

Affordable Homeownership and Middle Housing: Opportunities from HB 1110

Affordable Housing Week 2024



Lindsay Masters
Executive Director
ARCH



Debbie Lacey
Executive Director
Eastside for All



Adam Weinstein
Planning and Building
Director
City of Kirkland



Raquel Rodriguez
Program Coordinator
ARCH



Cliff Cawthon
Advocacy and Policy
Manager
Habitat for Humanity

What is Middle Housing?

Housing types compatible in scale, form, and character with single-family houses but offer more housing density than single-family homes



Recent State Policy Direction

- Increase density, housing choice and affordability
- Allow more density and housing types in single family neighborhoods
 - HB 1110 – middle housing
 - HB 1337 - ADUs

Jurisdiction Size	Required Density - All Residential Lots	Required Density - Lots within 1/4 mile of a major transit stop	Required Bonus Density for Affordable Housing
Population of at least 75,000	4 units per lot	6 units per lot	6 units per lot if 2 units are affordable housing
Population of at least 25,000 but less than 75,000	2 units per lot	4 units per lot	4 units per lot if 1 unit is affordable housing
Population of less than 25,000	2 units per lot	N/A	N/A

Addressing racially disparate impacts of past policy



STUDY PRESENTED BY:



The Continuing Impacts of Discrimination in the Housing Sector

HISTORIC ACTIONS

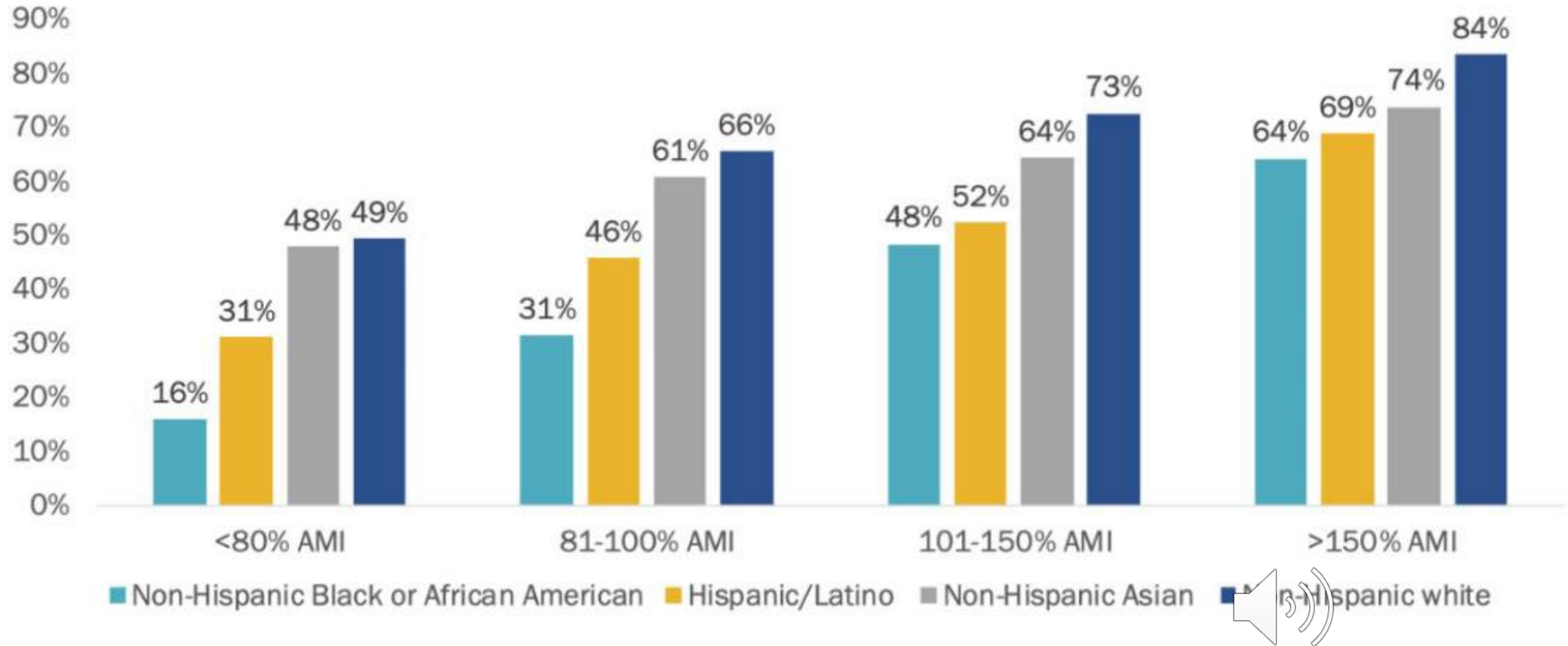
- Land Seizures
- Expulsion and Racially Exclusive Laws & Practices
- Immigration Restrictions
- Exclusionary Zoning
- Racially Restrictive Covenants
- Public Housing Policies and Placement
- Racial Violence
- Japanese Internment



TODAY

- Persistent Patterns of Segregation
- Racial Homeownership Gap
- Housing Price Gaps/Appraisal Gaps
- Racial Wealth Gap
- Homelessness and Disparities in Access to Housing

Homeownership Disparities in Washington State



Source: Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington / ACS 1-year, 2019

Middle housing and affordability

- Middle housing is not likely to be “affordable by design” in a high-cost, high-demand market
- Zoning policies can capture some value from added density for affordable housing
 - ARCH jurisdictions have created over 700 affordable resale restricted ownership homes



Homeownership Affordability Spectrum

Kirkland, WA



*Market Rate
Single Family
Home*

4bd/2.5ba

\$2,935,000

**Income needed:
\$800k (465% AMI)**



*Market Rate
Cottage
(Small Detached)*

3bd/2ba

\$1,665,000

**Income needed:
\$450k (300% AMI)**



*Market Rate
Townhouse
(Attached)*

3bd/2.5ba

\$1,125,000

**Income needed:
\$315k (200% AMI)**



*Affordable
ARCH
Condominium*

3bd/3.5ba

\$600,000

**Income needed:
\$170k (110% AMI)**



*Affordable
ARCH
Townhouse*

3bd/3.5ba

\$440,000

**Income needed:
\$140k (90% AMI)**

Homeownership Affordability Spectrum

Bellevue, WA



*Market Rate
Single Family
Home*

5bd/4.5ba

\$3,538,000

**Income needed:
\$960k (560% AMI)**

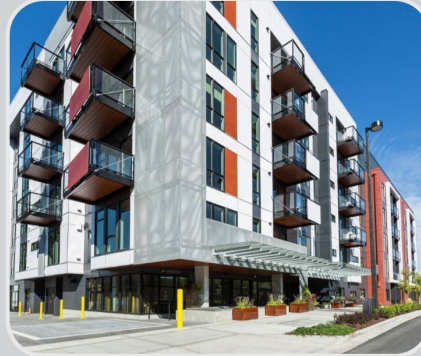


*Market Rate
Townhouse
Attached*

3bd/2.5ba

\$1,125,000

**Income needed:
\$309k (185% AMI)**



*Market Rate
Condo
Multifamily*

1bd/1ba

\$630,000

**Income needed:
\$190k (185% AMI)**



*Affordable
ARCH
Townhouse*

3bd/2.5ba

\$510,000

**Income needed:
\$140k (90% AMI)**



*Affordable
Habitat
Cottage*

3bd/2ba

*Price after
subsidy:*

\$350,000

**Income needed:
\$95k (60% AMI)**

Homeownership Affordability Spectrum

Kenmore, WA



*Market Rate
Single Family
Home*

3bd/2.5ba

\$1,025,000

**Income needed:
\$300k (195% AMI)**



*Market Rate
Townhouse
Attached*

2bd/2.5ba

\$720,000

**Income needed:
\$200k (150% AMI)**



*Market Rate
Condo
Multifamily*

1bd/1ba

\$600,000

**Income needed:
\$185k (170% AMI)**



*Manufactured
Home on
Leased Land*

2bd/2ba

**\$170,000 plus
lease**

**Income needed:
\$95k (70% AMI)**



*Affordable
ARCH
Townhouse*

3bd/2ba

\$385,000

**Income needed:
\$110k (70% AMI)**

ARCH Middle Housing Affordability Work Group

East King County Jurisdictions

Key Questions:

- How can cities update zoning codes for middle housing and capture some value for affordability?
- What additional incentives and/or flexibility could jurisdictions consider?

