



This joint presentation by the City of Kennewick and Kennewick Housing Authority (KHA) to repurpose City-owned property for affordable housing precedes an invitation for public input at two public meetings:

- **Wednesday, October 12, 2022 at 6:00 pm at Sunny Slope Homes Community Center,** 1915 W 4th Pl, Kennewick, or online at <https://meet.goto.com/524415877>, or by phone 646-749-3122 Access Code 524-415-877.
- **Monday, October 24, 2022 at 6:00 pm at Eastgate Elementary,** 910 E 10th Ave, Kennewick.



The orange box on the bottom right quadrant of this map shows the area being considered for proposed housing, the City's 10th Ave Shops at the corner Gum St. The 9.5 acre parcel is one mile from each City Hall and the Frost Municipal Services Campus, providing purchasing and fleet services and storage support for public works, parks, and police.

To improve city operational efficiencies for citizens and tax payers, relocating the City Shops to the Frost facility has long been discussed. When the KHA approached the City a few years back about the viability of the land for affordable housing, City staff looked closely at what it would take to consolidate operations.

BACKGROUND

414 E. 10th Ave

- **City Facilities Assessment**
 - Operations consolidation
 - Funding opportunities
- **Dept. of Ecology Healthy Housing Grant**
 - Environmental Assessment
 - Housing Market Study
 - Housing Feasibility Study
 - Public input



- The 2014 Kennewick Facilities Assessment estimated to move the City Shops and Fleet Services from 10th Ave and make site development at the Frost Campus to accommodate operations would cost more than \$20 mil. Therefore, the City sought grants to help fund the project and considered a phased consolidation approach to spread the cost over time.
- In 2019 the City was awarded a \$200,000 Healthy Housing grant from the Washington State Department of Ecology, which funded an environment site assessment of the property (the findings confirmed no remediation is necessary), a Housing Market Study, feasibility study, and public outreach to gauge the community's interest in affordable housing at the site. The grant required the support of an affordable housing developer, identified as the KHA.
- The City identified an option to phase the consolidation of the 10th Ave operations, starting with the roughly 3.7 acres on the south portion of the parcel (red). It can be vacated for housing in 2023 for about 2% of the full consolidation costs. Storage and laydown functions can be moved to the north portion of the parcel, vehicle wash-down equipment and police impound yard relocated to another location, and fencing reconfigured to secure operations on the remaining 6 acre parcel (to the north).

DEVELOPMENT CONCEPT



- A **conceptual rendering** shows what multifamily housing would look like on the 3.7 acre parcel, fronting E 13th Ave. between the 400 to 600 blocks. At the top of the photo are the remaining City shops (in the background, on the northern 6 acres of the site). The rendering shows 52 units (eighteen 1-bed; thirty 2-bed; two 3-bed; and two 4-bed), however the number of units has not been finalized. The KHA anticipates setting aside units for special populations, likely to include veterans and persons with disabilities. At least 5% of the units would be fully accessible. The KHA is weighing the feasibility of respite housing for those experiencing homelessness.
- A **2024 target completion date** is contingent on KHA funding. Senator Murray's office placed the project on the FY23 Congressionally Directed Spending allocations list for a \$3 million allocation. KHA has also placed this project on the state housing authority set-aside list for an allocation of tax credits (through the 4% tax credit/bond program), and may apply for Department of Commerce-Housing Trust Fund monies, the tax credit program, and Benton County funding (2060/1406 funds), and HOME funds.
- **Letters of support** for this project have been provided by Benton County, Benton County Council of Governments, Historic Kennewick Downtown Partnership, City of Richland (lead entity for Tri-Cities HOME Consortium), Catholic Charities, Domestic Violence Services of Benton and Franklin County, Kadlec, Housing Authority City of Pasco and Franklin County, and Mirror Ministries.

LADDERS OF OPPORTUNITY



What makes this an advantageous site for a housing community is proximity to transportation and services (bus stops along 10th Ave, Eastgate Elementary school, the Red Apple grocery store at 10th & Washington, Tri Cities Community Health, city parks, and other amenities).

The neighborhood is also home to the Housing Authority's Lilac Homes, a 16 unit 1-acre development 3 blocks to the west on 13th Avenue, pictured at the bottom of the map.

