

REGIONAL AFFORDABLE HOUSING TASK FORCE FIVE-YEAR ACTION PLAN

PROBLEM STATEMENT:

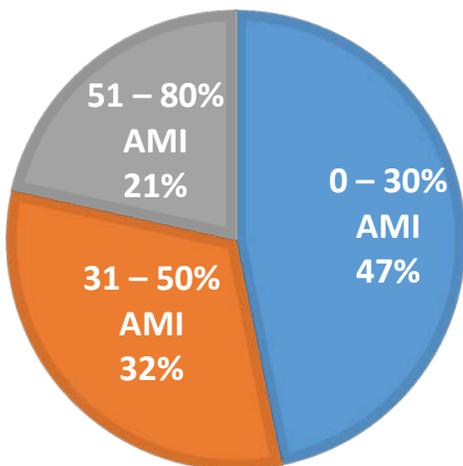
Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80% of Area Median Income (AMI) and below is cost burdened.¹ This includes 156,000 homes for households currently cost-burdened and an additional 88,000 homes for growth in cost-burdened households between now and 2040. When low-income families spend more than 30% of their income for housing they are cost burdened and struggle to afford other basic necessities like food, transportation, and child care.

The need for new affordable homes is greatest for households earning 30% or less of AMI.

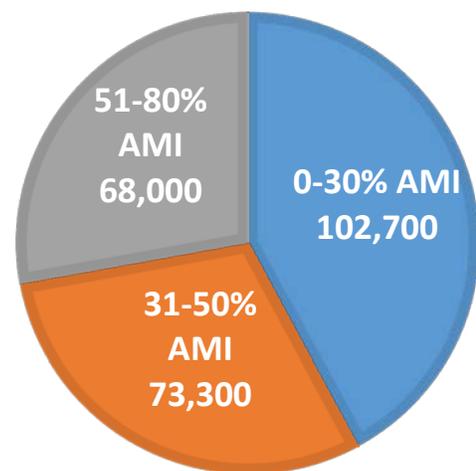
| | 0 – 30% AMI | 31 – 50% AMI | 51 – 80% AMI |
|----------------------|--------------------|---------------------|---------------------|
| EXISTING NEED | 73,000 | 49,400 | 33,500 |
| GROWTH TO 2040 | 29,700 | 23,900 | 34,500 |
| SUBTOTAL | 102,700 | 73,300 | 68,000 |
| | | | |
| % TOTAL NEED IN 2040 | 42% | 30% | 28% |

Over the last decade, King County has lost a net average of 5,500 homes per year that were affordable to households at or below 80% AMI. At the current pace, by 2040, the county is set to lose all unsubsidized homes at less than 50% AMI and nearly half of units affordable to households earning 50 to 80% AMI.

AFFORDABLE HOMES NEEDED TODAY



HOMES NEEDED BY 2040



¹ An individual or family that pays more than 30% of its income for housing costs is considered cost burdened.

OVERALL GOAL: THE REGION SHOULD STRIVE TO ELIMINATE COST BURDEN FOR HOUSEHOLDS EARNING 80% AREA MEDIAN INCOME AND BELOW, WITH A PRIORITY FOR SERVING HOUSEHOLDS AT OR BELOW 50% AREA MEDIAN INCOME.

The region should adopt strategies to ensure an adequate housing supply countywide to meet the needs of low-income individuals and families who are cost burdened or at risk of becoming cost-burdened. This includes constructing new housing, preserving the quality and affordability of existing housing, and providing subsidies when needed. Public resources should be prioritized for serving households earning 50% AMI and below, while also leveraging private investments to support affordability from 50% to 80% AMI. However, private market participation alone will be insufficient to address the full need at 80% AMI and below.²

GOAL 1: KING COUNTY AND CITIES SHOULD CREATE AND SUPPORT AN ONGOING STRUCTURE FOR REGIONAL COLLABORATION.

In recognition of the need for significantly more affordable housing, individual cities and the County have been working to address affordability within their jurisdictions. However, these efforts have been uncoordinated and have not collectively made sufficient progress to meet the full need of the community. The drivers and effects of the affordable housing challenge are regional and the solution should also be regional.

Strategy A: Create a governance structure that includes at least King County and cities and will, initially, accomplish the following:

- Establish parties, roles and responsibilities
- Create a measurement plan that will, at a minimum, track the percentage of housing supply at various levels of AMI and track the region's progress to meeting the overall goal identified by the Regional Affordable Housing Task Force
- Develop a funding and spending plan to significantly address the affordable housing need in King County for adoption by jurisdictions and/or voters in 2020
- Develop a State legislative agenda to increase state funding for affordable housing, support the creation and preservation of affordable housing, and create uniform statewide laws for tenant protections
- Fund dedicated staffing to coordinate regular data monitoring and reporting, identification and sharing of best practices and model legislation, and provision of technical assistance to the cities and County on affordable housing policy
- Work with existing and new sub-regional collaboration

Options for a governance structure include (see matrix for details):

1. Single Purpose Government for Housing

² With significant public support (reduced land costs and fees and significant density), some markets may be able to incorporate lower affordability into private market developments.