Opportunity

- Cities required to update zoning codes in the next year
- Result will change the housing landscape in single family zones across the state
- Policy choices will determine long-term access to homeownership for low to moderate income households



KIRKLAND COTTAGES

Panelists

Community Engagement on Middle Housing

Debbie Lacey, Eastside for All

Example of Middle Housing Planning in Kirkland

Adam Weinstein, City of Kirkland

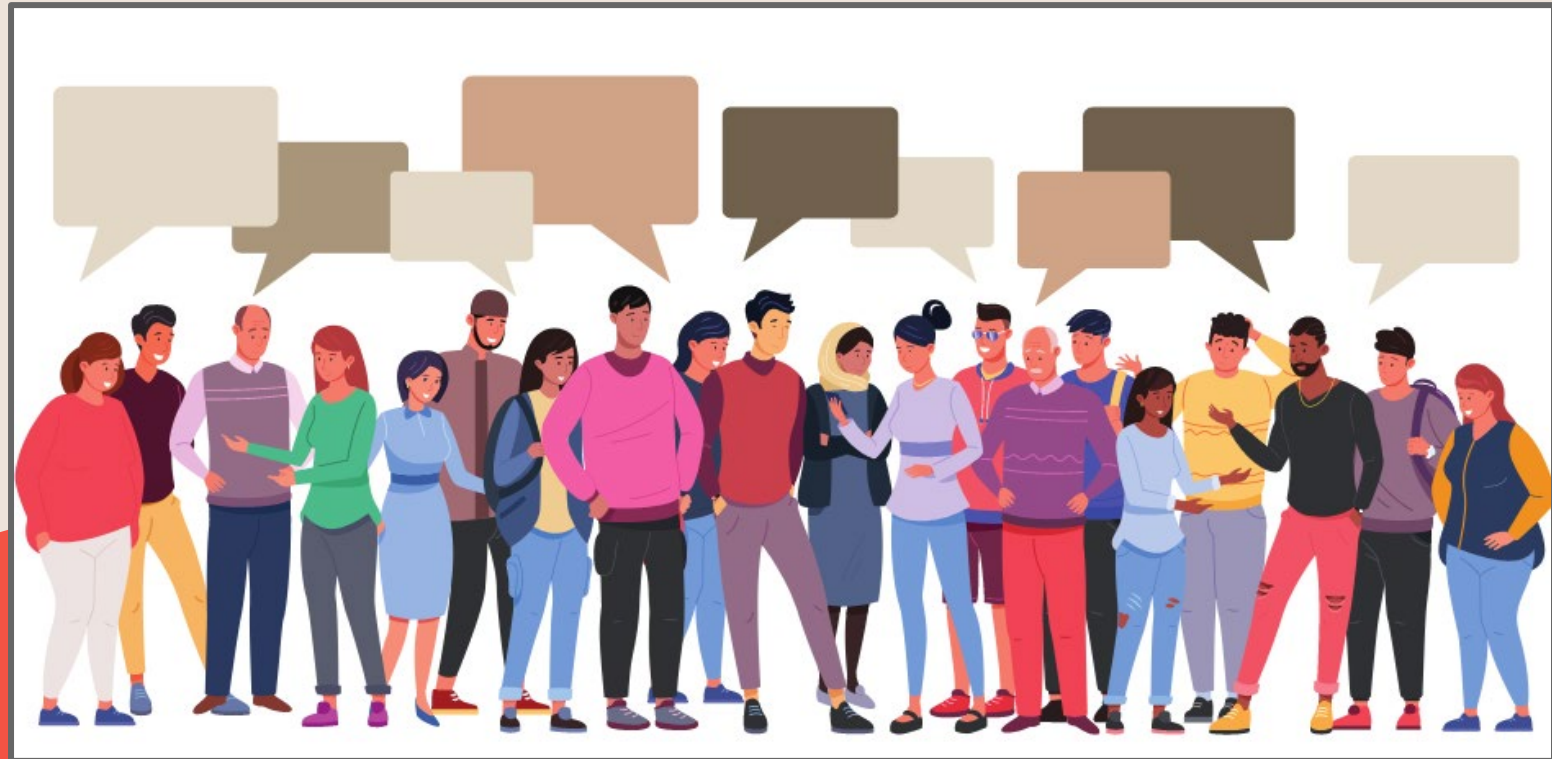
Affordable Homeownership Programs – who they serve, model for affordability and impact

Raquel Rodriguez, ARCH

Cliff Cawthon, Habitat for Humanity

Missing Housing Options

Tell Your City



Community Outreach | Spring, 2023

Funded and Sponsored By



(A REGIONAL COALITION FOR HOUSING)



*Community Outreach and Engagement
Coordinated by Eastside For All*



In collaboration with:

[BizDiversity](#)

[ESL and Culture Coach](#)

[United Hub](#)

[Brazilian Community Services](#)

[Africans on the Eastside](#)

[King County Promotores Network](#)

[Team TEAD](#)

[Pride Across the Bridge](#)

[Hopelink](#)

[Immigrant Women's Community Center](#)

[Indian American Community Services](#)

[YES, Latine Youth & Family Services,](#)

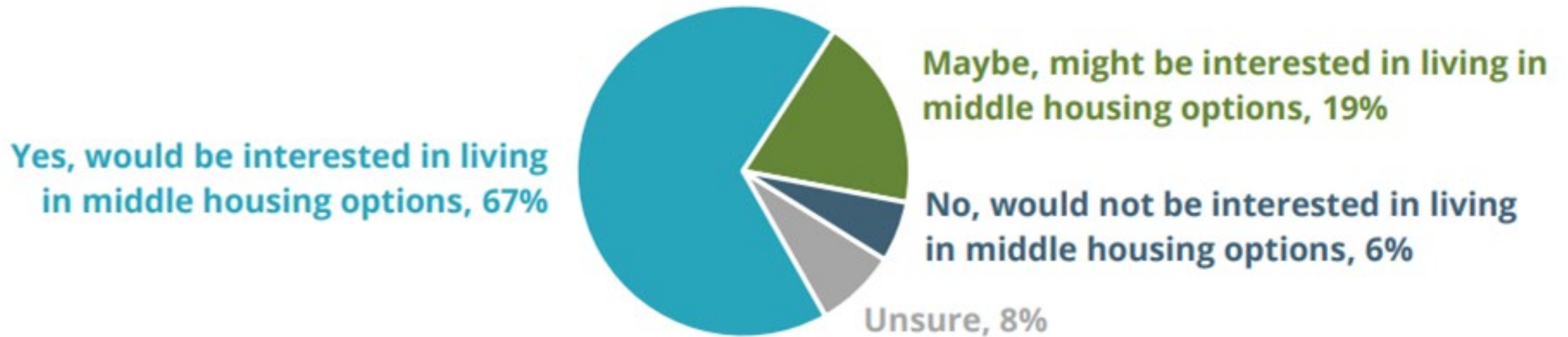
[Community-Based Programs](#)

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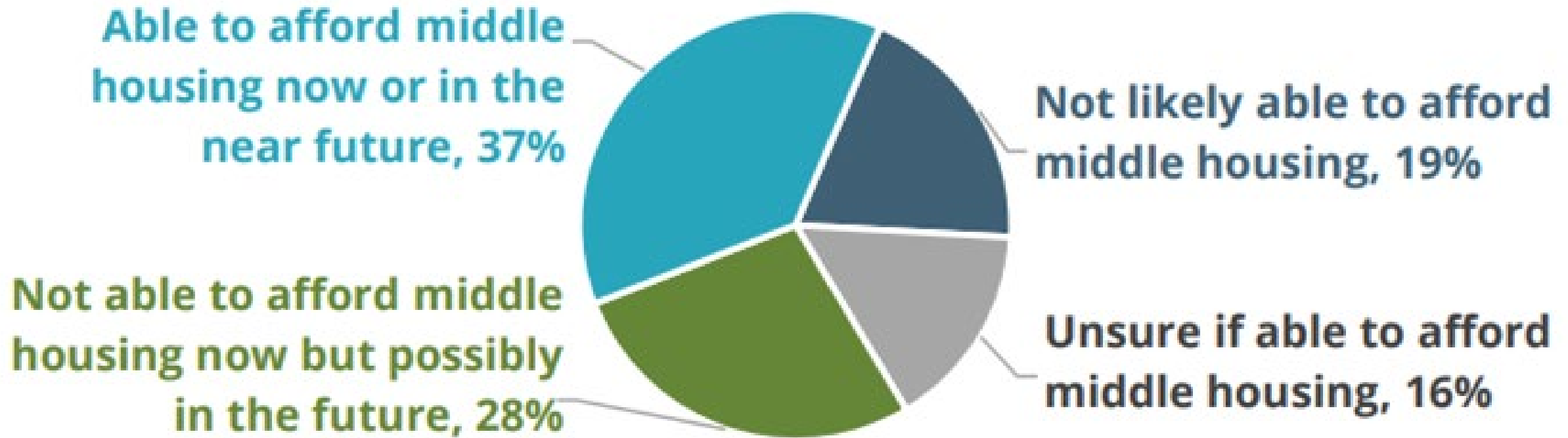
Respondents

