

Executive Summary: Skyway-West Hill and North Highline Anti-displacement Strategies Report

September 30, 2021

In accordance with the 2020 King County Comprehensive Plan update (Workplan Action 19) and King County Motion 15539, this Anti-displacement Strategies Report analyzes and makes recommendations for a suite of actionable anti-displacement strategies for the Skyway-West Hill and North Highline communities. ^{1, 2} The recommendations are based upon a variety of factors, including community identified priorities, magnitude of impact, time and cost of implementation, and other feasibility implications.

A. Background

Displacement Context

Most people move multiple times over the course of their lifetime. While moving to the neighborhood of one's choice can be a positive experience, sometimes households are forced to relocate due to increased housing costs, evictions, or the loss of neighborhood community connections. For the purposes of this report, housing displacement refers to instances where the existing residents of a neighborhood are involuntarily forced to relocate. This can take the following forms: direct economic displacement, indirect economic displacement, cultural displacement, and physical displacement. ^{3, 4}

Displacement describes a pattern in which households involuntarily move as a result of factors such as housing market forces, disinvestment in communities of color, changing preferences for central city living, and redevelopment projects and new investments. Displacement can increase the risk of homelessness and have lasting negative effects on health, education, earnings, and cultural connections.

Community Context, Housing Needs, and Displacement Risk

Skyway-West Hill and North Highline are urban unincorporated areas of King County. With Black, Indigenous, and people of color (BIPOC) making up 64 percent of Skyway-West Hill residents and 54 percent of North Highline residents, both neighborhoods are more racially diverse than King County as a whole.^{7, 8} Both neighborhoods have higher percentages of residents that are foreign born, multilingual, or have limited English proficiency than King County as a whole.⁹ Skyway-West-Hill has the highest percentage of black residents of any area in Washington State.^{10, 11} In 2018, Skyway West-Hill's

¹ 2016 King County Comprehensive Plan, updated July 24, 2020, Chapter 12. [link]

² Motion 15539. [link]

³ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill.* (King County, WA: Department of Community and Human Services, 2020) p 54. [link]

⁴ Puget Sound Regional Council. "Displacement Risk Mapping." [link]

⁵ University of Texas at Austin Uprooted Project. "Understanding Gentrification and Displacement." [link]

⁶ Urban Displacement Project. "Pushed Out: Displacement Today and Lasting Impacts." [link]

⁷ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 66 and 91. [link]

⁸ King County Affordable Housing Committee Dashboard. "Jurisdictional Data for Download." [link]

⁹ King County Affordable Housing Committee Dashboard. "Jurisdictional Data for Download." [link]

¹⁰ Girmay Zahilay, "For Black lives to matter in WA, Skyway must matter." Crosscut (September 3, 2020). [link]

¹¹ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 68 and 99. [link]

household median income was \$68,782, and North Highline's was \$51,898 in White Center and \$56,325 in Boulevard Park. 12 By comparison, the County's overall median household income was \$89,418. 13, 14

The combination of rising housing prices and lower income populations puts Skyway-West Hill and North Highline residents at increased displacement risk. In 2020, the average residential rental rates per square foot in both North Highline and Skyway-West Hill were lower than that of King County as a whole:

- King County -\$2.25 per square foot;
- North Highline (South Seattle submarket cluster) \$2.00 per square foot; and
- Skyway-West Hill \$1.55 per square foot. 15

Over the past eight years, housing costs have increased rapidly throughout King County and even more rapidly in these two communities. Table 1 shows the percentage of annual rent increase compared to King County as a whole.

Table 1: Average Annual Rent Increase – 2012 to 2020 ¹⁶	
Area Rent Increase	
North Highline	4.9%
Skyway-West Hill	4.0%
King County	3.8%

Institutionalized racism has contributed to disinvestment in Skyway-West Hill and North Highline neighborhoods. Redlining, displacement from Seattle's Central District, and the persistent economic disparities between White and Black households also contributed to relatively lower real estate values these neighborhoods. However, the recent rapid growth of adjacent areas has caused rents and home prices in these neighborhoods to rise, creating a market ripe for gentrification. While the White Center community in North Highline has received significant affordable housing investment, primarily through the King County Housing Authority, Skyway-West Hill, aside from housing repair assistance, has had no King County-funded affordable housing investments in the past 10 years.

