



HOUSING

LIVABLE MIXED INCOME NEIGHBORHOODS

INTRODUCTION

IMPORTANCE OF A DOWNTOWN RESIDENTIAL COMMUNITY

Maintaining a viable downtown residential community is an important regional objective. The City's Comprehensive Plan includes a target of directing $\frac{1}{4}$ of the city's forecasted population growth into downtown. This translates into about 5,000 new downtown residents living in approximately 2,500 to 3,500 new residences over next 20 years.

Beyond demographic distribution, new downtown residents will create a livable urban residential neighborhood with a variety of housing choices for people who wish to minimize auto dependency, live close to work, prefer unique housing types, and enjoy Downtown amenities. At the same time, a vibrant downtown depends on local residents to support local businesses, provide a local work force, and generate 18 hour a day pedestrian activity.

GOALS AND OBJECTIVES

The following are Olympia Comprehensive Plan Goals that form the foundation of the concepts and recommendations in this element.

GL1: Land use patterns, densities and site designs are sustainable and support decreasing automobile reliance.

PL1.6: Provide for a compatible mix of housing and commercial uses in commercial districts ... that enables people to walk to work and shop, supports transit, and includes convenience businesses for residents.

PL11.2: Provide incentives for housing in commercial districts near transit stops.

GL14: Olympia's neighborhoods provide housing choices that fit the diversity of local income levels and lifestyles. They are shaped by public planning processes that involve citizens, neighborhoods, and city officials.

PL14.2: Concentrate housing into three high-density Neighborhoods: Downtown Olympia, Pacific/Martin/Lilly Triangle; and the area surrounding Capital Mall. Commercial uses directly serve high-density neighborhoods and allow people to meet their daily needs without traveling outside their neighborhood. High-density neighborhoods are highly walkable. At least one-quarter of the forecasted growth is planned for downtown Olympia.

GS5: Special needs populations, such as people with developmental disabilities, the homeless, the frail elderly, and others who have difficulty securing housing, have adequate, safe, and affordable housing.

PS5.1: Disperse housing for low-income, moderate-income, and special-needs residents throughout Olympia and its Urban Growth Area, and discourage concentration of such housing in any one geographic area.

PS5.2: Support the Fair Share Housing allocation process and work with other jurisdictions to monitor progress toward achieving agreed upon goals.

PS5.3: Evaluate the possibility of providing density bonuses to builders who provide low-income housing in market-rate developments, and of tying the bonus to affordability.

PS5.4: Encourage new housing on transportation arterials and in areas near public transportation hubs.

PS5.6: Retain existing subsidized housing.

GS9: New low-income housing is created to meet demand.

PS9.1: Continue to support projects funded by low-income tax credits and revenue bonds.

PS9.2: Investigate and support appropriate multi-jurisdictional support for the Housing Authority of Thurston County bond sales.

PS9.3: Promote partnerships between public and private non-profit organizations to increase housing and home ownership opportunities for people with special needs, and for low- and moderate-income households.

PS9.4: Continue to encourage development of single-room occupancy units downtown, along urban corridors, and in other areas where high-density housing is permitted. This could include encouraging alliances between public, private, and nonprofit organizations.

PS9.6: Help low-income and special needs residents find ways to purchase housing, such as shared or limited-equity housing, lease-purchase options, co-housing, land trusts, and cooperatives.

PS9.7: Work with jurisdictional partners through the county-wide Home Consortium, to fund affordable housing projects that serve low- and very low-income residents.

PS9.8: Continue to administer the Housing Tax Credit program to develop both market-rate and low-income housing.

PS9.9: Support non-profit and faith-based organizations in their efforts to provide emergency homeless shelters.

GT13: A mix of strategies is used to concentrate growth in the city, which both supports and is supported by walking, biking, and transit.

PT13.5: Allow housing in commercial and employment areas to reduce commute and errand distances, and encourage alternatives to driving.

PR8.2: Pursue affordable housing and studio/rehearsal space for artists, including support for, or participation in, establishing or constructing buildings or sections of buildings that provide living, work and gallery space exclusively for artists.

The projected distribution of new units in the form of townhomes, low-rise apartments (2-3 stories), and midrise apartments (4-7 stories) is shown in the table below. This is not a goal, per say, rather a projected distribution of residential building and unit types is based on the likely household composition and income levels of new residents. Within these general types, there is expected to be a diversity of apartment sizes, styles, and levels of affordability. The distribution by unit type for each household segment assumes the following:

- Family households with children under 18 are more likely to choose a townhouse.
- Family households without children and with higher incomes are more likely to choose a midrise unit.
- Non-family households with moderate incomes are more likely to choose a low-rise unit.

As shown in the table, the projected demand by unit type over the twenty year period is:

Townhouses	684 to 958 units
Low-rise (2-3 stories)	1,097 to 1,536 units
Midrise (4-7 stories)	719 to 1,006 units
Total	2,500 to 3,500 units

The market and feasibility analysis indicates that a variety of housing types are feasible in Downtown.