- 79.5% were people of color
- 51% (330 respondents) were renters
- About half of the 651 respondents who provided their income have annual household incomes of \$75,000 or less
- 651 Surveys completed
 - 56% in English (included both native English speakers and non-native English speakers who preferred to complete the survey in English)
 - 44% in languages other than English (Spanish, Chinese, Portuguese, Russian and Japanese)

Interest in Middle Housing Among Non-Homeowners if Middle Housing were Affordable for Them

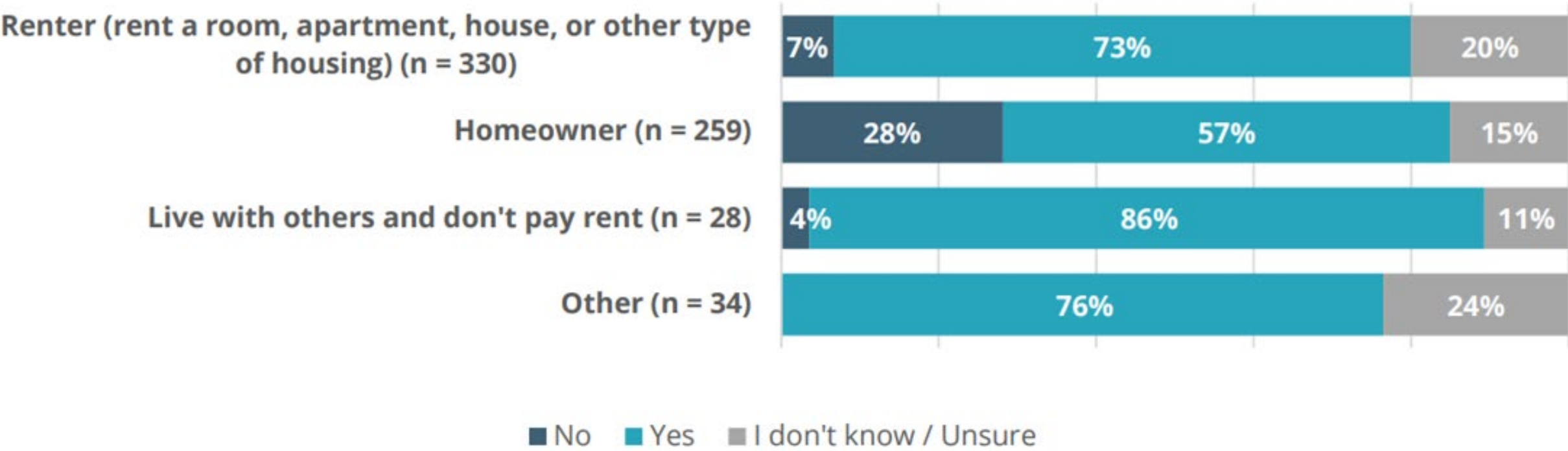


Considering the *estimated price ranges to rent or own middle housing types, would middle housing affordable be for you?



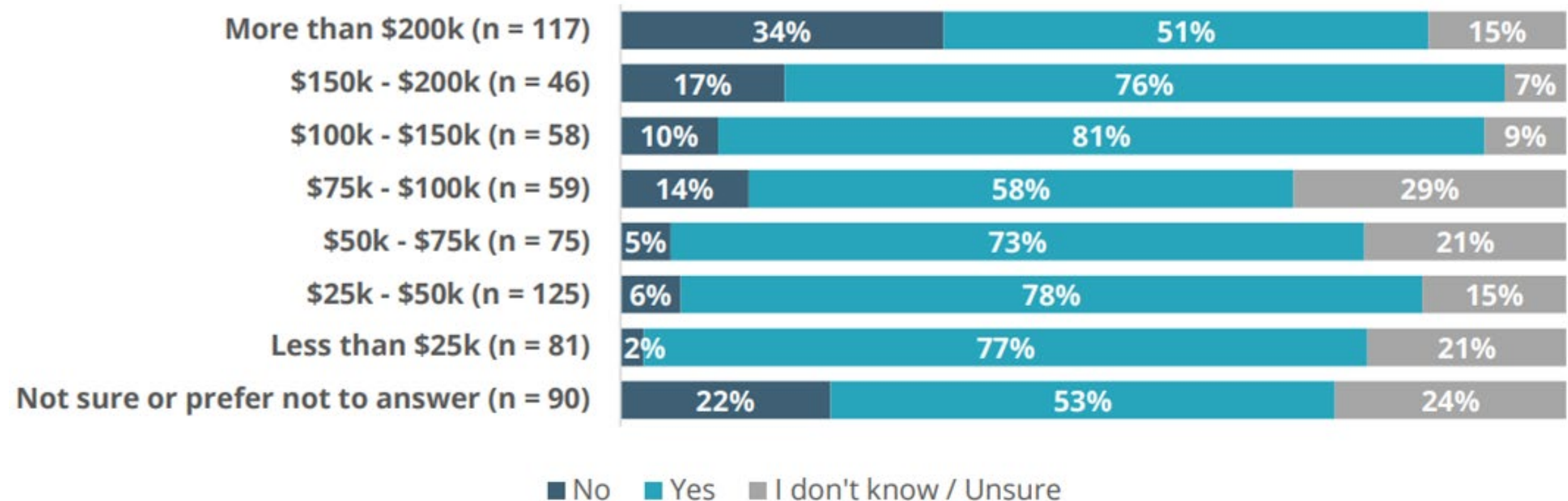
*Respondents were provided with cost estimates in informational materials that accompanied the survey

Support for Middle Housing by Current Housing Situation



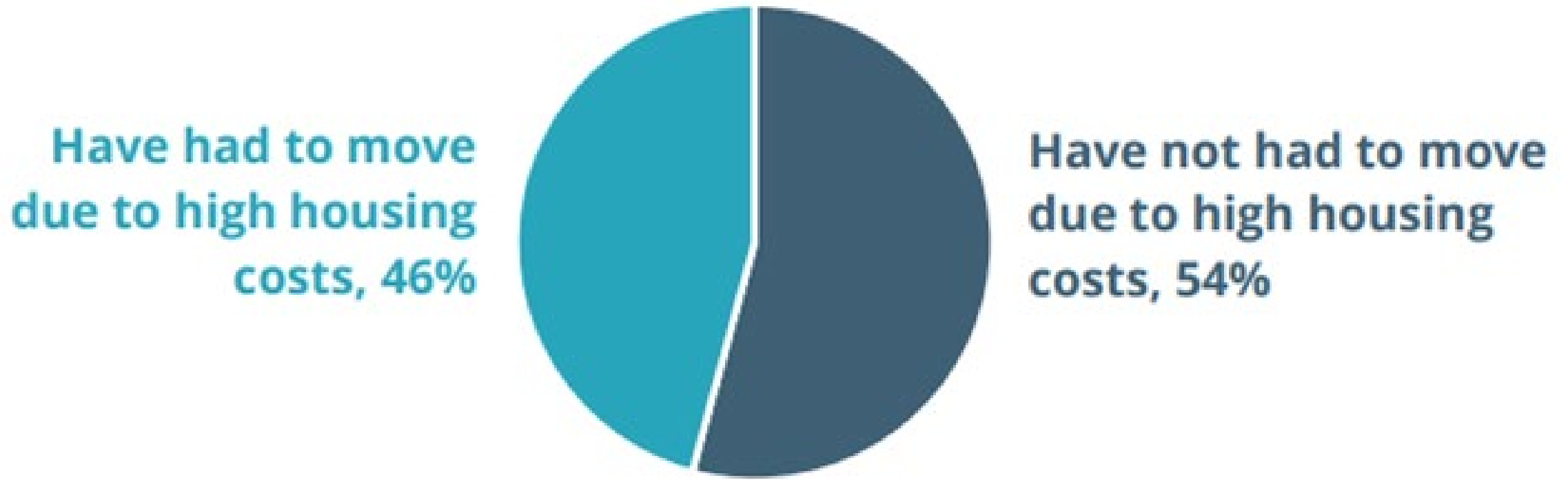
Do you support middle housing options in your city even if you may not be able to afford it?

