

Project title: WA State Department of Commerce E2SHB 1923 Housing Action Plan Grant Contract Updated Amendment

Council Bill # *interoffice use*

Project: E2SHB 1923 Housing Action Plan Grant Updated Amendment

Partner/Supplier: WA State Department of Commerce

Location: *If relevant*

Agenda dates requested:

4/28/2021

Preceding action: Grant Contract Amendment Approval 12/2/20

Briefing

Fund: 021/Community, Planning and Economic Development

Proposed action

Consent X

Action

Ordinance

Public hearing

Yes No X

Fiscal summary statement:

No fiscal changes.

Budget amendment:

Yes No X

Project summary statement:

On 12/2/20, Council approved a contract amendment revising the scope of work for the \$100,000 Department of Commerce grant (ESHB 1932) funding received in early 2020. The grant is specific to activities addressing land use regulations to allow for greater housing variety and opportunities in Everett through development of a Housing Action Plan. The Housing Action Plan project is currently in process with several community engagement activities and work by the Housing Action Plan Committee, staff, and consultants.

PowerPoint presentation:

Yes No X

Commerce has authorized an extension of three months to allow additional community input into the Housing Action Plan. The final Housing Action Plan delivery date would be October 15, 2021 with the contract amendment. Note that a draft Housing Action Plan must be submitted to Commerce June 15, 2021 with a final adoption schedule.

Attachments:

Grant Agreement Amendment

Recommendation (exact action requested of Council):

Authorize the Mayor to sign the WA State Department of Commerce E2SHB 1923 Housing Action Plan Grant Contract Amendment.

Department(s) involved:

Planning

Contact person:

Becky McCrary

Phone number:

X7133

Email:

Initialed by:

Department head

Administration

Council President

Amendment

Contract Number: 20-63314-008

Amendment Number: #1

**Washington State Department of Commerce
Local Government Division
Growth Management Services
E2SHB 1923 Grant**

1. Contractor City of Everett 2930 Wetmore Avenue, Suite 8-A Everett, WA 98201		2. Contractor Doing Business As (optional) N/A	
3. Contractor Representative (only if updated) Rebecca McCrary Long Range Planning Manager (425) 257-7133 BAbleman@everettwa.gov		4. COMMERCE Representative (only if updated) Kirsten Larsen PO Box 42525 Senior Planner 1011 Plum St SE (360) 280-0320 Olympia, WA kirsten.larsen@commerce.wa.gov 98504-2525	
5. Original Contract Amount (and any previous amendments) \$100,000	6. Amendment Amount \$0	7. New Contract Amount \$100,000	
8. Amendment Funding Source Federal: State: X Other: N/A:		9. Amendment Start Date Date of Execution	10. Amendment End Date June 30, 2021
11. Federal Funds (as applicable): N/A	Federal Agency: N/A	CFDA Number: N/A	
12. Amendment Purpose: Amendment to revise the scope of work to address the housing planning efforts currently underway by the city of Everett and address delays due to COVID. This amendment includes updates to deliverables, funding allocated to the deliverables and deliverable due dates.			

COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract As Amended and attachments and have executed this Contract Amendment on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Contract As Amended are governed by this Contract Amendment and the following other documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget. A copy of this Contract Amendment shall be attached to and made a part of the original Contract between COMMERCE and the Contractor. Any reference in the original Contract to the "Contract" shall mean the "Contract as Amended".

<p>FOR CONTRACTOR</p> <p>_____</p> <p>Cassie Franklin, Mayor City of Everett</p> <p>_____</p> <p>Date</p>	<p>FOR COMMERCE</p> <p>_____</p> <p>Mark K. Barkley, Assistant Director Local Government Division</p> <p>_____</p> <p>Date</p> <p>APPROVED AS TO FORM ONLY</p> <p>_____</p> <p>Sandra Adix Assistant Attorney General</p> <p>_____</p> <p>3/20/2014 Date</p>
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Amendment

This Contract is **amended** as follows:

Special Terms and Conditions, Section 3 (Compensation) is hereby replaced in its entirety:

3. COMPENSATION

COMMERCE shall pay an amount not to exceed **one hundred thousand dollars (\$100,000)** for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work (Attachment A).

The final due date for deliverables must be no later than June 15, 2021.