During the community engagement process, community members expressed concern that increased housing costs will force them to move out of their communities. Many residents also stated in

Executive Summary: Skyway-West Hill and North Highline Anti-displacement Strategies Report Page | 3

¹² BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 68 and 99. [link]

¹³ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 68 and 99. [link]

¹⁴ King County Affordable Housing Committee Dashboard. "Jurisdictional Data for Download." [link]

¹⁵ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 84 and p 113. [link]

¹⁶ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) p 63 and p 94. [link]

¹⁷ University of Washington's Seattle Civil Rights and Labor History Project. "Segregated Seattle." [link]
¹⁸ Heidi Groover, "Seattle-area housing market is 'on steroids'; see what's happening near you." *The Seattle Times* (April 8, 2021). [link]

community meetings they fear losing the unique cultural character of Skyway-West Hill and North Highline neighborhoods to gentrification and higher income residents. County staff also spoke with immigrant residents, some of whom are aging and facing housing instability.

Report Methodology

The Department of Community and Human Services (DCHS) and the Department of Local Services (DLS) collaborated on the production of this report and briefed the Office of Equity and Social Justice and the Office of Performance, Strategy, and Budget at key stages of this report's development to ensure alignment with King County's overall goals. The DCHS-DLS interdepartmental workgroup (the "DCHS-DLS workgroup") analyzed each of the anti-displacement strategies, organized outreach materials, participated in community work sessions as technical advisors, attended community organization meetings, and provided interim briefings for stakeholders.

The DCHS-DLS workgroup met from January 2020 to June 2021 to engage with community groups and individual residents, analyze the potential anti-displacement strategies, and manage contracts with consultants.

The DCHS-DLS workgroup utilized U.S. Census and King County Assessor data to assess housing affordability and displacement risk. In order to assist with background research on housing markets and potential anti-displacement strategies, the DCHS-DLS workgroup contracted with Enterprise Community Partners and BERK Consulting, Inc. for the *Affordable Housing Incentives Analysis: North Highline Skyway-West Hill* report and the University of Washington Livable City Year Program for the *Anti-Displacement Strategies for Urban Unincorporated King County* report, to assist with background research on housing markets and potential anti-displacement strategies. ^{19, 20} This report is also informed by King County plans and reports, in particular the *King County Comprehensive Plan* and the *North Highline and Skyway-West Hill Subarea Plans*. ²¹ The DCHS-DLS workgroup also conducted direct research through surveys and interviews to collect anecdotal information about housing and economic conditions in Skyway-West Hill and North Highline.

B. Community Engagement

Methods

King County used a collaborative process to co-develop the recommendations in the Skyway-West Hill and North Highline Anti-displacement Strategies Report with community stakeholders. The DCHS-DLS workgroup contracted with a team of community facilitators with close connections to North Highline and Skyway-West Hill.²² The DCHS-DLS workgroup and community facilitators co-designed and co-

¹⁹ BERK Consulting, Inc. King County Home and Hope Initiative. *Affordable Housing Incentives Analysis: North Highline and Skyway-West Hill*. (King County, WA: Department of Community and Human Services, 2020) [link] ²⁰ University of Washington Livable City Year. *Anti-Displacement Strategies for Urban Unincorporated King County* (Seattle, WA: University of Washington, 2020). [link]

²¹ 2016 King County Comprehensive Plan, updated July 24, 2020. [link]

²² Community facilitators represented organizations including, but not limited to, African Community Housing and Development [link], the New Birth Center for Community Inclusion, Supporting Partnerships in Education and

facilitated an equitable engagement process that centered the concerns and experiences of residents most directly impacted by displacement pressure, specifically residents who are Black, Indigenous and people of color (BIPOC), low-income, renters, households with children, immigrants and refugees, and youth. The community facilitators provided critical leadership, partnership, and served as a feedback mechanism to the DCHS-DLS workgroup to ensure that engagement methods were accessible and meaningful.