(by income level)

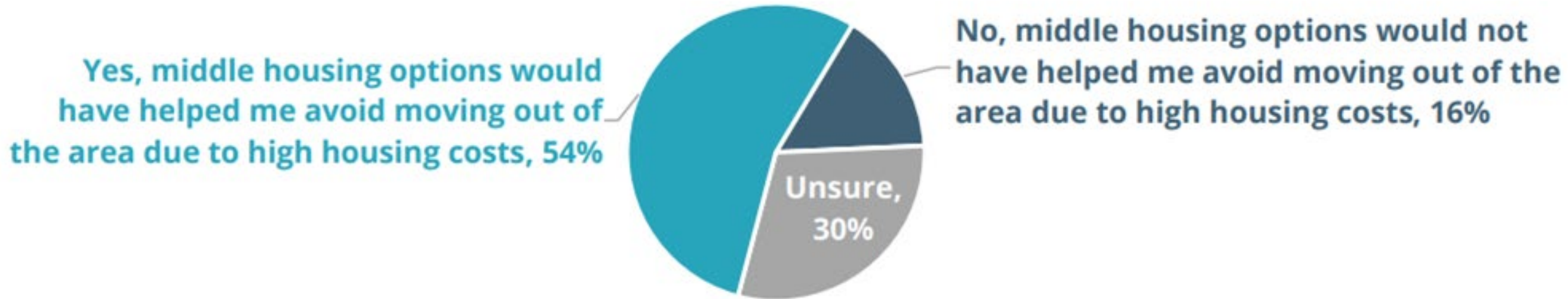


Prior Displacement Due to Housing Costs

Nearly half (46%) of respondents have had to move due to high costs of renting and/or owning a home.



**If in the past you had to move for financial reasons,
would more Middle Housing options have helped you
stay in the area?**



523 respondents



Full Report Available

Missing Middle Housing: Tell Your City

Engagement Report for A Regional Coalition for
Housing and East King County Partner Cities

June 2023



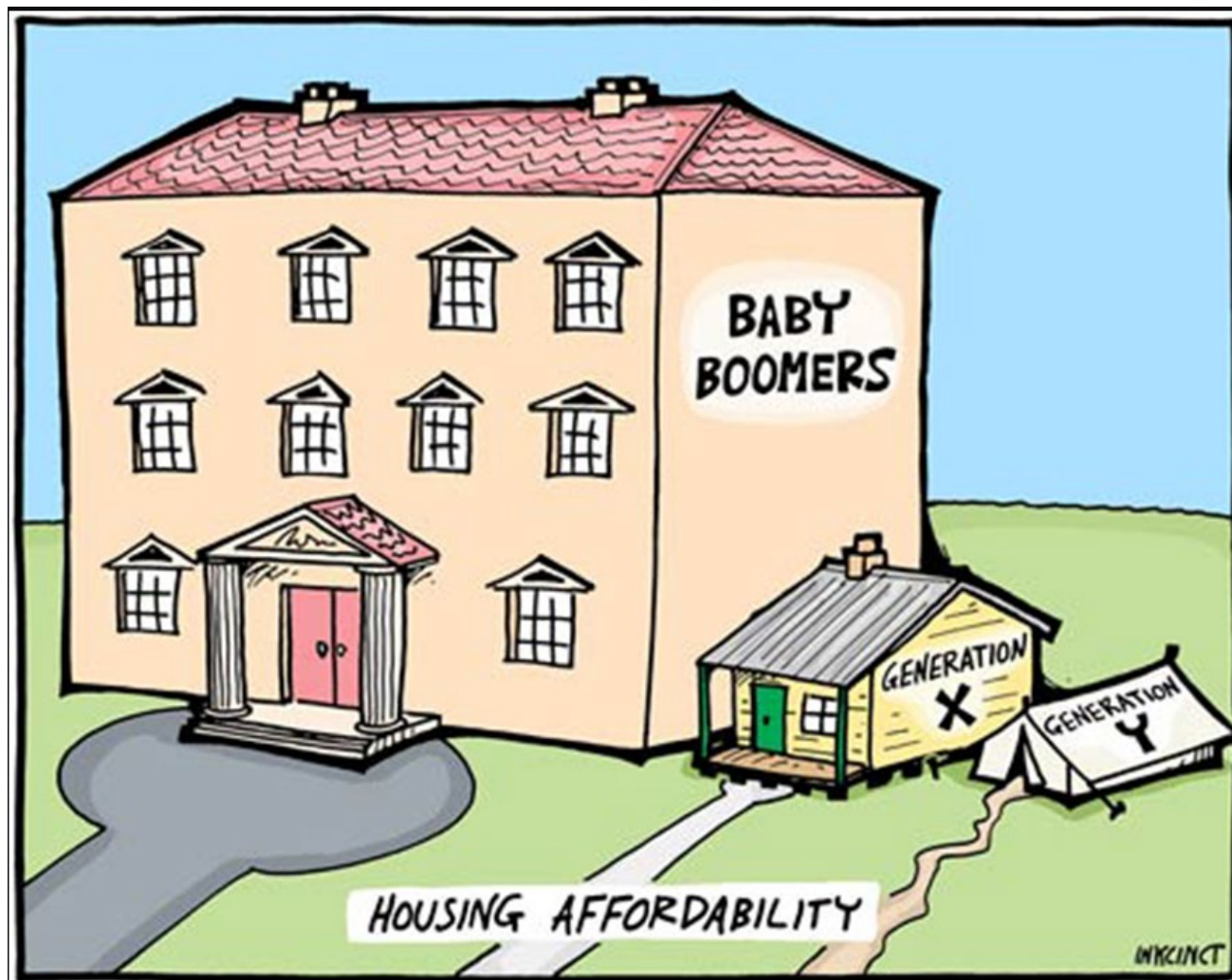
eastsideforall.org/middle-housing-outreach/



Kirkland's approach to middle housing and affordability

Adam Weinstein, Planning and Building Director, City of Kirkland

Affordable Housing Week: May 17, 2024



"All the News That's Fit to Print"

The New York Times

VOL. CLXXII .. No. 59,557 © 2022 The New York Times Company SUNDAY, SEPTEMBER 25, 2022

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PHOTOGRAPHS VIA LIBRARY OF CONGRESS

about 8 percent of new single-family homes in the U.S. are 1,400 square feet or less, compared with about 70 percent in the 1940s.

Looking for a Starter House? Good Luck.

By EMILY BADGER

As recently as the 1990s, when Jason Nageli started off, the home-building industry was still constructing what real-estate ads would brightly call the "starter home." In the Denver area, he sold newly built two-story houses with three bedrooms in 1,400 square feet or less. The price: \$99,000 to \$125,000, or around \$200,000 in today's dollars. That house would be in tremendous demand today. But few builders construct anything like it anymore. And you didn't buy it.

Few Build Small Homes and Existing Ones Are Costly

today, either. They go for half a million dollars.

The disappearance of such affordable homes is central to the American housing crisis. The nation has a deepening shortage of housing. But, more specifically, there isn't enough of this housing: small, no-frills homes that would give a family new to the country a place to live.

The affordable end of the market has been squeezed from every side. Land costs have risen steeply in booming parts of the country. Construction materials and government fees have become more expensive. And communities nationwide are far more prescriptive today than decades ago about what housing should look like and how big it must be. Some ban vinyl siding. Others require two-car garages. Nearly all make it difficult to build the kind of home that could sell for \$200,000 today.