The townhouse units will likely be a mix of units for sale and for rent. The low-rise and midrise units will be predominately for rent at least in the foreseeable future. As rents rise, there will be more interest in condominiums. Developers will be more inclined to respond to that interest if laws are changed to limit liability for construction defects.

For more information, please see “Olympia Downtown Strategy Market Analysis” prepared for the City of Olympia by Property Counselors, April 20, 2016, included in [Appendix B.1](#).



3 story multifamily



“5 over 1” mixed use



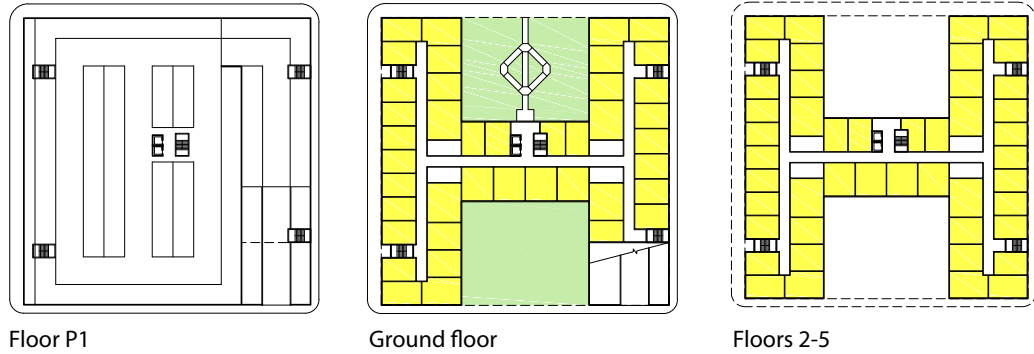
Townhouses around a court

4. Full Block Site: intended to be representative of a residential building on a full block redevelopment site with partially underground parking. The building would include five floors of residential (one concrete and four wood frame) over a single level of partially underground parking.

SITE AREA
62,500 SF

OPEN SPACE
19,800 SF

- RESIDENTIAL**
- 208,834 SF (5 floors)
 - 38,717 SF (ground floor), 42,529 SF (floors 2-5)
 - 225 residential units: 41 units (floor 1), 46 units (floors 2-5)
 - 182 parking spaces (.81 spaces per unit)



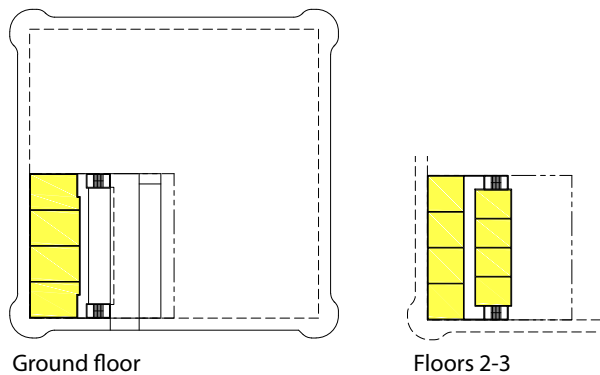
STRUCTURED PARKING
60,000 SF (floor P1)
182 spaces

5. Low-rise residential infill: intended to be representative of a single use three story garden-style apartment with surface parking.

SITE AREA
14,400 SF

- RESIDENTIAL**
- 21,628 SF (3 floors)
 - 20 residential units: 4 units (ground floor), 16 units (floors 2 - 3)
 - 24 parking spaces (1.2 spaces per unit)

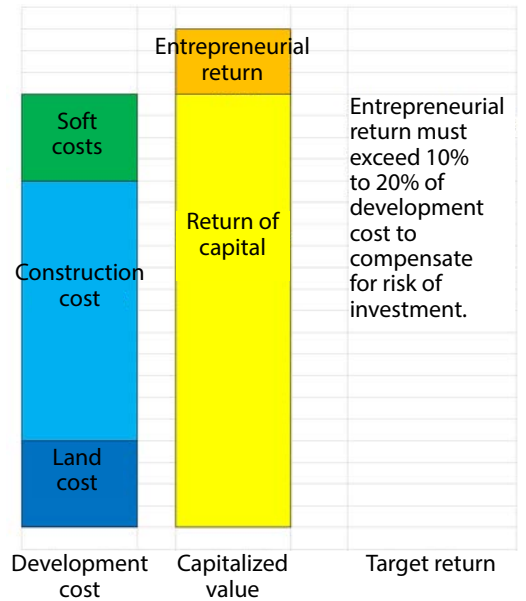
SURFACE PARKING
6,768 SF
24 spaces



Development scenarios for each site were subjected to a financial feasibility analysis. The proforma feasibility analysis compares the cost of development to completed value to determine the entrepreneurial profit. Entrepreneurial profit is considered the compensation to a developer for incurring the risk of undertaking and completing a project. Entrepreneurial profit for any development plan is compared to a target rate to identify whether that option is feasible. Entrepreneurial return of 15% or more of the development cost is within the typical range for feasible development.

Each case for each site can be evaluated according to two measures:

- Does the entrepreneurial return exceed 15% of development cost? If so, that case is considered feasible, and could attract private investment.
- If a case is not feasible given the base assumptions, what conditions would be necessary for feasibility and are they achievable? The necessary conditions can reflect a combination of higher rents, lower construction costs, lower land costs, and available development incentives.