The DCHS-DLS workgroup engaged with community members through multiple venues, including:

- The community facilitator team;
- Interactive workshops;
- Community meetings & working sessions;
- Interviews with community-based organizations;
- Community-led surveys of youth and small business owners;
- A Public Input website and survey; 23 and
- An online resource hub and anti-displacement strategies toolkit.²⁴

Due to the COVID-19 pandemic, meetings were held virtually or over the phone. Translation and interpretation services were offered for community meetings and the public input and small business owner surveys. Over 225 community members actively participated in the community engagement effort.

C. Legal Analysis

King County has broad constitutional power and detailed statutory authorization to discourage displacement and increase the availability of affordable housing. State and federal laws that impact King County's ability to implement policies and programs analyzed in this report include, but are not limited to:

- US Constitution Amendments 5 and 14;
- Washington Constitution Article 1, Sections 3, 12, and 16;
- Washington Constitution Article 7;
- Washington Constitution Article 11, Sections 4 and 11;
- Revised Code of Washington (RCW) 36.70A.540;
- RCW 58.18.440;
- RCW 64.34.440; and
- RCW 84.14.

Analysis of how specific statutory restrictions might limit the County's ability to act is often complex and requires careful evaluation of the proposed county Ordinance or action with the assistance of legal

Beyond [link], the Skyway Coalition [link], the West Hill Community Association [link], and the White Center Community Development Association [link].

²³ King County. Departments of Local Services and Community & Human Services. "Skyway-West Hill and North Highline Anti-displacement Strategies Report" [link]

²⁴ King County, King County Department of Local Services and Community and Human Services. "King County's Skyway-West Hill and North Highline Anti-displacement Strategies Toolkit" [link]

counsel. This sort of detailed legal review is beyond the scope of this report but should be undertaken with the assistance of legal counsel before formally implementing the recommendations of this report.

D. Report Requirements

Anti-displacement Strategies Evaluation and Recommendations

This report analyzes a broad suite of anti-displacement strategies identified in the King County Comprehensive Plan 2020 update and Motion 15539. ^{25, 26} Table 2 summarizes the report's analysis and the Executive's recommendations for each of these strategies. The table organizes the strategies by timeline to feasibly implement, beginning with strategies that King County can implement in the nearterm. King County staff determined the priority for each strategy based on a combination of community interest, best practices identified in policy research, and feasibility. King County staff determined the impact on community based on the anticipated number of households that would be positively impacted and the degree of expected impact on a given household. The strategies are also labeled with icons representing three categories: strategies that require King County creating a new policy, program, or fund; strategies that King County could implement by expanding existing programs; and strategies that this report does not recommend pursuing.

Table 2: Skyway-West Hill and North Highline Anti-Displacement Strategies				
Strategy	Analysis	Recommendation		
	Near-Term Strategies			
Community Preference/ Right to Return	 Cost – Low Priority – High Impact on Community – High 	King County should require a community preference policy for all new affordable housing projects King County funds in North Highline and Skyway-West Hill.		
		King County should explore including a community preference requirement for affordable housing constructed through an inclusionary housing program.		

²⁵ 2016 King County Comprehensive Plan, updated July 24, 2020, Chapter 12. [link]

²⁶ Motion 15539. [link]

Table 2: Skyway-West Hill and North Highline Anti-Displacement Strategies		
Strategy	Analysis	Recommendation
Property Tax Exemptions	 Cost – <i>Low</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should raise awareness about the existing Property Tax Exemption programs for eligible homeowners in North Highline and Skyway-West Hill. This should be a joint effort led by the Assessor's Office.
Priority Hire	 Cost – Low Priority – Medium Impact on Community – Medium 	King County should perform outreach about the existing King County priority hire program in Skyway-West Hill & North Highline to increase residents' connections to economic opportunities.
	Mid-Term Strategies	
Mandatory Inclusionary Housing	 Cost – <i>TBD</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should continue to work with the community to develop a mandatory inclusionary housing policy.
Voluntary Inclusionary Housing- Affordable Housing Development Incentive	 Cost – <i>TBD</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should continue to work with the community to develop a voluntary density incentive for housing developments consisting of 100% affordable units.
Voluntary Inclusionary Housing- Incentive Housing Affordability	 Cost – <i>TBD</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should continue to work with the community to develop a policy allowing increased density in exchange for affordable housing units throughout North Highline and Skyway-West Hill.

