

REGIONAL AFFORDABLE HOUSING TASK FORCE FIVE-YEAR ACTION PLAN

PROBLEM STATEMENT:

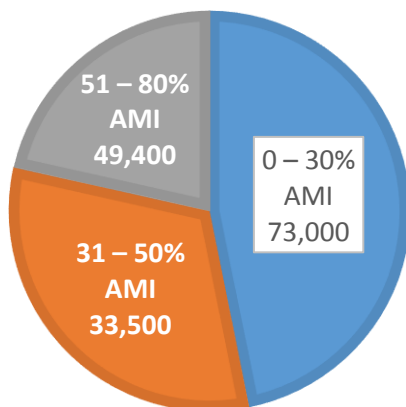
Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80% of Area Median Income (AMI) and below is cost burdened.¹ This includes 156,000 homes for households currently cost-burdened and an additional 88,000 homes for growth in cost-burdened 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, health care, and child care.

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

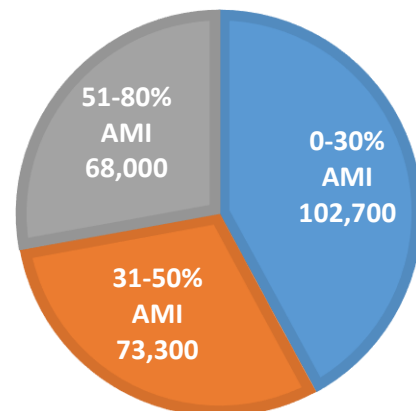
	0 – 30% AMI	31 – 50% AMI	51 – 80% AMI
EXISTING NEED	73,000	49,400	33,500
GROWTH TO 2040	29,700	23,900	34,500
SUBTOTAL	102,700	73,300	68,000
% TOTAL NEED IN 2040	42%	30%	28%

Over the last decade, King County’s stock of housing affordable to households at or below 80% AMI decreased by a net average of 5,500 rental homes per year, due to demolition and rising rents. If current trends continue, 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: 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. 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: 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. There are strong examples of interjurisdictional coordination, however, these efforts to date 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.

Strategy A: Create a standing committee of the Growth Management Planning Council (GMPC) dedicated to affordable housing

The Committee will serve as a regional advisory body with the goal of advocating and assessing progress toward implementation of the Action Plan. It will function as a point of coordination and accountability for affordable housing efforts across King County.

Action Plan:

The GMPC will appoint members of the committee which shall be comprised of approximately twenty members representing an equal balance of both governmental and non-governmental organizations, including representation of communities impacted by displacement. The committee will:

- Hold regular meetings
- Maintain a website of information and/or release an annual report to accomplish the following:

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.

- Review qualitative and quantitative metrics regarding countywide and jurisdictional progress to implement the Action Plan and address the countywide need and/or cost-burden gap, including 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
- Review and make recommendations to other governing bodies regarding actions to implement the Action Plan, including:
 - Funding/pursuing new and innovative financing strategies to significantly address the affordable housing need in King County for adoption by jurisdictions and/or voters in 2020
 - Land use policies
 - State legislative agenda items, such as increasing state funding for affordable housing, expanding options for local funding, supporting the creation and preservation of affordable housing, and creating uniform statewide laws for tenant protections
- Recommend policy positions for PSRC's Growth Management Policy Board's consideration and approval
- Review and provide guidance regarding alignment between the Action Plan and comprehensive plans
- Recommend amendments to the Countywide Planning Policies including regional goals/metrics and land use policies
- Coordinate support for increased federal funding for affordable housing
- Work with existing and new sub-regional collaboration, such as ARCH.
- Provide incentives for regional solutions which promote strategies that are broader than one jurisdiction at a time
- Provide technical assistance to the cities and County on affordable housing policy, including identification and sharing of best practices and model legislation
- Be supported by an Inter-Jurisdictional Team (IJT) that builds on but will meet separately from the GMPC IJT. The Committee IJT would include staff representing:
 - King County Council, Department of Community and Human Services, Office of Performance Strategy and Budget, Department of Local Services (Division of Permitting), ARCH, SKHHP/SKC representatives, City of Seattle, additional city staff in proportion to County staff, and additional staff from external/non-governmental partners

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
- Cities and County fund operations of sub-regional collaborations
- Encourage the growth and success of existing sub-regional collaborations

GOAL 2: INCREASE 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 and government bears this responsibility. The region must 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 existing and future housing, improving housing access for all incomes across the region.