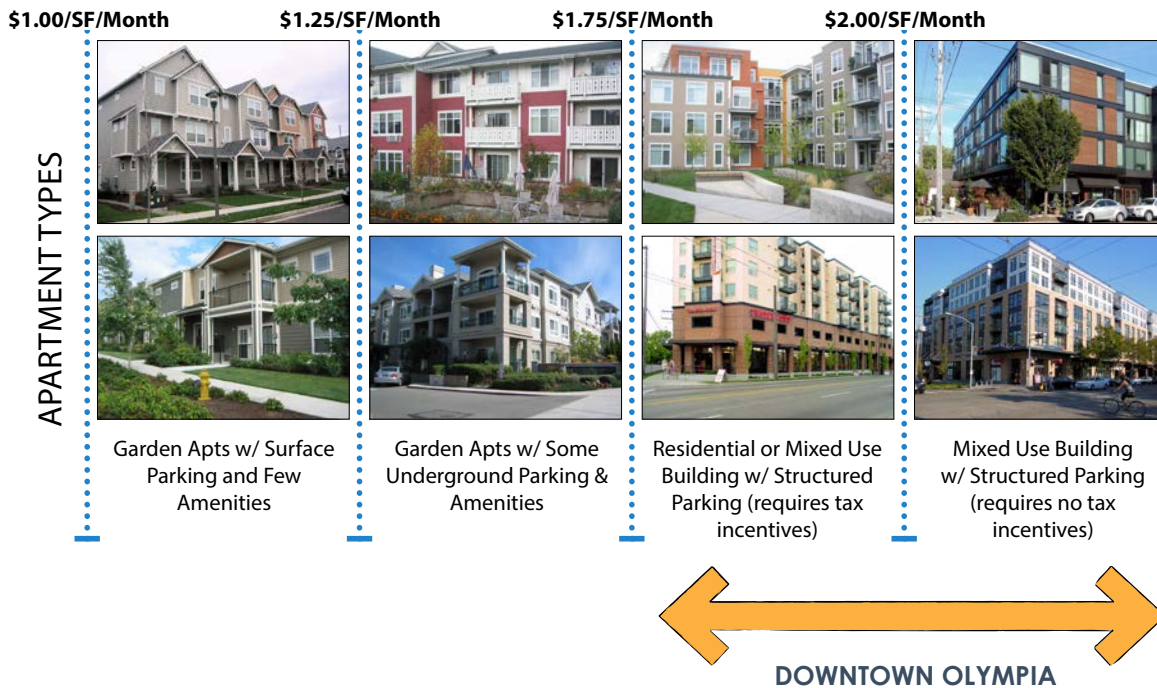


Summary of Financial Results

The following table shows results that summarize the entrepreneurial profit as a percentage of the development cost for each site. The cases include a base situation where no development incentives are offered by the City; cases with the multifamily property tax exemption, both the eight year exemption (with no dedicated affordable housing) and 12 year (with 20% of units affordable to households that earn 80% or less of median income levels in the county); and cases with no impact fees. The cases that represent acceptable rates of return are highlighted.

The feasibility analysis examines the amount of profit against project development costs.

MONTHLY APARTMENT RENTS



The analysis found that different types of housing required different rents to be feasible. Multifamily units with above \$2.00/SF/Month are starting to be built and occupied, indicating a variety of unit types are becoming feasible.

Entrepreneurial Return as a Percent of Development Cost

Highlighted cells indicate a return greater than 15% and are therefore feasible in the near future

		Base	MFTE 8 Year	MFTE 12 Year
1	6-Story MU on Quarter Block	13.32%	18.56%	10.10%
2	7-Story MU on Half Block	13.19%	18.50%	9.93%
3	7-Story MU on Irregular Block	11.93%	17.12%	8.82%
4	5-Story MU on Full Block	9.17%	14.90%	5.20%
5	3-Story Infill MF on 2 Residential Lots	6.67%	12.16%	14.15%

The conclusions derived from this analysis are summarized below.

1. Based on the results of the analysis, it's likely that six or seven story mixed use buildings are feasible under current market conditions in conjunction with the eight year tax exemption (which the City already makes available.)
2. Because the current market driven rental rates are close to those necessary to achieve an adequate return on investment, it is likely, given current trends, that the types of development envisioned in the feasibility analysis will occur in the near future.
3. The use of the eight year tax exemption enhances the feasibility of the mixed use concepts because it reduces overall operating expenses. The 12 year tax exemption does not perform as well for mixed use concepts due to the loss of income associated with the affordability requirement.
4. The use of the 12 year tax exemption enhances the feasibility of the garden apartment scenarios because it provides lower operating expenses. Also, market rents for this type of structure meet the MFTE affordability requirement so that there is no need for the property owner to artificially lower rents.
5. The City already charges impact fees at lower rates within Downtown relative to other areas of the City. While further reductions would improve rates of return, given the tax exemptions this does not appear to be necessary to provide for feasible development.
6. The retail component of the mixed use scenarios does not enhance the feasibility. The likely rents don't cover the overall investment, particularly structured parking at typical parking ratios. If there were no requirement to include retail, developers would probably not include retail on sites without heavy pedestrian traffic, good visibility and access, and surrounding complementary uses.

