

What is a Citizen's Vision for Housing in Downtown Olympia, WA?

A Research Proposal

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## Introduction

**Problem:** Downtown citizens are not guiding the downtown housing policy process for the City of Olympia.

As the United States settles from unprecedented growth in homeownership over the last five years, issues including housing affordability, particularly for low-income populations, remain. As cities look towards urban core regeneration, housing is often considered a way to address a lack of vitality (Urban Lands Institute, 2001).

Olympia Washington's planners hope that market-rate downtown housing will solve some of the city's downtown challenges. They suppose that more middle-income downtown residents would support struggling downtown businesses and invite vitality. An increase in downtown residential pedestrian traffic might also help alleviate complaints that include public drunkenness, car prowls and vandalism by providing "eyes on the street" more hours of the day (J. Weydemeyer, October 24, 2006). Currently, more Olympians work than live downtown leaving it relatively empty at night and on weekends. Olympia's city staff and council are confident that market-rate housing will help their downtown.

Olympia's urban infill challenges have implications for the field of public administration. In Washington State's capitol city, it behooves public administrators to involve stakeholders throughout the policy process. The way policy is created and executed is often as important as the resulting policy. A process that involves citizens throughout ensures that the community is supportive of administrators' decisions, even if controversial (King, Feltey & O'Neill Susel, 1998). However, Olympia did not involve the public in their decision to focus on housing development in downtown. Because of

that, city staff and council will rely completely on research from other cities that indicates that housing infill in the urban core will stimulate downtown vitality.

Is Investing in market rate housing a Need for the City of Olympia, or should the city be investing public funds toward other types of housing? Can housing downtown help address other issues? What other methods can Olympia employ to enhance vitality? Is housing downtown consistent with what Olympia's citizens need or want? Small cities should be confident that any investment is good for their community before spending finite funds on it. This paper will consider a citizen vision for housing in downtown Olympia, Washington through a review of related literature and presentation of a research proposal.

### **Literature Review**

There is limited research available that assesses the impacts citizen visioning on downtown housing plans. This review, however, will analyze literature that discusses; urban planning, small city downtown investment, gentrification, infill housing, high-density neighborhoods, downtown redevelopment, and the role of citizens in public policy.

A report authored by the Urban Lands Institute (2001) detailed and debunked the biggest myths of urban infill housing. The Urban Lands Institute (ULI) argues that it is easier, in most cities, to build housing downtown than it is perceived. The ULI report considered specific issues that have been raised by potential Olympia developers. For example, ULI cited financing for urban infill in Seattle, Portland and Denver markets where land acquisition is much greater than Olympia. Zoning and other building codes are also often seen as barriers to infill housing downtown according to the report. ULI

profiled a large project in Portland (211 units per acre) that achieved that density without meeting parking requirements because of its proximity to transit services. The ULI study confirms that Olympia is not alone in its interest in infill housing downtown. Many cities have encouraged housing downtown that resulted in greater urban density, reduction in regional traffic congestion and business growth associated with new residents.

Robertson (1995) reviewed many strategies that cities have successfully employed to redevelop their downtowns. Olympia has already followed much of Robertson's advice; however there is room for improvement. If on a tour of Olympia's downtown housing sites, Robertson might suggest that the barriers preventing downtown housing from occurring include the lack of pedestrian connectivity and an unpopulated downtown at night and on the weekends.

In a later article, Robertson (1999) explored the revitalization of small cities (25-50,000 people) downtown cores. The author focused on how small cities have revitalized their Central Business Districts, including investing in downtown housing. The study included a national survey of 57 small cities and five case studies. This article, though not including an analysis on the effects of affordability, is one of the few scholarly articles that focus on small urban city investment in downtown cores, including downtown housing. Robertson found that downtown housing has been marketed to young professionals who work downtown, singles, childless couples, empty nesters, seniors, and those needing affordable housing. Olympia has provided similar market research to potential investors. The Robertson survey revealed that, 'adding housing to downtown' was ranked 2<sup>nd</sup> in the 'list of future strategies' to revitalize downtowns.

New housing occupied by seniors, young professionals and empty nesters can

unfortunately has a negative impact on affordability. Kennedy and Leonard (2001), discuss the causes and effects of gentrification on housing affordability, and strategies to decrease gentrification. Their paper analyzes local data from large urban cities, after gentrification has occurred. Gentrification, as defined by the authors, is when higher income households displace lower income residents of a neighborhood.

Atkinson (2006) also explores gentrification. He analyzes the neighborhood impacts of gentrification including the negative and positive effects on housing affordability. He conducts a systematic literature review of studies conducted between 1964 and 2001 in the U.K. and North America.

Kennedy, Leonard and Atkinson all speak to the effect on affordability in cities much larger than Olympia. Their research covers the effects of gentrification, including the displacement of renters and homeowners. It occurs frequently in urban areas where the local economy is strong but downtown units are still occupied by the poor, elderly, female-headed and blue-collar households. One positive effect of gentrification is increased property value to owner-occupants, boosting their equity and resale value. Suggested strategies to anticipate and reduce the adverse effects of gentrification included; anticipating gentrification, creating a community unified vision, creating policies for expanding affordable housing and linking residents to jobs created by gentrification.