Table 2: 9	Skyway-West Hill and North Highline Anti-	Displacement Strategies
Strategy	Analysis	Recommendation
Tenant Relocation Assistance	 Cost – TBD Priority – High Impact on Community – High 	King County should explore a tenant relocation assistance policy that provides tenants with financial assistance when the tenant is involuntarily displaced due to development-related reasons or conversion of the unit into a condominium.
	Long-Term Strategies	
Down Payment Assistance	 Cost – <i>High</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should continue and expand funding for down payment assistance programs to provide more homeownership opportunities in Skyway-West Hill and North Highline.
Affordable Rental Housing	 Cost – <i>High</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should invest in subsidized affordable rental housing affordable to households earning at or below 60% area median income (AMI). This includes supporting community-driven development, family-sized units, and culturally specific housing.
Community Land Trust	 Cost – <i>High</i> Priority – <i>High</i> Impact on Community – <i>High</i> 	King County should expand investment in community land trusts and other models of permanently affordable, shared equity homeownership. This includes supporting community-driven development, family-sized units, and culturally specific housing.

Table 2: Skyway-West Hill and North Highline Anti-Displacement Strategies		
Strategy	Analysis	Recommendation
Manufactured Housing Community Preservation	 Cost – <i>High</i> Priority – <i>High</i> Impact on Community – <i>Medium</i> 	King County should preserve the manufactured housing communities in Skyway by investing in these communities, keeping them sustainable and affordable for the long term.
Redevelopment Assistance	 Cost – <i>High</i> Priority – <i>Medium</i> Impact on Community – <i>Low</i> 	King County should implement a redevelopment assistance program that provides financial and technical assistance for homeowners at 80% AMI or below to build an accessory dwelling unit for tenants with incomes at 60% AMI or below.
	Not Recommended	
Rent to Own	 Cost – <i>High</i> Priority – <i>N/A</i> Impact on Community – <i>Risky</i> 	King County should not support rent-to own programs.
Residential Community Benefit Agreements	 Cost - Low Priority – N/A Impact on Community – Low 	King County should not mandate community benefit agreements for developments.
No Net Loss	 Cost – Low Priority – N/A Impact on Community – Low 	King County should not implement a no net loss policy.
Commercial Linkage Fees	 Cost – Low Priority – N/A Impact on Community – Low 	King County should not implement commercial linkage fees. If in the future, community demonstrates interest in commercial development that aligns with a linkage fee program, the County should explore linkage fees.

Table 2: Skyway-West Hill and North Highline Anti-Displacement Strategies		
Strategy	Analysis	Recommendation
<u>Key</u>		
=Increase funding and expand existing program		
=New policy or program & funding		
►=Serious concerns, not recommended		

Both the North Highline and the Skyway-West Hill communities helped develop the recommendations. Except for the rent-to-own strategy, which the community supported, and some of the details of the inclusionary housing strategy, the communities' priorities align with the recommendations in Table 2. See Exhibit 5 for a detailed listing of community priorities (refer to III. Community Engagement). More community engagement is needed to ensure that community members remain informed and meaningfully influence the implementation of the recommendations. (For a description of planning for future community engagement during the implementation phase of the anti-displacement recommended strategies, refer to V. Report Requirements, B. Motion 15539, Equity Review and Implementation of Recommended Strategies).

Community-Generated Anti-displacement Strategies

In addition to the strategies required by King County Motion 15539 and Action 19 of the 2020 *King County Comprehensive Plan* update, the Skyway-West Hill and North Highline communities suggested the following ideas for the County to address displacement:

- Develop more publicly subsidized affordable housing, especially for households below 60 percent of AMI,
- Increase the development of family-sized housing (three- to five- bedroom units),
- Build culturally specific housing for elders, and
- Invest in community driven development.

This report recommends that King County also implement these strategies.

Equity Impact Review and Implementation of Recommended Strategies

County staff integrated equity and social justice principles at all stages of the development of this report. Implementation of the recommendations in this report seeks to stabilize communities and empower residents of Skyway-West Hill and North Highline with large percentages of BIPOC, low-income, and immigrant households. Staff collaborated with community facilitators to develop the engagement plan and prioritized the feedback from residents in the analysis and development of the recommendations. This report recommends ongoing communication with community members and colleading decision making and implementation of the strategies with community members and organizations whenever feasible.