- The additional cost of building acquisition under a redevelopment scenario (versus a vacant site) provides an additional challenge for feasibility, but the feasibility analysis assumed that the existing structures on redevelopment sites had modest value.

The larger sites provide additional flexibility in unit and parking layouts, but the increased value is not assumed to be great in this analysis. Downtown features an excellent array of public and commercial attractions, and the City is investing in an ambitious program of street improvements. Additional improvements to public property and parks along the waterfront will enhance the desirability of the area and the feasibility of development. City assistance with uncertainties related to sea level rise and site contamination are more immediate challenges that should be addressed.



The feasibility of structured parking as a function of land price. The yellow arrow roughly indicates the current land price range in Downtown. The dashed arrow indicates likely future range. Note that this is only a very generalized rule of thumb and can vary depending on site conditions and type of housing.

The cost effectiveness of structured and underground parking is a function of land price. In simplest terms, when the cost of land exceeds the cost of the parking structure, then becomes advantageous to build structured parking. The case study sites included structured above grade, below grade, and surface parking examples. Of course, below grade parking is not cost effective in high water table locations north of Legion Street.

The Need for Development Incentives

In spite of the favorable findings of the feasibility analysis, Downtown has some special development challenges that can hamper positive development, including: known and unknown soils contamination, risks from sea level rise, high construction

cost on the dredged fill, aging infrastructure, diversity of property ownership, and negative perceptions caused by perceived levels of crime, homelessness, and lack of cleanliness. These conditions point to the need for development incentives or other actions to encourage the desired housing development. Additionally, if the City can lower unnecessary costs to developers, this will allow for lower rents and, if design guidelines are in place, higher quality development.

The City has prepared a development incentive Tool Box ([Appendix C.1](#)), which is described in the Development Incentives Element. Many of the Recommended Actions in the Land Use Element directly address the need to encourage a range of housing development.

For more information, please see “Olympia Downtown Strategy Market Analysis” prepared for the City of Olympia by Property Counselors, April 20, 2016, included in [Appendix B.1](#).

AFFORDABILITY

Both City policy and public opinion expressed by participants during the planning process advocate for housing options available to people with the full range of affordability levels. To do this, it is necessary to identify what is meant by “affordable.” The U.S. Department of Housing and Urban Development (HUD) defines the levels of affordability based on what a family can afford if it pays 30% of its income for housing. The HUD definition of affordability might not reflect what a person can actually afford to pay for housing. It is based on averages in the county and includes renters and owners. There is a substantial difference between the two, but the levels below provide a context for discussion on the subject. For the DTS, affordability levels are based on the median income for a 2 person household in Thurston County, which in 2016 was \$58,880.

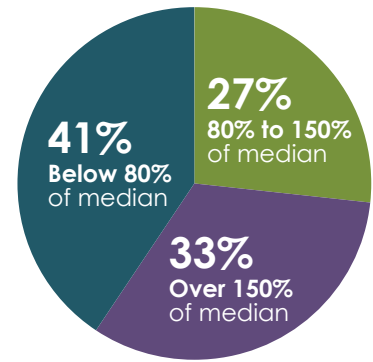
A review of current affordability levels provides a perspective to understand proposed actions. Note the first proposed housing action includes additional public process to identify affordability needs and goals, so **the following should be considered only as preliminary information to provide a general background and to establish the need for more detailed analysis.**

- **Very low** income: below 50% of median income = below \$29,440.
- **Low**: between 50% and 80% = \$29,440 to \$47,104.
- **Moderate**: between 80% and 100% = \$47,104. To \$58,880.
- **High**: over 150% = over \$88,320.

Note: All figures are for a 2 person household in Thurston County in 2016.

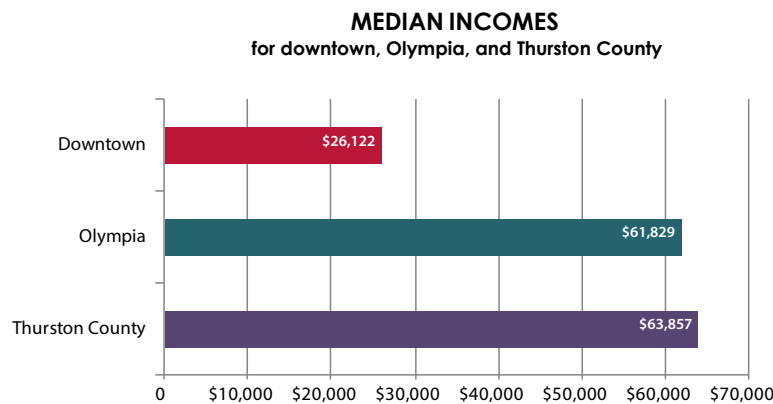
HUD housing subsidies and some other programs start being available for households below 80% median income. In the City of Olympia, 41% of all households earn below 80% of median income, 27% earn between 80% and 150% of median income, and 33% earn more than 150% of median income.