LADDERS OF OPPORTUNITY

Area Amenities

- Local grocery store
- Tri-Cities Food Bank (2 miles)
- Police & Fire
- Elementary school
- Medical services
- Parks & public pool

Site Amenities

- Tenant services
- Community gardens
- Computer lab
- Playground
- Courtyards & greenspace



In addition to the neighborhood services and amenities, the Housing Authority proposes the development itself would include

- Tenant services (such as connections to community services)
- Community gardens
- Computer lab
- Playground
- Courtyards & greenspace

MARKET STUDY FINDINGS

- **0% affordable housing vacancy rate in region, and shortage will grow due to:**
 - Job creation (4,500 new jobs projected)
 - Rent increases outpacing income
 - New apartments constructed for higher incomes
 - Existing “affordable” units being renovated for unaffordable rent rates
- Units should serve a **mix of income levels** (30%, 40%, 50% AMI)
- **1-, 2-, and 3-bd floorplans**, with highest demand for 1- and 2-bd units
- Amenities to include **clubhouse** and **playground**
- Set-asides for **homeless housing**
- **Rents projected at maximum allowable** for all AMIs



The proposed amenities were a recommendation of the Housing Market Study, conducted in March 2022. Kidder Mathews analyzed the newest apartment developments in the marketplace to identify vacancy rates, rental rates, tenant demographic profiles, and demand vs supply by size. When the study was conducted in March, **there was no affordable housing available in region**, and the shortage is anticipated to grow due to:

- Job creation (4,500 new jobs projected in the region, from major employers like Amazon, Dairygold, and Reser’s)
- Rent increases are outpacing income
- New apartments are being constructed for higher incomes
- Existing “affordable” units are being renovated for unaffordable rent rates

Units should serve a mix of income levels (30%, 40%, 50% Area Median Income), and include 1-, 2-, and 3-bedroom floorplans, with highest demand for 1- and 2-bed units. Amenities should include clubhouse and playground.

The study suggested considering set-asides for homeless housing should be considered, and projected rents at maximum allowable for all area media incomes (AMI).

INTERLOCAL AGREEMENT

City Commitments

- Housing Cooperation Law (RCW 35.83) permits assistance to housing authorities
- Subdivide 10th Ave 9.5 acre property to create a new 3.7 acre parcel
- Clear the newly created parcel of city operations, property storage and equipment, and relocate security fencing
- Code amendment to allow for public housing authority projects to be a permitted use in the Public Facility zone
- Establish a purchase price commensurate with a cooperative affordable housing project

Housing Authority Commitments

- Apply for funding to purchase the property, complete the off-site infrastructure (bond for frontage improvements), and construct a 52-unit multifamily community
- Work with the City to negotiate a purchase and sale agreement

Based on the need for affordable housing and the provision of the Housing Cooperation Law, which permits cities to assist housing authorities to develop affordable housing, the following terms were approved in an Interlocal Agreement between the City and KHA. Kennewick City Council initially reviewed the concept on September 13, 2022, and approved entering into an Interlocal Agreement with the KHA at its September 20, 2022 Council meeting.

The City will subdivide the 10th Ave property to create a 3.7 acre parcel; clear the newly created parcel of city operations, property storage and equipment; and relocate utilities and security fencing. The City will prepare a Code amendment to allow for public housing authority projects to be a permitted use in the Public Facility zone, and establish a purchase price commensurate with a cooperative affordable housing project.

The Kennewick Housing Authority is obligated to apply for funding to purchase the property, complete the off-site infrastructure (bond for frontage improvements), construct a minimum 52-unit multifamily community, and work with the City to negotiate a purchase and sale agreement.

PATH FORWARD

- Concept feedback
- Interlocal Agreement
- Amend code
- Relocate/consolidate operations
- Seek funding
- Negotiate sale

Public input is being sought at public meetings in October 2022 (below), by written comment to P.O. Box 6108, Kennewick, WA 99336, and by e-mail business@ci.kennewick.wa.us. Comments received by 4:30 p.m. on October 24, 2022 will published in the initial public input report for the Washington State Department of Ecology Healthy Housing grant program.

Meetings

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For the project move forward, the City of Kennewick Municipal Code must be amended to allow for public housing authority project in the Public Facilities Zone, and the City would relocate operations, vacate the 3.7 acres on the north side of the parcel along 13th Ave., and subdivide the parcel. The Housing Authority will seek funding for property acquisition and project construction, and negotiate a purchase and sale agreement for the 3.7 acre parcel.