"It's just become where you can't get

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By JES
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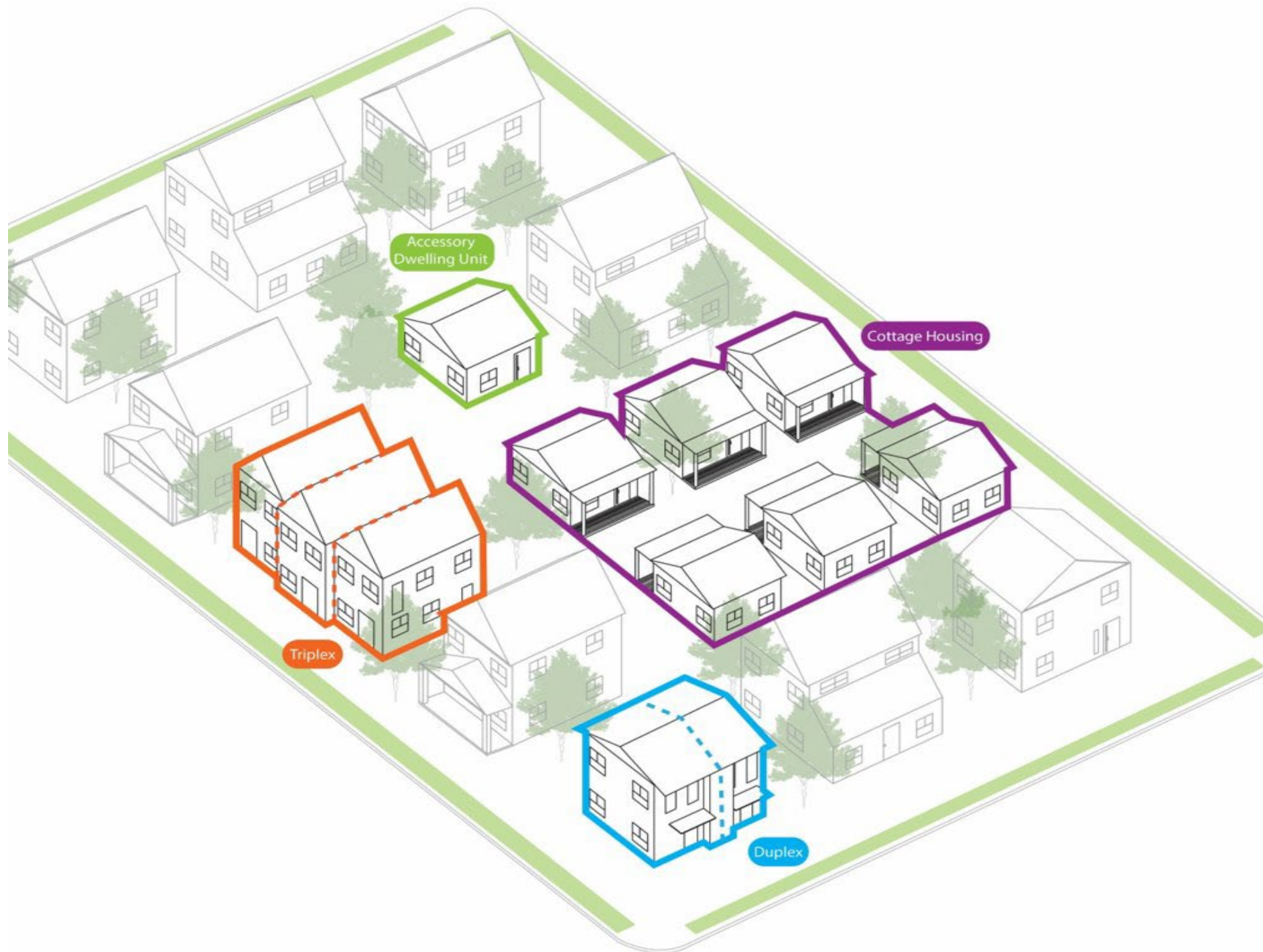
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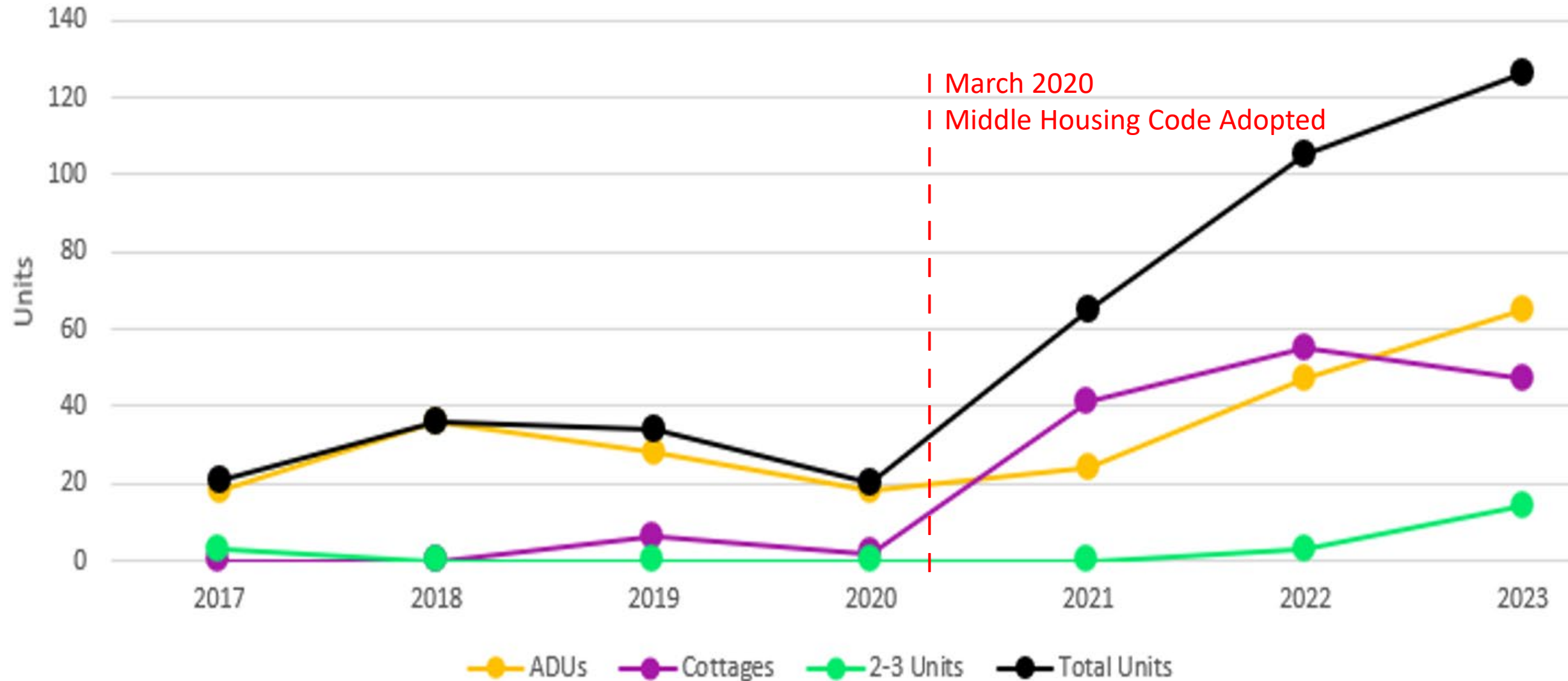
City of Kirkland Housing Strategy Plan (2018)