The planning team examined HUD’s 2016 breakdown of housing affordability in Thurston County and compared that to income data for Olympia and Downtown from the 2014 American Community Survey 5 year average. This data is included in [Appendix F.1](#), and contributes to the following conclusions:



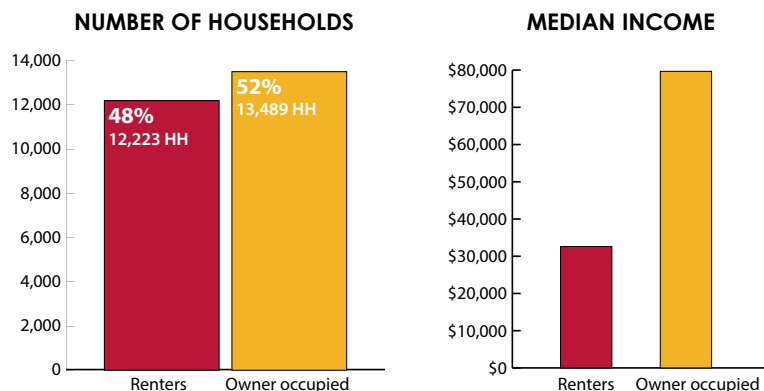
Distribution of income levels in the City of Olympia

1. Current median household income levels Downtown are significantly lower than income levels in the County and in the City as a whole.



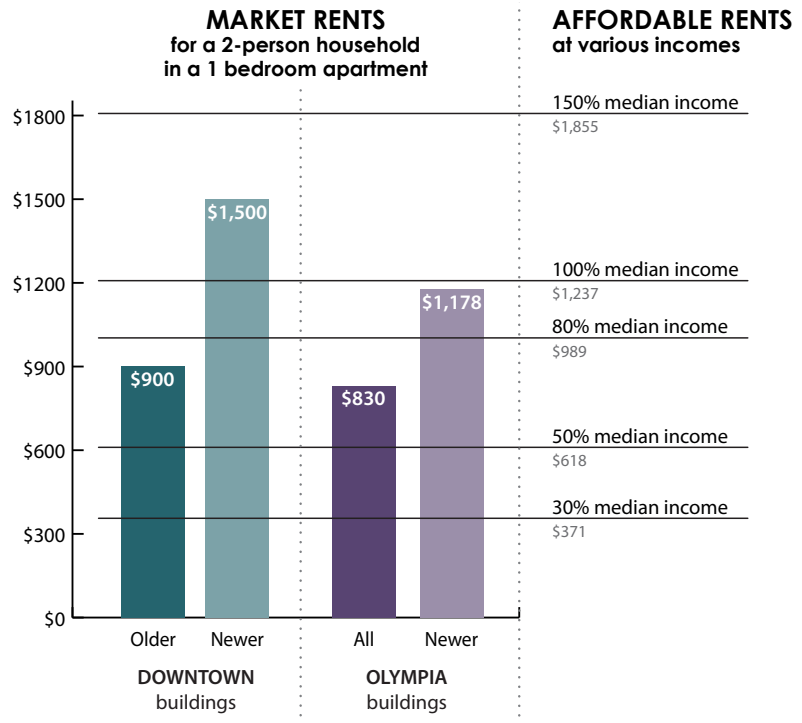
On average, people living Downtown make less than half the income of Olympians as a whole. (Source: American Community Survey 2010 - 2014)

2. The average household in a rental unit vs. an owner unit has a much lower median income, thus units that are “affordable” based on percentages of median income for all households will require more than 30% of median income for rental households.



Nearly half of Olympians rent their homes. On average, home owners’ incomes are more than twice the income of renters. (Source: American Community Survey 2010 - 2014)

- Residents in neighborhoods with goods and services within easy walking distance and good transit service can afford to spend a higher share of their income on housing. While typical households spend 31% of their income on shelter, they spend 47% on shelter plus transportation.
- Households at 100% of median for the city can afford the average rents in new units city-wide, but not new units Downtown because new market rate Downtown units are more expensive.



The chart above illustrates that people making 80% of median income or more can afford to live in older market rate Downtown buildings, but they cannot afford to live in most newer market rate units. People making 50% of median income cannot afford to live either downtown or in the rest of the City without subsidies. (Source: Dupre and Scott, 2015 fall rental report; American Community Survey 2010 - 2014)

5. Olympia’s city-wide income distribution contrasts with the affordability of Downtown’s housing stock.

Based on a 2015 inventory, about 57% of downtown residences were subsidized or low cost units while only 38% of dwelling units are “market rate”. (The additional 5% of the total are live-aboard boats in the marina.)

“Subsidized” is a term that covers a broad range of government or charitable funded assistance that reduces housing costs for people of low to moderate incomes. Forms of subsidies include rental assistance, rent controlled apartments, non-profit managed apartments, or other programs. It also includes funding to private rental property owners for rental rehabilitation or construction that lowers the base cost of the housing, in turn lowering the rents.

Market Rate is the price of housing that can be reasonably expected based on factors such as average household income and cost of living.