2. Regional Committee
3. Expanded role for the Growth Management Planning Council through a housing subcommittee
4. Voluntary Interlocal Agreement or Memorandum of Understanding

NOTE: The Regional Affordable Housing Task Force recognizes that the “One Table” effort to address the root causes of homelessness, which includes but is broader than affordability, is also engaged in discussions about governance. As One Table and the Task Force finalize their governance recommendations, they should work together to harmonize their recommendations.

Strategy B: Support the creation and operation of sub-regional collaborations to increase and preserve affordable housing

Action Plan:

- Support the creation of a South King County sub-regional collaboration
- Encourage the growth and success of existing sub-regional collaborations

GOAL 2: SECURE HOUSING STABILITY FOR THE LOWEST-INCOME HOUSEHOLDS BY INCREASING CONSTRUCTION AND PRESERVATION OF AFFORDABLE HOMES FOR HOUSEHOLDS EARNING LESS THAN 50% AREA MEDIAN INCOME.³

Currently, 236,000 King County households earn less than 50% AMI, and yet only 128,000 homes are affordable at this income level. Traditionally, the private housing market has not been positioned to address the housing needs at this income level. The region should increase housing supply and other supports for the lowest-income households. This will both secure housing stability for these households and also reduce pressure on all of the existing and future housing, improving housing access for all incomes across the region.

The Regional Affordable Housing Task Force’s review of housing needs and availability has clearly pointed to a need for significant new resources if the region is to meet the goal of reducing the number of cost-burdened households at 80% of AMI and below. Cities and the County should collaborate in the development of a regional funding plan.

Strategy A: Regional governance organization to detail needed funding and identify increased resources to meet funding needs.

Placeholder: Task Force staff is continuing work to develop a full estimate of the need.

³ “Low-income” is defined as a person or family earning at or below 80% of AMI (\$82,700 for a family of four or \$57,900 for an individual).

Action Plan:

- Cities and county identify and adopt revenue sources available to them (including any new state authorization) as part of the regional plan.
- County and cities will offer proposals to seek from State and Federal governments increases to affordable housing funding that can be expended at the County and/or local level. Revenue sources could include:
 - The State Housing Trust Fund up to \$200 million/biennium (\$100 million per year). Assuming typical King County allocations, estimated to increase King County funding by \$10-\$20 million/year
 - State sales tax credit (HB 2437). Would increase county resources up to \$200 million.
 - Increase federal housing voucher program
 - Increase federal investments in affordable housing development, including expanding the Low-Income Housing Tax Credit program

Strategy B: Prioritize and make available (for free or at deep discount) under-utilized property from State, County, cities, and non-profit/faith communities**Action Plan:**

- State, County, and cities to expand coordination to identify, acquire and develop property for affordable housing. Track and report progress on REDI fund and Home & Hope.
- Jurisdictions identify one or more parcels in their boundaries to prioritize for affordable housing (for-profit or non-profit)
- County to develop policies for the sale of County-owned property at reduced or no cost when used for affordable housing, which may be used as a model ordinance by cities

Strategy C: Develop a short-term acquisition loan fund to enable rapid response to preserve affordable housing developments when they are put on the market for sale**Action Plan:**

- Dedicate a portion of new funding streams to this strategy

GOAL 3: Prioritize affordability accessible within a half mile walkshed of existing and planned frequent transit service, with a particular priority for high-capacity transit stations, using the following metrics:⁴

⁴ Background: Between 2010-2015:

- 20% of population growth occurred in station areas
- 45% of population in station areas are people of color v. 34% in the region
- 1/3 of housing permits issued were in station areas

- **25% of existing housing remains affordable at 80% AMI and below**
- **50% of new housing is affordable at 80% AMI and below**
- **80% of available public land is prioritized for housing affordable at or below 50% AMI.**

The region’s continuing expansion of high capacity transit, including light rail and bus rapid transit, provide one of the best opportunities to expand housing options available to a wide range of incomes. Such housing will be particularly valuable to low-income households, who are the most dependent on transit and yet often the least able to benefit from these neighborhood amenities due to increasing costs nearby. This recommendation recognizes that the region must promote or require affordable housing near high-capacity transit stations and along transit corridors, as well as in regional growth centers. Additionally, an emphasis should be placed on developing and preserving units that meet the needs of the lowest income households by promoting one, two, and three-bedroom units.