Attachment A: Scope of Work and Attachment B: Budget are hereby revised to address changes in the housing planning efforts currently underway by the city of Everett and address delays due to COVID. Changes include the following:

- The SOW removes the TOD Housing Action Plan and incorporates some of those elements into the Citywide Housing Action Plan.
- The amendment changes Deliverable 1 from an Adopted Rethink Housing Action Plan to a Housing Needs Assessment, adds a Deliverable 3 (Draft Housing Action Plan), and renumbers Deliverable 3 to Deliverable 4 and changes it from an Adopted Rethink Housing TOD Action Plan to a Final Draft Housing Action Plan with Adoption Schedule.
- The amendment also breaks Action 2 (Housing Displacement Strategy) into two deliverables, adding a draft deliverable and making the current deliverable a Final Draft version.
- This amendment also updates funding for deliverables and deliverable due dates to reflect delays due to COVID.

See attached revised Scope of Work (Attachment A) and Budget (Attachment B), which shows new or moved text with underline and removed text with ~~strikethrough~~.

ALL OTHER TERMS AND CONDITIONS OF THIS CONTRACT REMAIN IN FULL FORCE AND EFFECT.

Scope of Work

Action 1: Adopt a Housing Action Plan(s)

This action will consist of two actions and six three deliverables.

- 1) The first action will include ~~adopt~~ a **Citywide Housing Action Plan** (“Rethink Housing”). This plan will serve as a policy framework and workplan to encourage construction of additional affordable and market rate housing city-wide. It will incorporate a Housing Needs Assessment and
2. ~~The second action will adopt a **TOD Housing Strategies and Actions Plan** into the Housing Action Plan~~ focused on strategies to increase the supply of housing to meet the needs for all income levels around ~~future light rail stations and~~ high-capacity transit lines. This action will consist of four deliverables: a Housing Needs Assessment, a Report on Code Changes for the requirements in Section 1(1)(a-l) of E2SHB 1923, a Draft Housing Action Plan (NEW), and a Final Draft Housing Action Plan with Adoption Schedule.
3. 2) Concurrent with the Housing Action Plans, for the second action, the city will study and complete ~~adopt~~ a **Housing Displacement Strategy** focused on strategies to minimize displacement of low-income households and minority communities ~~adjacent to future light rail stations~~, along high-capacity transit routes, and in other areas where substantial redevelopment may occur. This action will consist of a Draft Strategy (NEW) and a Final Draft Strategy.

Steps/ Deliverables	Description	Start Date	End Date
Action 1.1	Adopt a Housing Action Plan that includes TOD strategies (“Rethink Housing”)	07/28/2019	12/31/2020 06/15/2021
Step 1.1	Quantify existing and projected housing needs for all income levels, including preliminary projections of needs necessary for the next GMA update due in 2023.	07/28/2019	04/01/2020
Step 1.2	Complete an analysis of a prototypical multifamily project(s) which shows development costs and an operating pro forma to identify rents needed to cover costs.	12/01/2019	04/01/2020
Step 1.3	Complete a housing affordability analysis for all incomes to identify cost burden for renters and homeowners in Everett	07/28/2019	12/31/2019
Step 1.4	Draft strategies to increase the supply of housing and a variety of housing types to serve the housing needs based on projections and affordability	07/28/2019	04/01/2020
Step 1.5	Review and evaluate the city’s current housing element	07/28/2019	04/01/2020