Weber, Doussard, Bhatta and McGrath (2006) studied gentrification caused by the demolition of housing in Chicago in the 1990's. The author's analysis indicated that the demolition of existing units lead to construction of newer units with higher purchase prices or rents, enabling the cycle of gentrification. Although there are many older

housing units in downtown Olympia, commercial properties are currently more at risk of demolition.

Municipalities can also contribute toward gentrification. Slater (2004) tells of the city of Toronto's involvement in gentrification through a historic reflection and a compilation of interviews of residents. Similarly, Olympia has recently begun to encourage 'market-rate' housing in its downtown. Slater's collection of interviews told a story not unlike Olympia's. Both cities are interested in attracting higher income residents to a downtown currently abundant with small, affordable apartments. Slater's work also reminds the reader of the ongoing efforts to reduce, remove or transfer homeless and transient populations out of Olympia's downtown core.

Perhaps Olympia has not had success achieving downtown density because it is courting the wrong population of residents? Mitrany (2005) surveyed 2 high-density neighborhoods in Haifa, Israel. He found that women were more likely than men to live in urban residential areas because they perceive them to be safer. Both men and women in dense urban neighborhoods were attracted to contact with other people, even if it was not social contact. People in his study were specifically attracted to areas of mixed public, residential and commercial space. Mitrany's research also indicates that cities can create high-density neighborhoods in urban areas if those areas are designed to attract people for a variety of uses. Olympia could apply Mitrany's research in its efforts to attract more residents downtown by continuing to improve Olympia's most dense downtown neighborhoods through the encouragement of a mix of uses, effectively extending the downtown core's hours of activity.

A technique to attract new market-rate housing in urban cores frequently focuses on municipal tax incentives. For example, McGreal, Berry, Lloyd and McCarthy (2002), focus on a funding scheme referred to as “tax incremental financing,” or TIFs, allow local governments to finance urban renewal projects through the speculation of future property tax increases. McGreal et al contend that tax incentive models designed to attract market-rate development require a solid “questioning of their effectiveness” (p. 1819, 2002). McGreal et al refrain from using the term gentrification in describing urban core revitalization. Their primary focus is with the financial model or tax schematic that institutes redevelopment. The study also pointed out that the use of TIFs in Dublin had substantially increased rent because developers had the opportunity to utilize tax incentives to build above market-rate developments. The city of Olympia may have the same impact on their downtown rental stock if they are successful in attracting downtown housing through their current tax incentives.

Kennedy and Leonard (2001) contend that gentrification is positive for some and negative for others, in that low-income renters almost always lose out. For instance, Kennedy and Leonard closely looked at urban areas that experienced increased pressure to raise rents in order to offset increases in property taxes caused by urban renewal. On the homeownership side, Kennedy and Leonard’s report adds that gentrification can be a positive dynamic as property values increase for low-income owner-occupiers as market-rate units get developed in an area. As urban job growth occurs, a natural influx of residents also occurs in the area. What the authors fail to focus on is analysis of the *type* of jobs that get created in a city core. This research demonstrates a balanced effort in trying to assess impacts of gentrification and urban revitalization where supply-side and

demand-side theories are closely examined. Olympia's current approach to downtown redevelopment may invite political scrutiny because it could be construed to favor market-rate housing over preserving low income units.

Denhardt and Denhardt (2000) consider many ways that government can move past an atmosphere of controversy. They suggest that administrators "serve, rather than steer". Their research into the history of public administration argues that governments that are interested in lasting decisions facilitate policy decisions rather than dictate them. Denhardt, Denhardt (2000) King, Feltey and O'Neill (1998) all argue that public involvement throughout a policy's creation instills accountability in the resulting decision.

Focus group research conducted by King, Feltey and O'Neill (1998) found that citizens are closest to issues and should therefore be engaged as experts by administrators. Their research, that included administrators as well as citizens, indicated that policy created without the involvement of the public is less effective.

There is limited research specifically focused on citizen involvement in developing citizen housing visions. Only Vaidyanathan and Wismer (2005) provide a research model on the topic. Their focus is primarily on the development of low-income, affordable housing in Kitchener, Ontario. As a result of their findings, Vaidyanathan and Wismer promoted the value of grassroots participation as well as "alternative" state and market solutions (p. 287). In many of the discussed housing projects, citizens had a say in who would live in a particular development and how it would be managed. In the instance of senior housing, prospective residents also provided input into design.



Hajer and Wagenaar (2003) also considered public discourse in urban regeneration. They studied partnerships that formed in the United Kingdom to rehabilitate an urban historic district *without* a substantive citizen involvement process. Instead, public administrators and private business interests drove the housing development process. Hajer and Wagenaar reported that administrators preferred dealing with organized and established organizations over the public. Similar to Olympia's current approach to housing, their case study provides important insight into what a lack of citizen involvement in developing urban core development can lead to. In the United Kingdom study, local citizens were not satisfied with the result of the redevelopment because it was not consistent with the community's vision for the area.