Strategy A: Implement comprehensive inclusionary/incentive housing policies accessible to all existing and planned frequent transit service to achieve the deepest affordability possible through land use incentives to be identified by local jurisdictions, which may include:

- Increased density
- Reduced parking requirements
- Reduced permit fees
- Exempted impact fees
- Multi-family property tax exemptions
- Programmatic EIS

Action Plan:

- County or governance organization to provide technical assistance in designing inclusionary/incentive housing programs
- County or governance organization to provide website of example ordinances
- All parties propose and apply for State planning dollars
- Evaluate and update zoning in transit areas in advance of stations being built
- Evaluate the impact of development fee reductions in transit areas and implement reductions if positive impact
- Regularly measure implementation against goal

Strategy B: Maximize resources available for Transit Oriented Development in the near term

Action Plan:

- King County to bond against future Lodging Tax revenues for Transit Oriented Development and use a portion of the funds to incentivize cities to support more affordable housing in their jurisdictions

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- 34,000 homes were added in station areas
 - Currently, approximately 25% of housing in station areas is affordable at less than 80% AMI (19% in SEA, 4% in EKC, 80% in SKC)

- King County to evaluate potential for the current Transfer of Development Rights program, which preserves rural and resource lands, to incentivize affordability outcomes if a receiving site is within a transit walkshed, among other places.

Strategy C: Create and implement regional land acquisition and development strategy

- Identify priority “pipeline” of property for acquisition and development
- Adopt and implement property value discount legislation/guidance as needed, including updated valuation guidance
- Fund land acquisition
- Adopt increased zoning to maximize affordable housing on acquired parcels
- Identity entity to purchase and hold land prior to construction
- Fund capital construction and preservation, including private sector investments

GOAL 4: PRESERVE ACCESS TO AFFORDABLE HOMES FOR RENTERS BY SUPPORTING TENANT PROTECTIONS TO INCREASE HOUSING STABILITY AND REDUCE RISK OF HOMELESSNESS.

In 2017, approximately 4,000 renters were evicted from their housing. Evictions create barriers to future housing for those households, increase risk of homelessness, and are costly and time-consuming for property owners. In addition, particularly at a time of low vacancies, tenants have few opportunities to quickly secure housing stability when their incomes can’t keep up with rising rents. The region should support a comprehensive approach for increasing education, support and eviction prevention to increase stability for renters and predictability for property owners.

Strategy A: Propose and support legislation for statewide policies related to tenant protections to ease implementation and provide uniformity for landlords, including but not limited to:

- a. Just Cause Eviction
- b. Notice of rent increase
- c. Tenant relocation assistance

Strategy B: Strive to more widely adopt model, expanded tenant protection ordinances countywide and provide implementation support for:

- a. Source of Income discrimination
- b. Just Cause Eviction
- c. Notice of rent increase
- d. Tenant relocation assistance

Action Plan:

- County or governance organization to provide model ordinances
- County or governance organization to pursue a signed ILA for enforcement support
- County or governance organization to identify resources to conduct work

- County or governance organization to increase education for tenants and property owners regarding their respective rights and responsibilities
- Cities and County to adopt

Strategy C: Expand supports for low-income renters

Action Plan:

- Utilize funds from the Veterans, Seniors and Human Services Levy for shallow rent subsidies to help keep people in their homes
- Increase funding for emergency rental assistance
- Increase deep subsidies (in addition to shallow)
- Fund services to address barriers to housing, including tenant screening reports
- Expand civil legal aid support
- Expand education of tenant and property owner rights and responsibilities

Strategy D: Adopt programs and policies to improve the quality of housing in conjunction with necessary tenant protections

- Adopt and implement proactive rental inspection policies
- Implement robust, proactive code enforcement programs, in partnership with marginalized communities to avoid inequitable impacts
- Invest in community health workers to promote healthy housing education and housing maintenance for highest risk of adverse health outcomes

GOAL 5: PROTECT EXISTING COMMUNITIES OF COLOR AND LOW-INCOME COMMUNITIES FROM DISPLACEMENT.

Communities throughout the region are experiencing dramatically increasing housing costs and a growing demand for housing within urban areas. This places communities with a high population of low-income renters and people of color at an increasing risk of displacement, further compounding the historic injustice of exclusion these communities have experienced as a result of laws and policies on the local and federal level. The same communities that were once limited by law to living in specific geographic areas are now being pushed out of those areas when the neighborhood is gentrified and becomes more desirable to higher-income households. The region should support community-led preservation strategies that enable existing residents to remain in their communities and allow them to benefit from the opportunities of growth of redevelopment.