Step 1.6	Review and evaluate the city's current development code provisions to ascertain if and where the following housing actions have been adopted in Everett: a) 50 du/ac near light rail ; b) 25 du/ac along high frequency transit corridors; c) allow 1 duplex, triplex or courtyard apt. on each parcel in one or more districts that permit sf; d) authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences; e) adopt an infill exemption under RCW 43.21C.229; f) authorize a duplex on each corner lot within all zoning districts that permit sf; g) allow for the division or redivision of land to maximum number through short subdivision process; and h) authorize a minimum net density of 6 du/ac in all residential zones.	07/28/2019	12/31/2020 03/31/2021
Step 1.7	Seek input from stakeholders	07/28/2019	06/30/2020
Step 1.8	Draft Rethink Housing Strategy	07/28/2019	06/30/2020
Step 1.9	<u>Gather data within ¼ mile of frequent bus service regarding existing and projected housing needs, socio-economic conditions, public facilities and services, and redevelopment potential.</u>	<u>07/28/2019</u>	<u>06/01/2020</u>
Step 1.10	<u>Incorporate background data into SEPA documents for "ReThink Zoning" project</u>	<u>07/28/2019</u>	<u>12/31/2020</u>
Step 1.11	<u>Review height, scale and intensity standards within the TOD study areas, and explore alternatives which would provide additional housing capacity at the least impact to the community.</u>	<u>07/28/2019</u>	<u>03/31/2021</u>
Step 1.12	Seek input from stakeholders	07/28/2019	04/01/2021
Step 1.13	Draft Rethink Housing, TOD Action strategies, including priority areas for land use and code changes to be considered in the next GMA Update (2024)	02/01/2020	12/31/2020
Deliverable 1	<u>Housing Needs Assessment Adopted Rethink Housing Action Plan</u>		06/30/2020 12/31/2020
Deliverable 2	Report which includes: a) a review of existing development code provisions that meet Section 1(1)(a-l) of E2SHB 1923 and b) draft code amendments that meet at least two of the requirements in Section 1(1)(a-l) of E2SHB 1923 to be considered for action		12/31/2020
Deliverable 3	<u>Draft Housing Action Plan</u>		5/15/2021
Action 1.2	<u>Adopt a TOD Housing Action Plan ("Rethink Housing, TOD")</u>	07/28/2019	12/31/2020
Step 1.9	Gather data within ½ mile of future light rail stations and ¼ mile of frequent bus service regarding existing and projected housing needs, socio-economic conditions, public facilities and services, and redevelopment potential.	07/28/2019	06/01/2020
Step 1.10	Incorporate background data into SEPA documents for "ReThink Zoning" project	07/28/2019	06/01/2020

Step 1.11	Review height, scale and intensity standards within the TOD study areas, and explore alternatives which would provide additional housing capacity at the least impact to the community.	07/28/2019	10/01/2020
Step 1.12	Seek input from stakeholders	07/28/2019	12/31/2020
Step 1.13	Draft Rethink Housing, TOD Action Plan, including priority areas for land use and code changes to be considered in the next GMA Update (2023)	02/01/2020	12/31/2020
Deliverable 3-4	<u>Final draft of Adopted Housing Action Plan / Rethink Housing, TOD Action Plan, with comments from public, and Adoption Schedule</u>		<u>12/31/2020</u> <u>06/15/2021</u>
Action 1.23	<u>Adopt a Housing Displacement Strategy</u>	12/01/2019	<u>04/01/2020</u> <u>06/15/2021</u>
Step 1.14	Using information from Action 1.12, identify the communities facing the highest threat for displacement.	12/01/2019	<u>02/28/2021</u>
Step 1.15	Gather data regarding strategies that other communities have used to address displacement.	12/01/2019	12/31/2020
Step 1.16	Seek input from stakeholders	12/01/2019	04/01/2021
Step 1.17 <u>Deliverable 5</u>	<u>Draft Housing Displacement Strategy</u>	04/01/2020	04/01/2021
Deliverable 4-6	<u>Final Draft of Housing Displacement Strategy</u>		<u>04/01/2021</u> <u>06/15/2021</u>

Budget

Action / Deliverables	Commerce Funds
<i>Deliverable 1: <u>Housing Needs Assessment Adopted Housing Action Plan</u></i>	<i>\$20,000</i>
<i>Deliverable 2: Report with code review and draft revisions</i>	<i>\$20,000 19,830</i>
<i>Deliverable 3: <u>Draft Housing Action Plan</u></i>	<i>\$20,170</i>
<i>Deliverable 3 4: <u>Final Draft of TOD-Housing Action Plan with public comments and Adoption Schedule</u></i>	<i>\$30,000 \$20,000</i>
<i>Deliverable 5: <u>Draft Housing Displacement Strategy</u></i>	<i>\$10,000</i>
<i>Deliverable 4 6: <u>Final Draft of Housing Displacement Strategy</u></i>	<i>\$3010,000</i>
Total:	\$100,000
Budget Narrative: Estimates of staff hours, staff hourly rates, and other expenses.	
Action 1.1: Consultant (\$2085,000); in-kind staff time (420140 hours @ \$100/hour)	
Action 1.2: Consultant (\$6515,000); in-kind staff time (140 hours @ \$100/hour)	
Action 1.3: Consultant (\$15,000); in-kind staff time (20 hours @ \$100/hour)	

NOTE: The final Deliverable(s) for this grant represents thirty percent (30%) of the total grant award and payment is contingent upon submittal of a copy of the final, adopted local action(s).