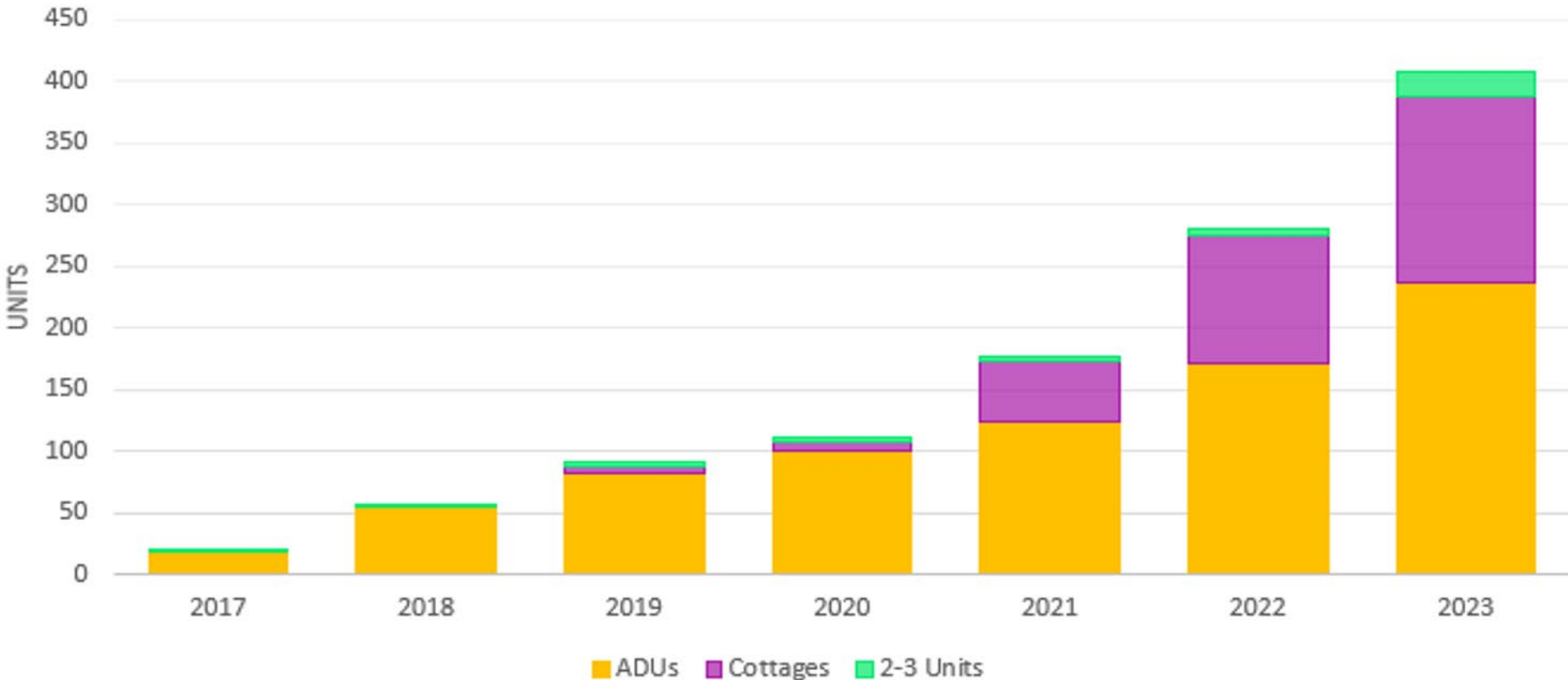
Kirkland. The city should explore ways to promote ADUs, condominiums, co-housing, cottages, and other smaller forms of housing and allow the market to respond to contemporary housing demands, along with design standards to maintain or improve neighborhood vitality. Regulations allowing such housing must balance providing some level of flexibility with having sufficiently clear provisions to ensure that the intended outcomes of smaller and less expensive housing will be achieved. For example, some areas may allow



Issued Middle Housing Permits (Units) (2017-23)

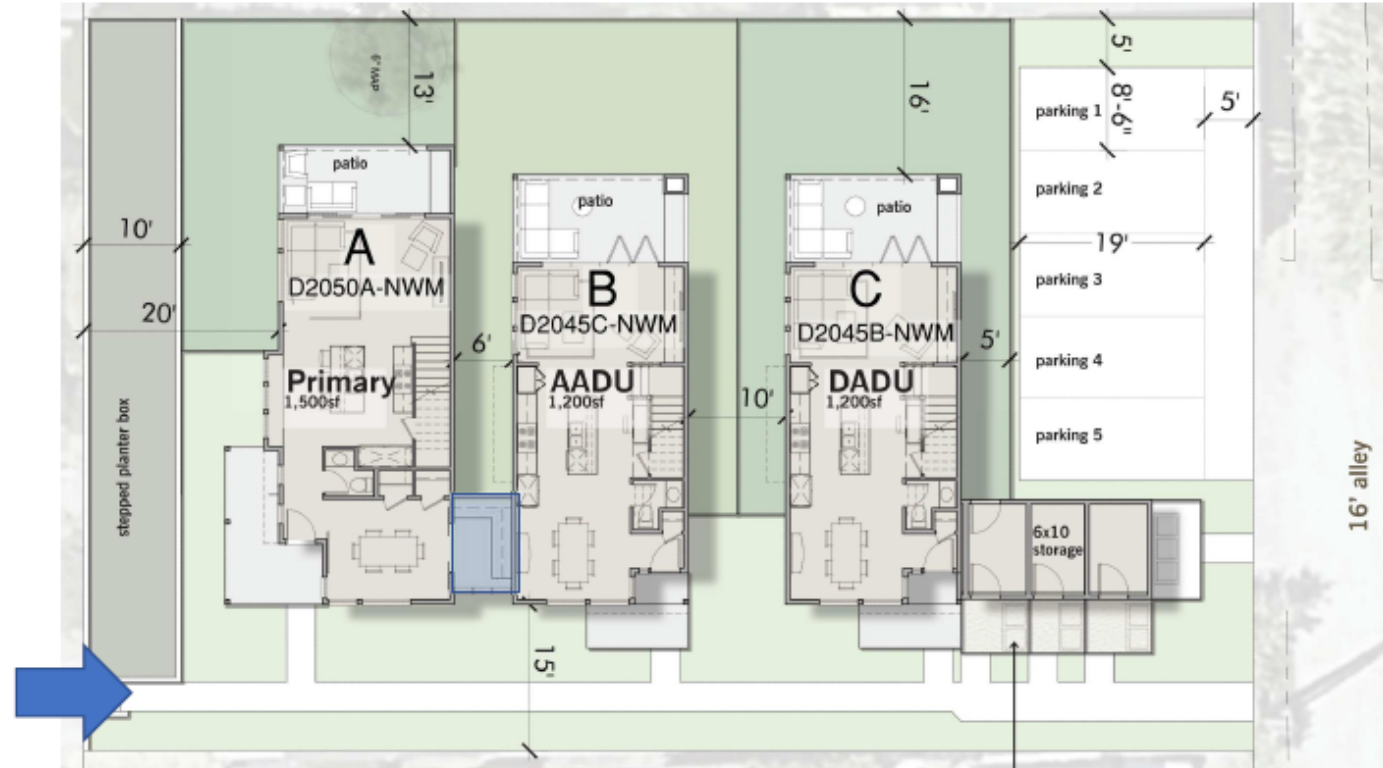


Cumulative Middle Housing Issued Permits (Units) (2017-24)



OUR KIRKLAND PLAN LIBRARY

Cottages, Duplexes, DADUs and AADUs – *House, AADU and DADU Configuration*



Plan 20K Primary-AADU-DADU



THOMAS JAMES HOMES







● FOR SALE - ACTIVE

12930 Juanita Dr NE, Kirkland, WA 98034

\$949,500

Est. \$6,361/mo [Get pre-approved](#)

2

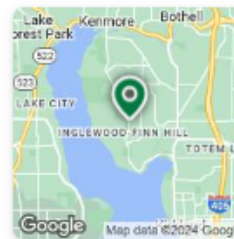
Beds

2

Baths

1,199

Sq Ft



Kirkland is a hot market

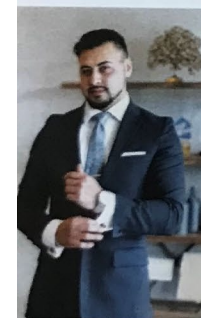
53% of homes accept an offer within a week. Tour it before it's gone!

D|R
Design Realty
Professional Realty Services

\$3,499,989

12235 NE 73rd Street
Kirkland, WA 98033

5 bed • 4.5 bath • 4,090 sqft



Stunning luxury home in Kirkland's Rose Hill neighborhood. Built by Merit Homes in 2021 with ease of living and entertainment in mind. Chef's kitchen features Thermador appliances, wine cooler, and massive waterfall island. Enjoy indoor-outdoor living with LaCantina glass doors that open the great room to a covered patio with a built in natural gas grill, fire pit, and overhead speakers. Home office and primary style bedroom with en-suite on main level. Beautiful modern staircase. The primary suite boasts an impressive spa like bathroom complete with heated tile floors and towel rack. You'll love the walk-in closet! Amazing entertainment room features a wet bar and beverage cooler. Beautifully maintained park-like property.