Strategy A: Authentically engage communities of color and low-income communities in affordable housing development and policy decisions

Action Plan:

- County or governance organization to provide capacity grants to small organizations representing communities of color or low-income communities to support their engagement in affordable housing development
- County or governance organization to contract for a toolkit/checklist on community engagement in planning discussions
- All jurisdictions to utilize the toolkit and intentionally include and solicit engagement from members of communities of color in policy decision-making and committees

Strategy B: Increase investments in communities of color and low-income communities by developing programs and policies that serve individuals and families at risk of displacement

Action Plan:

- Use Seattle's Equitable Development Initiative as a model for how government can invest in under-represented communities to promote community-driven development
- Build upon the work of the Communities of Opportunity
- Increase educational efforts to ensure maximum use of property tax relief programs to help sustain homeownership for low-income individuals
- Cities and County to expand requirements to affirmatively market housing programs and enhance work to align affordable housing strategies with federal requirements to Affirmatively Further Fair Housing

GOAL 6: PROMOTE GREATER HOUSING GROWTH AND DIVERSITY TO ACHIEVE A VARIETY OF HOUSING TYPES AT A RANGE OF AFFORDABILITY AND IMPROVE JOBS/HOUSING CONNECTIONS THROUGHOUT KING COUNTY.

In 2017 in King County, almost 20,000 households were added, but only 15,000 new units were built, primarily by the private market. Despite a building boom, the private market is not keeping pace with population growth, which contributes to rapid increases in home purchase costs and rents. In addition, much of the new production is at the high end of the market and does not meet the needs of all household types. The region should adopt policies that streamline regulations and provide greater zoning flexibility in order to increase and diversify market-rate housing production to better keep pace with population growth. In addition, greater land use and regulatory support is needed to address the needs of older adults, larger households, and people with disabilities. Cities should intentionally plan for and promote affordable housing in the same locations where they are accommodating future growth and density.

Strategy A: Update zoning and land use regulations (including in single-family, low-rise zones) to increase and diversify housing choices, including but not limited to:

- a. Accessory Dwelling Units (ADU)
- b. Duplex, Triplex, Four-plex
- c. Zero lot line town homes and row houses
- d. Units with three or more bedrooms

Action Plan:

- County or governance organization to provide model ordinances
- County or governance organization to incentivize cities adopting and implementing strategies that will result in the highest impact towards addressing the affordable housing gap, specifically at the lowest income levels
- Cities to review and update zoning and land use code to encourage affordable housing development

Strategy B: Decrease costs to provide affordable housing

Action Plan:

- Maximize use of Multi-Family Tax Exemption
- County to reduce sewer connection fees
- Cities to reduce fees for ADUs, other
- Jurisdictions to streamline permitting process for affordable housing development
- Support condominium liability reform

Strategy C: Incentivize growth and affordability goals by expanding tools for investments in local infrastructure.

Action Plan:

- Advocate for a strong, equitable financing tool that captures value from development to fund infrastructure and affordable housing investments (aka: value-capture or tax-increment financing tools)
- Advocate for state public works trust fund investments—connect to local affordable housing outcomes

GOAL 7: BETTER ENGAGE LOCAL COMMUNITIES AND OTHER PARTNERS IN ADDRESSING THE URGENT NEED FOR AND BENEFITS OF AFFORDABLE HOUSING.

Most decisions regarding land use and planning for affordable housing happen at the city and neighborhood level. Therefore, the region should better support engagement of local communities and city governments to implement strategies to meet the full range of housing needs. This includes using new, creative strategies to better engage residents around the benefits of having affordable housing in all parts of the county and in their neighborhoods. It also includes providing greater transparency and accountability on actions taken and results delivered. Given the significant countywide need for affordable housing, the region needs more urgent and scalable action to be taken at the neighborhood, city, and regional level.

Strategy A: Support local engagement of neighborhoods and residents in planning for affordable housing

- County or governance organization to develop toolkits and strategies to better engage neighborhoods and residents in affordable housing development
- Use existing data and tools to greatest extent possible, i.e. PSRC Vision 2050 work
- Jurisdictions use community engagement techniques that promote more equitable engagement in zoning and siting decisions

Strategy B: Expand engagement of non-governmental partners (philanthropy, business, and faith communities) to support efforts to build and site more affordable housing

Action Plan:

- Create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations and others to encourage investments in affordable housing
 - Could include greater use of the Low-Income Housing Tax Credit
- Encourage business and philanthropy to support public dialogue on affordable housing