The workgroup responsible for planning and monitoring the implementation of any recommended strategies will include DCHS, DLS, and the Office of Equity and Social Justice. The implementation workgroup will plan regularly scheduled touch points with community stakeholders over the next three

to five years to monitor progress toward King County's goal of reducing and preventing displacement and preserving and increasing affordable housing. This will include following community stakeholders' recommendations to minimize any unintended negative disproportionate impacts to communities of color.

Remaining in conversation with community members and community organizations will be critical throughout the implementation phase. County staff will collaborate with community members to codesign measurement and evaluation metrics, identify unintended impacts, and co-develop recommendations for adjusting policy and program approaches to address ongoing learning and changing conditions.

Feasibility Analysis

This report conducts a feasibility analysis for each recommended strategy based on estimated costs, resources available, and time to implement. The feasibility analysis identifies community preference, property tax exemptions, and priority hire as near-term strategies that County staff can implement within existing resources and staff capacity in the current biennium. This report identifies the inclusionary housing and relocation assistance recommendations as mid-term strategies that require an Ordinance and additional funding, outreach, and analysis to implement. County staff can begin implementation of the homeownership down payment assistance, affordable rental housing, and community-land trust strategies in the near term but require additional funding to achieve the desired outcomes. Therefore, these three strategies are considered long-term strategies. Finally, County staff identify the manufactured housing preservation and redevelopment assistance program recommendations as long-term strategies that have high costs and require additional funding and new programming to implement. Although a lower priority to fund at this time due to current market conditions, the County will continue to evaluate these strategies for reprioritization via ongoing market monitoring, community engagement, and other factors.

Implementation Plan for Recommended Strategies

The Executive has directed DCHS and DLS to begin planning for implementation of the recommended strategies to prevent and mitigate displacement in North Highline and Skyway-West Hill.

The Executive plans to implement the near-term strategies during the 2021-2022 biennium using existing programs and staff. This includes:

- community preference,
- property tax exemptions, and
- priority hire.

The Executive aims to begin implementation of high priority, long term strategies in the near- to midterm under existing DCHS Housing Finance Program (HFP) programs. Specifically, DCHS will start to make progress on these strategies using funds available in the King County 2021-2022 Adopted Budget, coupled with strategic outreach for projects in the Skyway-West Hill and North Highline communities. Full implementation of all recommendations requires resources beyond those currently available in King County's 2021-2022 Adopted Budget. Until funding is identified for the higher cost strategies, the Executive will use existing staffing capacity to begin planning.

To achieve scale and meaningful outcomes that address the long history of disinvestment in these communities, additional long-term funding from new sources will be needed. Flexible new funding will enable the County to support the development of new housing opportunities driven and informed by the community, including investments in staffing, capacity building for community-based organizations and other supports for the community to engage more fully in the implementation of these strategies.

Despite this need, the Executive will explore opportunities for existing resources to implement identified community priorities. Specifically, the Executive will identify opportunities through planning, including upcoming budget processes, to implement these strategies over the long term. Additionally, the Executive is committed to securing new federal, state, or local funding resources to implement these housing solutions.

E. Conclusion and Next Steps

The Executive will take immediate steps to establish the Community Preference policy, increase awareness of the Property Tax Exemption and Priority Hire programs, and fund community-based organizations to develop community-driven affordable housing. The Executive will also take steps to begin implementation in the near term for the recommendations regarding homeownership down payment assistance, increased affordable rental housing, and community land trust strategies. However, fully funding those recommendations will require additional resources.

The Council must take legislative action to implement the inclusionary housing and relocation assistance program recommendations. The Executive anticipates transmitting the inclusionary housing Ordinance in December 2021, at the same time as transmittal of the Skyway-West Hill and North Highline Subarea Plans. The Executive anticipates transmitting the relocation assistance Ordinance in 2022 after conducting additional community and stakeholder engagement and identifying budget resources for program implementation.

The Executive is committed to working in partnership with community-based organizations to implement the recommended anti-displacement strategies. King County will take proactive steps over the near and long term to stabilize long-time BIPOC residents and important cultural connections.