MLS #1984834

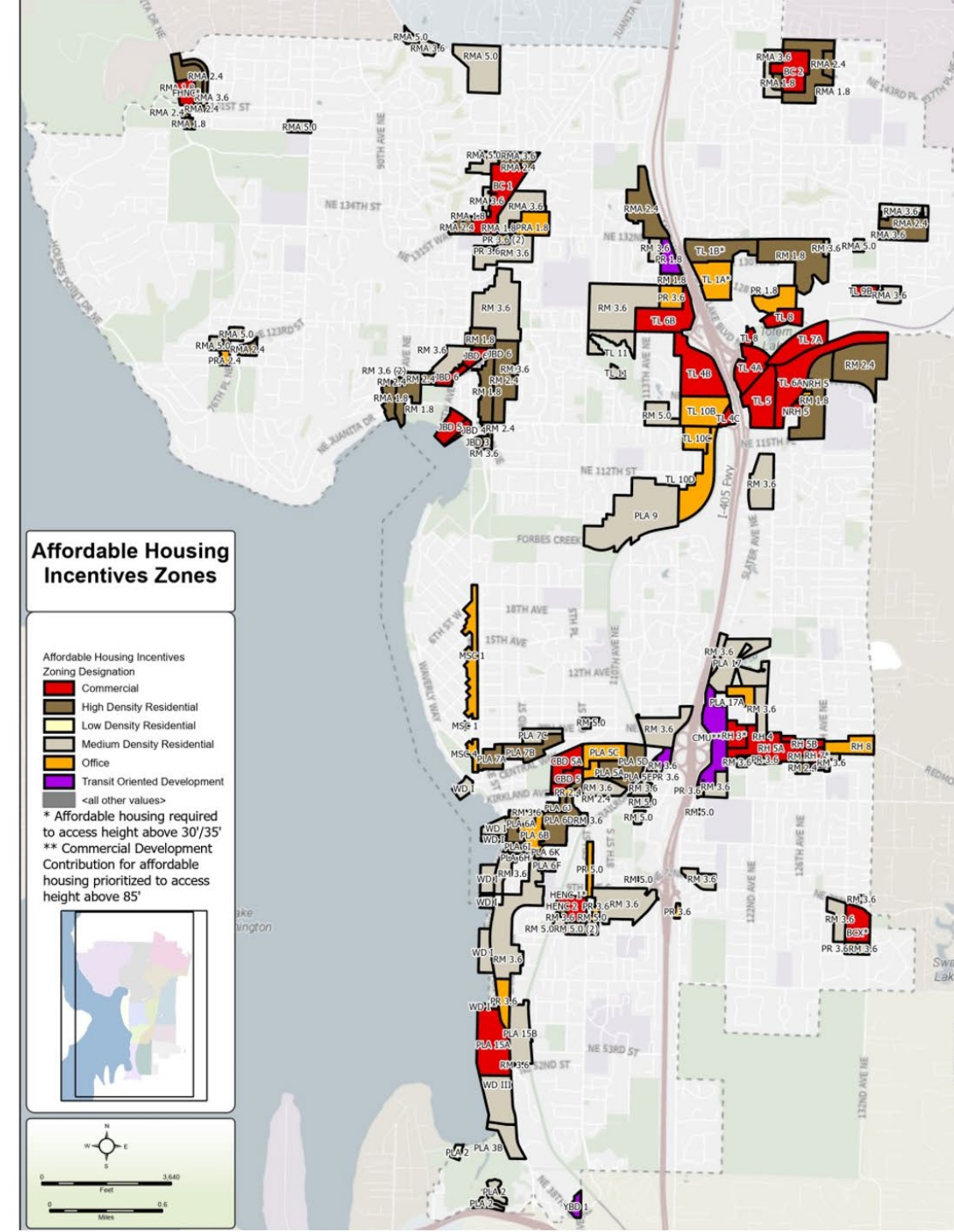


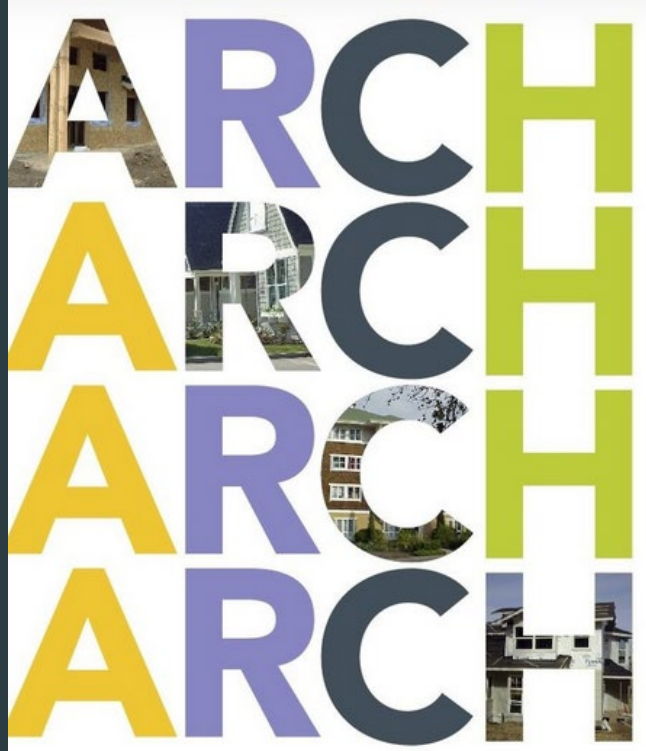
n Zholdubaev- Real Estate Broker
5) 655-9119
a.z@designWArealty.com

D|R

www.designWArealty.com
105 Central Way Suite 202
Kirkland, WA 98033

- 52 affordable ownership homes built and sold, 8 in the pipeline



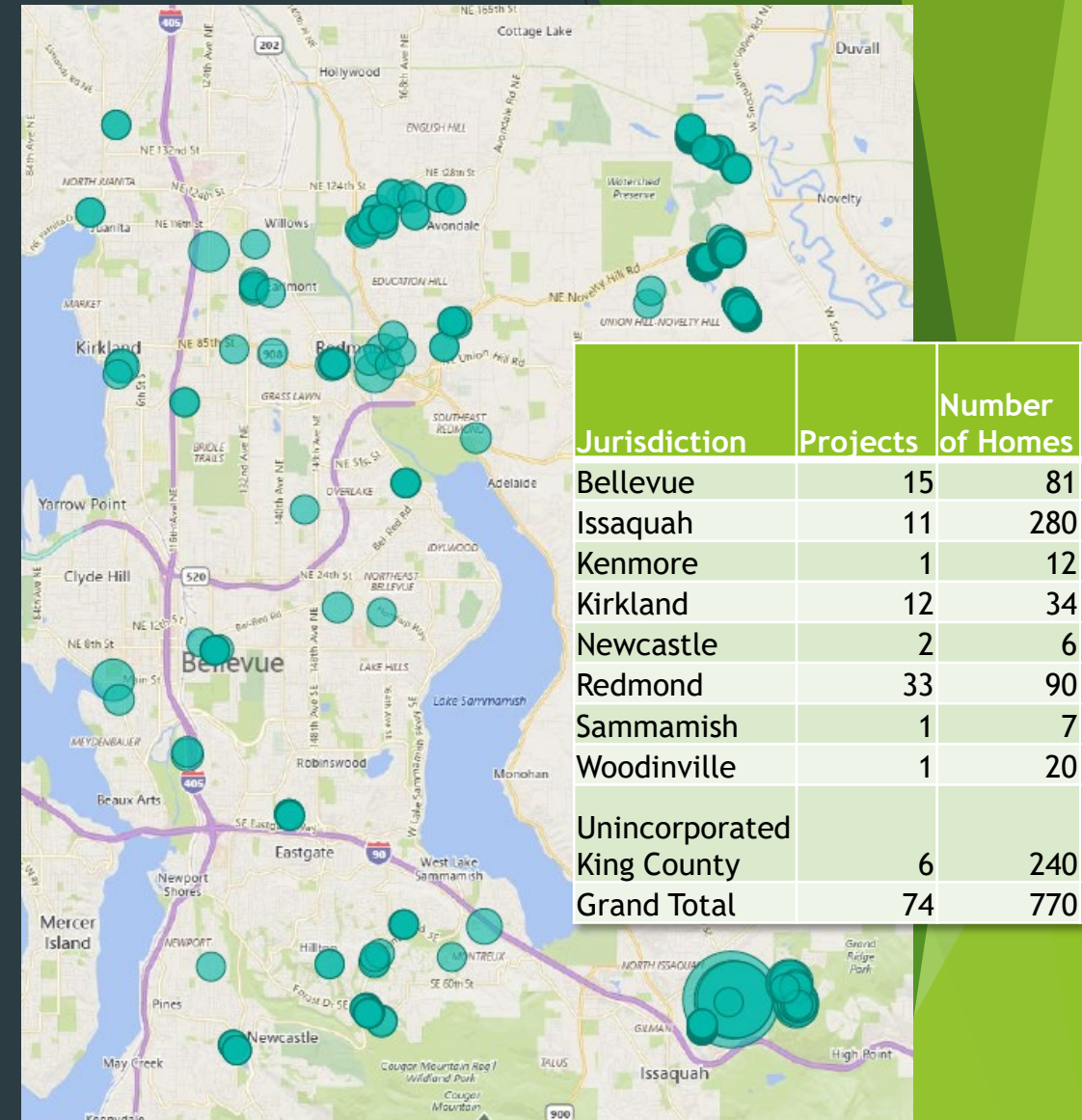


A Regional Coalition for Housing Homeownership Program

Raquel Rodriguez, Program Coordinator

ARCH Homeownership Program

- Over 700 affordable ownership homes throughout East King County.
- Home prices range depending on home size and city policies.
- Long-term affordability maintained through a resale covenants that limit prices and eligible buyers



ARCH New Construction Homes

- Established through developer requirements or incentives of ARCH member cities
- ARCH's new construction homes are priced below market
- Homes include all housing types (condos, townhomes, etc.)