If a general balance of housing options is desired, the current housing inventory suggests more market rate housing is needed, at least in the short term. At the same time, income data suggests that subsidized and lower cost housing is also important, and that as Downtown continues to grow, these residential options should also be expanded.

Throughout the DTS process, some community members expressed concern that new housing development would result in the displacement of lower income residents from the Downtown. This is currently unlikely at this point in time since new market rate housing is unlikely to be built on functioning existing residential properties as there are numerous undeveloped or underdeveloped lots. It is far more likely that additional available market rate housing will help relieve demand for existing units by new residents seeking Downtown housing. Of course, this can change if the market “heats up” dramatically, but that appears unlikely at present. Also, there are added benefits to additional market rate housing. For example, a more balanced mix of housing will support Downtown businesses and increase pedestrian activity.

The greatest short term “displacement” threat is the loss of existing affordable housing. This is best addressed by affordable housing retention strategies and increasing the supply of market rate housing. Of the 1,645 total housing units in Downtown, 299 are considered low cost / unsubsidized. In other words, their rents are dictated by the market, but are lower than average ‘market rate’ due to being older or smaller. These units are especially at risk of being lost as affordable units because the rents could increase as the market goes up. Recommended Action **H.4** directly addresses this need and is supported by Actions **H.1**, **H.2**, and **H.5**.

To repeat, the above discussion should be continued with further analysis and more defined public objectives relative to affordability, not only in the Downtown, but city-wide as well.

RECOMMENDED ACTIONS

H.1 Develop a Comprehensive Housing Strategy to establish a mixed income residential community in Downtown.

Timeframe

2018 - 2019

Lead

Community Planning and Development

Partners and Participants

- Council
- Planning Commission
- Olympia community and public
- Other jurisdictions in the County
- TRPC
- Social Services
- Non-profits
- Private sector housing developers

Description and Intent

Setting the stage for Downtown to be a mixed income neighborhood is an important community goal. While the City has previously taken several steps to encourage Downtown housing, a more comprehensive housing strategy will help the City stimulate a diversity of housing options in Downtown as the area continues to grow. Rather than putting regulations and incentives in place and then waiting for the market to respond (as in the past,) the recommendation is for a more proactive approach working toward stated housing goals. This is not a one-off step, rather a strategy to be carried out by an ongoing program described in HS.2.

The strategy should:

- **Consider City-wide and Regional Housing Conditions:** Consider Downtown housing in the context of city-wide and regional housing goals;
- **Establish Affordability Goals:** Identify affordability needs and goals through further community conversations and analysis (this effort should include a robust public conversation leading to specific City Council directives regarding the number and types of housing needed to help achieve affordability levels as well as measures to strengthen local neighborhoods.) These goals must be specific enough so that it is possible to determine (through the monitoring program) whether or not sufficient housing is being provided for all income levels, while also being mindful that the City can influence the market but not control it.
- **Create a Means to Monitor Progress and Adapt to Changing Needs:** Establish a monitoring program to periodically assess housing affordability, production levels, inventories, and other conditions relative to City goals. This is necessary to ensure that affordability goals can be met in the future as market, economic conditions, and population demographics change.
- **Identify a Variety of Implementation Measures and Development Incentives to Achieve Housing Goals:** Identify best practice incentives and other tools that the City can use to stimulate housing for households of various affordability levels. While there is some overlap, generally the tools available to the City to encourage market rate housing are different from the tools used to encourage subsidized housing. Likewise, an entirely different set of

approaches may be used to work in partnership with social service and non-profit sectors to support the continuum of care that helps people experiencing homelessness transition into housing. (See the Development Incentives chapter for additional information.)

- **Identify Fund Sources:** Identify the resources necessary to effectively support the above-listed efforts, including both public policy and longer-term funding commitments. Also identify the resources necessary to achieve housing options for the full spectrum of household income levels (both expenses and revenues).

Key Relationships to Other Actions

All of the other Housing Actions are important to set the stage for a comprehensive housing strategy. Additional actions that help set the stage for this effort include:

- H.2** Allocating additional resources to implement the plan will likely be necessary.
- LU.6** Promote incentives and other tools that encourage private investment is a necessary action in order to encourage new housing development.
- LU.3** Update zoning & development standards; includes recommendations for revising the UR zone in Southeast Downtown which will help to stabilize that neighborhood and increase residential development opportunities.
- LU.1** Form a Sea Level Response (SLR) Plan will reduce the uncertainty related to this issue.
- LU.7** Apply for an EPA Brownfield Assessment Grant and other federal, state funds to assist with assessment or clean-up of site contamination will assist property owners in addressing potentially costly site conditions.
- HS.1** Convene a broad range of stakeholders to form a more coordinated response to homelessness will lead to broader understanding and agreement about transitional housing needs in the region.

Transportation Element: Upgrading streetscape quality will make downtown residences more desirable and encourage market rate housing development.

2017 Missing Middle Code Updates: which will review options for increasing density and supporting infill housing in existing neighborhoods city-wide, including southeast Downtown neighborhood.

For all recommended actions, the scope, timeline, and partners/ participants are preliminary and will be refined as the City approaches implementation. Many of the actions will include briefings for and sometimes guidance from City advisory boards and neighborhood organizations.

