this agenda only.

- Chris Chisholm spoke in support of re-zoning to allow for more affordable housing. He noted that there is a lot of open space near the DaVita building which is near a park and ride and bus transit center.

ADJOURNMENT at 9:07 pm