Small cities have found value in looking to their citizens to guide the redevelopment of housing in their downtown cores. Citizen input is central to the success of many efforts designed to enhance housing or other strategies to invite urban infill. The review of the literature regarding citizen involvement and housing indicates that Olympia would have much to gain by involving more of the downtown citizenry *throughout* its housing policy decision-making process.

### **Research Question**

What is the citizen vision for housing in downtown Olympia, WA? To understand this question and the issues that surround it, terms central to the question must be defined.

### **Definitions**

Affordable Housing: Housing that is affordable to low-income populations. The U.S. Department of Housing and Urban development targets their investments to low-income (80 percent of the area median income), very low-income (50 percent of the area median

income) and extremely low-income (30 percent and below of the area median income).

Citizen: Anyone with an investment in Olympia's downtown housing.

Downtown or Urban Core: The area of Olympia bordered by The Port of Olympia on the North, Puget Sound and Capitol Lake on the West, Eastside Street to the East, and the State Capitol Campus to the South.

Gentrification: When higher income households displace lower income residents of a neighborhood (Kennedy and Leonard, 2001).

Housing: Shelter used for human habitation.

Market-rate Housing: housing that is at or above the going housing price or rent. As opposed to below market-rate, which is affordable to lower income populations.

Small City: a municipality no bigger than 25-50,000 residents. Olympia has a population of 44,000 (July 2005).

Urban Renewal/Regeneration/Revitalization: the process by which a municipality invests in the construction of residential or commercial property in an urban core. This can also include rehabilitating existing property stocks.

### **Hypothesis**

A citizen vision will add value to the City of Olympia's housing goals for downtown.

### **Paradigms and Theoretical Framework**

Our research efforts are largely informed by a post-positivist epistemology. There is substantial emphasis in establishing a research model that gains greater understanding through the construction of knowledge, specifically on developing a vision of housing revitalization in a small urban center. Neuman refers to this as interpretive social science, or ISS, which seeks to increase knowledge rather than see substantial reform or dramatic

change (2006). Real change is ideal, but not primary in intention. The post-positive epistemology and qualitative paradigm, in social research, have historically rejected the positivist, scientific mode of thought and practice (Adams 1992).

The sources analyzed in our literature review were mostly qualitative. The bulk of the research utilizes focus group, survey, interview, and literature reviews to gain a better understanding of downtown housing development.

The city of Olympia, informed through local and regional market research, hypothesizes that market-rate housing will stimulate downtown revitalization. The city has not explored citizen opinion related to their current method for improving downtown vitality. The proposed citizen vision, achieved through qualitative research methods, may confirm or reject the city's hypothesis.

### **Limitations & Assumptions**

We have limited the scope of our research question to focus on a citizen vision for downtown Olympia. By doing so, we anticipate limiting the scope of opinions of a citizen housing vision to one small urban area. This will limit financial cost and the amount of time needed to reflect on citizen opinion toward housing in Olympia.

Another limitation includes access to expertise. We will chose to frame and formulate our survey and focus group questions with minimal input from local administrators to ensure that citizen opinions, not that of local experts, is reflected in the result of the citizen vision. It is also important to be mindful of non-English speaking populations when conducting our research as we are not fluent in other languages.

Approval and ethical concerns will be addressed with a Human Subjects Review approval of our survey and focus group questions. This will ensure confidentiality for the

research participants, thus keeping them from any harm while also protecting the research team and The Evergreen State College. For this study we are limiting ourselves to a focus group and a survey. We will not include field research or experiments.

An initial assumption to our research is that the City of Olympia has not recently conducted a downtown housing visioning process. There is also the assumption that Olympia's citizens should be involved in planning downtown housing. Our definition of citizen also assumes the inclusion of the homeless, squatters, and persons whose immigration status is unknown.

### **Role of the Researchers**

Our role will help to facilitate a citizen vision for downtown housing. We will facilitate focus group sessions designed to gain a better understanding of a citizen vision. Asking pre-set questions, taking notes, making group and survey participants comfortable, and using a pre-scripted introduction, agenda, and closing. We will also employ quantitative research techniques by conducting a downtown citizen survey. We have not yet determined the methods for reporting the results.

### **Externalities**

Externalities in our research could include a lack of attendance for focus groups and a lack of responses to survey research. Fewer participants would increase the sampling error in our quantitative research while also diminishing understanding and meaning in our qualitative component. Another externality is if the City of Olympia conducted similar research during the same time frame, since the number of citizens interested in a downtown housing vision is relatively small. Additionally, funding for survey mailing and printing costs may be difficult to obtain, which could result in using

other survey methods.

### **Feasibility**

This project is feasible because our geographic area is small and our survey sample population is limited to citizens interested in participating in a downtown housing vision in Olympia, WA. We anticipate conducting surveys and facilitating focus groups with our target population during a three-month period in the winter of 2007. Our research team will consist of 3 graduate students from the Masters in Public Administration Program at The Evergreen State College.

### **Target Audience**

Our target audience will include the primary consumers of our research. Those consumers include, but are not limited to, citizens, administrators, and business representatives, that have an interest in the future of housing in downtown Olympia, Way.

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