Implementation Steps

- 1. Scope and Budget:** City Council scopes the housing strategy and approves a budget (2017).
- 2. Public Process to Form the Strategy:** The City initiates a discussion of affordable housing goals and objectives (2018).
- 3. Implement Strategy:** Once the City Council adopts the specific objectives, program elements and budget, a CPD led team carries out the program further described in HS.2 (2019 and beyond).

H.2 Dedicate additional resources for an ongoing housing program to implement the Housing Strategy described in H.1.

Timeframe

2019 and beyond - Following formation of the Housing Strategy described in H.1

Lead

Community Planning and Development

Partners and Participants

NA

Description and Intent

As stated above, the City does not directly produce housing nor can it control the housing market, but it can influence the production of housing through a variety of policies and programs. The aim is to put the right tools and partnerships in place at the right time to help housing providers achieve construction of needed housing types. The comprehensive housing strategy described in HS.1 will determine specific affordability goals, along with best practice tools and a means for monitoring progress. To effectively implement the housing strategy, dedicated resources for an ongoing program is recommended.

The program would carry out the following tasks:

- **Promotion:** Keep private sector and public housing providers informed of Downtown goals and objectives useful to consider when conceiving, planning, and constructing housing, as well available incentives or other tools. Provide information regarding housing development opportunities Downtown.
- **Proactive Support:**
 - Coordinate with affordable housing production partners, including the private sector, County housing program, and non-profits; as well as with temporary and transitional housing service providers.
 - Assist development applicants in the review and public engagement process.
 - Alert public housing providers to the need to protect existing affordable housing resources and encouraging them to purchase appropriate properties that are currently providing affordable housing.

- **Coordinate with regional partners.** Participate in regional housing efforts. Consider Downtown housing in the context of city-wide and regional housing goals.
- **Identify funding opportunities:** Identify sources of funds and pursue funding opportunities in collaboration with housing partners.
- **Assessment and Monitoring:** Assess current housing inventory and monitor progress relative to City goals. Use housing development tools and market conditions, make recommendations for how the City can adjust its approach to meet goals.

The amount of staff time allocated to these tasks could be increased incrementally and varied according to need. While this strategy is focused on Downtown, it would make sense for the housing program to focus city-wide, and in coordination with regional partners and objectives.

Key Relationships to Other Actions

H.1 Develop a comprehensive housing strategy.

H.3-H.5 These actions described could also be included as part of the housing program.

Implementation Steps

1. **Budget:** City Council approves a budget for a housing strategy (2017).
2. **Set Goals:** The City initiates a discussion of affordable housing goals and objectives (2018).
3. **Implement Strategy:** Once the City Council adopts the specific objectives, a CPD led team initiates the preparation of a housing strategy to meet the stated objectives (2019 and beyond).

H.3 Facilitate construction of new housing by using, promoting, and exploring additional incentives/tools to encourage a range of housing options for a range of incomes and lifestyles (e.g., various size apartments/studios, townhomes, live/work, collective living, etc.)

Timeframe

Initiate SEPA exemption legislation in 2017, and consider the additional tools throughout the 6-year implementation period.

Lead

Community Planning and Development

Partners and Participants

- Council
- Planning Commission
- Housing developers

Description and Intent

As noted, more market rate housing options are needed to expand the Downtown housing inventory so that it is balanced in terms of type and affordability level. To encourage this, the City has already established a substantial set of development incentives and this DTS includes a summary of Development Incentives section.

Key Relationships to Other Actions

LU.6 Promote incentives and other tools that encourage private investment, and explore additional tools; includes a list of development incentives that are applicable to housing development. See also the description of incentives in the Land Use Element.

H.4 Inventory current affordable units and study their risk of displacement. Identify actions to encourage property owners, housing agencies and non-profit housing providers to retain current inventory of affordable units.

Timeframe

2018-2019. Consider this issue during the budget process.

Lead

Community Planning and Development

Partners and Participants

Housing providers

Description and Intent

The first step is to initiate a “displacement risk” study that inventories unsubsidized but affordable housing at risk of being torn down or rent increase, dilapidated older housing buildings needing rehab, expiring contracts, etc. There are no silver bullets for protecting these privately owned, lower cost units, but there may be some actions the City can take to encourage the retention of affordable housing. For example, offering incentives such as low-interest loans to encourage property owners to retain housing at lower affordability levels.

An inventory and implementation effort would require additional staff time, but this might be an early task for the staff described in H.2.

Key Relationships to Other Actions

H.2 Dedicate additional resources to coordinate with housing production partners. Staff resources noted in H.2 could be used to accomplish this task.

H.5 Actively work with partners (i.e., higher education and artist organizations) to encourage affordable housing, studio, rehearsal, live/work, and gallery space for artists and other types of workforce housing.

Description and Intent

A greater variety of innovative housing types such as live-work units, artists' housing, loft apartments, shared living, and "apodments" will provide a greater range of housing options and help to achieve comprehensive plan goals. Some of these housing types may require code modifications or clarifications and it would be helpful if the City provided materials describing what is allowed within Downtown. The program staff noted in H.2 could lead this effort.