Westridge Townhomes in Issaquah, WA

ARCH New Construction Homes



Homes produced through Inclusionary Zoning Policies



Pricing - ARCH staff establishes initial below market price for the new home.



Marketing - Staff markets new construction homes

ARCH Resale Homes



Current ARCH homeowners sell their homes at a below market price assigned by ARCH staff.



To purchase a resale home, make a direct offer to the seller.



The list of all available homes is on our website.

Who is eligible?

- ▶ Income restrictions - To purchase an ARCH home your household must fall below the maximum income limit
- ▶ Household size - household at the time of purchase must contain a minimum number of people established for that bedroom size
 - ▶ One for a studio, 1-bedroom or 2-bedroom
 - ▶ Two for a 3-bedroom
 - ▶ Three for a 4-bedroom
- ▶ No ownership of another home at the time of purchase
- ▶ New construction- First Time Homebuyer



How do we support future homebuyers for purchase

- ▶ We encourage buyers to apply to homes that are within their affordability range.
- ▶ We encourage buyers to speak with a lender to navigate their lending options.
- ▶ Taking a homebuyer education class will also help

The Willows 124 in Redmond, WA

How to learn about ARCH Homes and FAQ



[Rental](#) [Homeownership](#) [Development](#) [Planning](#) [About](#) [Resources](#)

NEWS



Affordable Homes For Sale

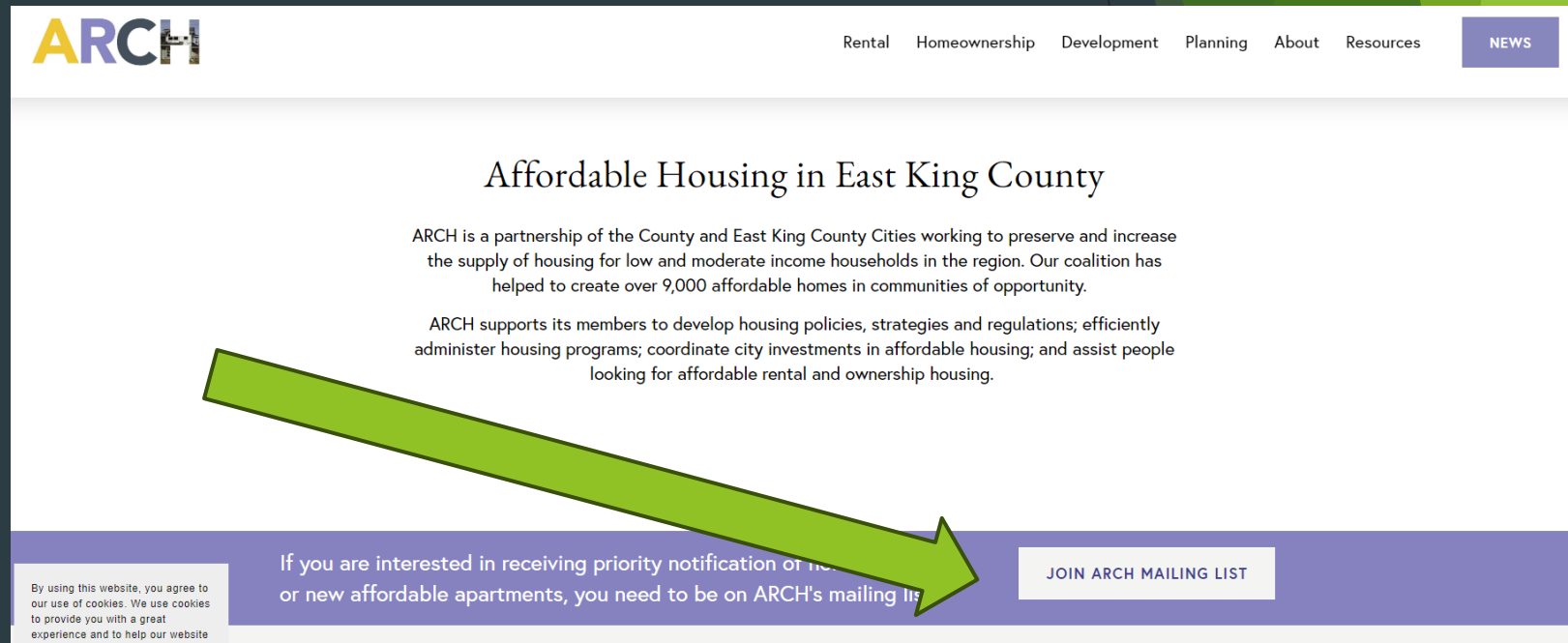
NEW CONSTRUCTION - AVAILABLE SOON

Sign up for the ARCH mailing list

To find out about homeownership opportunities, sign up for ARCH's Mailing List.

Once on the list, you will receive the latest updates on homeownership opportunities, based on your household information.

<http://www.archhousing.org/>



ARCH

Rental Homeownership Development Planning About Resources **NEWS**

Affordable Housing in East King County

ARCH is a partnership of the County and East King County Cities working to preserve and increase the supply of housing for low and moderate income households in the region. Our coalition has helped to create over 9,000 affordable homes in communities of opportunity.

ARCH supports its members to develop housing policies, strategies and regulations; efficiently administer housing programs; coordinate city investments in affordable housing; and assist people looking for affordable rental and ownership housing.

By using this website, you agree to our use of cookies. We use cookies to provide you with a great experience and to help our website

If you are interested in receiving priority notification of new affordable apartments, you need to be on ARCH's mailing list

JOIN ARCH MAILING LIST

Contacts:

Raquel Rodriguez, Program Coordinator - rrodriguez@bellevuewa.gov

Homeownership Team - homeownership@bellevuewa.gov

Open Office Hours
Tuesday - Friday 10am-2pm

Welcome to Habitat!

- *Our vision is to build a world where everyone has a safe, decent and affordable place to live.*
- How does Habitat....
 - Build?
 - Partner with Community?
 - Sell homes to everyday people?
- Our 300+ project pipeline
- Our local & state policy agenda



Our Impact on the Eastside

- **Orchard Gardens**

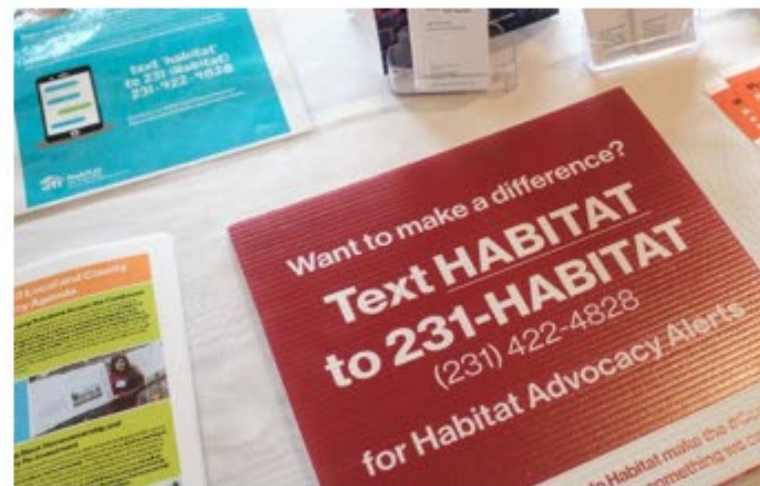
- Community Partnership; ARCH supported.
- 25 units of permanently affordable housing. Earning 80% AML or less.
- Legislative reforms to the City Zoning Code.

- **Why is Middle Housing an effective affordable housing tool?**

- E.G. Sammamish Cottages

- **How can we support more affordable homeownership?**

- A Comprehensive Plan for Abundant Housing
- Funding and more support for new housing



Text: **Habitat**
to **231-HABITAT**
(231-422-4828)

Join the **Habitat Action Alerts Team** and receive
strategic calls-to-action for advocacy
opportunities straight to your phone!