Key Relationships to Other Actions

H.2 Dedicate additional resources to coordinate with housing production partners. Staff resources noted in H.2 could be used to accomplish this.

Timeframe

Ongoing

Lead

Community Planning and Development

Partners and Participants

- Housing providers
- Colleges and universities
- Artist organizations
- Council
- Planning Commission

Note: In 2017, concept plans are underway by a private developer to rehab the Montgomery Ward Building on 4th into artist studios, housing and gallery space.

H.6 Foster Downtown neighborhood organizations(s) through self-help activities, funding, and public services, and explore options for increasing a sense of community in mixed use/residential neighborhoods.

Timeframe

Support for neighborhood associations is ongoing as part of the City's neighborhood program. Support for more specific activities could occur in 2020 - 2021.

Lead

Community Planning and Development

Partners and Participants

Community residents and existing organizations such as:

- The Downtown Neighborhood Association
- The Olympia Downtown Association
- Fertile Ground
- The Eco Builders Guild
- Faith communities and civic organizations

Description and Intent

Neighborhood improvement activities such as block-watch, tree planting, public gardens, school related programs, festivals, block parties, arts events, etc. build social capital and neighborhood stability. While these activities are most effective when they are self-initiated, many cities provide resources or assistance to community groups. Existing City programs include outreach to Downtown Neighborhood Association (DNA) and the neighborhood grant program. These could be augmented with other low public cost initiatives. The Eco Builders Guild might be a local resource or organizing entity for activities such as for tool sharing programs, gardening assistance, and other self-help efforts. A first step might be to contact the DNA and identify what additional activities might be most useful.

Neighborhood improvement activities should not be restricted to the Southeast area, but offered to emerging residential areas in all parts of Downtown. Additionally, it may be useful to consider activities that include both residential interests of both Downtown residents and the neighborhood east of Plum St.

Key Relationships to Other Actions

NA

H.7 Explore Downtown park needs, particularly in the Southeast Neighborhood area.

Description and Intent

5,000 new Downtown residents will require Downtown neighborhood recreation opportunities. The current Parks Plan focuses downtown improvements on waterfront parks and the Artesian Commons. Enhancing and maintaining these existing facilities will be important to allow citizens and visitors to continue to enjoy the Waterfront and Entertainment areas. The DTS also proposes that the City explore additional Downtown park needs, especially in the Southeast Neighborhood area. Needs could include new parks, enhanced facilities, or programs in existing spaces. Local parks planning should involve neighborhood participation to insure local priorities are identified. For example, improved pedestrian and bicycle access or enhancements to existing facilities may be higher priorities for downtown residents than new parks.

The current Parks Plan does not include land acquisition specifically for downtown, however Downtown will be considered as part of a city-wide effort outlined in the Plan to identify 10 new neighborhood park locations. The current Parks Plan does relate to Downtown parks in the following actions:

- **West Bay Park Master Plan:** consider options for connecting a trail from the park to Downtown, and consider possibility of an elevated observation point to retain view of Mt. Rainier (Olympia Waterfront trail);
- Expanded **programming and continued support of a Park Ranger for the Artesian Commons** park as a way to address concerns about the impact of street dependency, along with real or perceived issues on public safety and general cleanliness.
- **Park upgrades** to Heritage Fountain and Percival Landing Bulkhead (continued improvements to waterfront assets);
- **Expansions** to Percival Landing phase 2 & 3 (not currently funded).

The next plan update will likely focus more on Downtown parks. Additionally, the 2017 design guidelines updates will include requirements for privately-owned open space.

Key Relationships to Other Actions

NA

Timeframe

Throughout implementation period

Lead

Parks, Arts and Recreation Department

Partners and Participants

Community Planning and Development

H.8 Include housing as part of Community Renewal Area (CRA) public/private partnerships for Water Street and former Griswold site.

Timeframe

Ongoing

Lead

Community Planning and Development

Partners and Participants

Private Development Teams

Description and Intent

On July 12, 2016 the City Council adopted a Community Renewal Plan for Downtown Olympia. The Revised Code of Washington (RCW) 35.81.010(18) provides for the creation of Community Renewal Areas (CRA) where there are significant blighting influences stating, “there is an urgent need to enhance the ability of municipalities to act effectively and expeditiously to revive blighted areas and to prevent further blight due to shocks to the economy of the state and their actual and threatened effects on unemployment, poverty, and the availability of private capital for businesses and projects in the area.”

As part of the CRA, the City has issued Requests for Proposals (RFP’s) seeking public/private partners to redevelop two areas in Downtown in order to further objectives to create a vibrant downtown that enhances existing businesses and contributes to the social, environmental, and economic health of the community. Both RFP’s included mixed use with housing as a component of the project.

Water Street Redevelopment Area: Consists of 1.09 acres of public and privately owned property adjacent to the waterfront. This underdeveloped area plays a crucial role in linking community activity centers. The City has selected a development team and work is underway to identify a viable mixed use project.

Key Relationships to Other Actions

This is one of the housing development tools noted in H.3.