While implementing the land use and policy changes identified in the Five-Year Action Plan will help meet the need, the Regional Affordable Housing Task Force’s work 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, with a particular focus on the distinct needs of households who earn at or below 50% AMI.

On average in the last five years, roughly \$384 million a year is invested in affordable housing in King County from Federal, State and Local sources:

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).

Current Investments		
Annual averaged based on 2012-2017		
		Annual Amount
Federal		
	9% LIHTC	\$61,500,000
	4% LIHTC	\$163,500,000
	Subtotal	\$225,000,000
State		
	Housing Trust Fund	\$12,000,000
	Subtotal	\$12,000,000
King County		
	Lodging Tax	\$7,500,000
	Document Recording Fee	\$2,300,000
	VSHSL Property Tax	\$2,500,000
	MIDD Sales Tax	\$2,000,000
	HOME Funds	\$2,000,000
	Subtotal	\$16,300,000
Cities		
	Seattle	\$49,000,000
	ARCH	\$4,700,000
	Subtotal	\$53,700,000
Private		
	Fundraising	\$19,000,000
	Debt Financing	\$58,000,000
	Subtotal	\$77,000,000
ANNUAL TOTAL		\$384,000,000

In recent years, the cost to preserve or build affordable housing has increased, just like the cost of all housing types. That means that public dollars have been able to purchase fewer units over time and that going forward it is reasonable to assume that affordable units will cost, on average, \$350,000 to preserve or build.

In this context, the Regional Affordable Housing Task Force has set the goal of building or preserving XX,XXX units of affordable housing to serve people earning less than 50% AMI over the next five years.

Table 1 – Task Force Options

	Units over next 5 years	
Option 1	Continue current production rate*	12,500
Option 2	Double current production rate	25,000
Option 3	Assume annual production of 1/20 of total need	44,000

* On average, the region has produced 2,500 units per year over the last five years.

Achieving this production goal will require the region to employ all the tools it has available, including land use and zoning changes. It is also important to note that not all of the funding for those units must or will be raised locally. The Federal government will and should play a significant role in funding affordable housing, primarily through the Low Income Housing Tax Credit Program (LIHTC). Assuming that the Federal government continues to make contributions on a par with the last five years, 58% of the need will be met with Federal resources.

Strategy A: The ongoing structure for regional collaboration will work with cities and the County to identify and prioritize new resources to build or preserve XX,XXX units in the next five years and track progress toward the production goal.

Throughout the Task Force process, Task Force members, Standing Advisory Committee members and members of the public cited the need to expand the types of funding available to fund affordable housing, particularly given the regressive nature of Washington State’s tax code. Examples of more progressive funding sources include a capital gains tax and an income tax.

Action Plan:

- Cities and the County should identify and adopt revenue sources available to them sufficient to support the local share of funding XX,XXX units over five years
- Cities and the County should collectively advocate to maintain and increase Federal resources directed toward affordable housing in King County, which might include increasing expanding the 9% LIHTC or maximizing the bonding capacity of the 4% LIHTC
- Cities and the County should collectively advocate for increased State resources to support affordable housing in King County, which might include increasing contributions to the Housing Trust Fund, a sales tax credit, or allowing cities to collect up to a 0.25% Real Estate Excise Tax
- Cities and the County should explore unused authority to raise revenue to support the goal of building or preserving XX,XXX units over five years. Unused authority might include a countywide property tax, a countywide sales tax, free or discounted publicly owned land

- Cities and the County should work with business and philanthropy to increase and effectively leverage private investments in affordable housing
- Cities and the County should pursue strategies to reduce the cost of developing affordable units, which might include the reduction or elimination of impact or connection fees, or a sales tax fee exemption on affordable developments
- The regional governance structure will monitor County and city progress toward raising funds necessary to produce XX,XXX units in the next five years

Strategy B: Make available at no cost, at deep discount, or for long term lease, 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, new or preserved)
- 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:

- Cities and county identify entity to inventory all large (50+ unit) privately owned affordable multifamily properties at risk of redevelopment or rapid rent escalation
- Measure and monitor progress in preserving privately owned affordable housing through nonprofit acquisition or other means
- Partner with existing efforts and organizations and support additional funding to fill gaps in current preservation efforts
- 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

Progress in meeting this goal will be measured, using the following regionwide metrics^{4,5}

⁴ PSRC anticipates that more than 50% of housing growth will occur in TOD.

⁵ 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 suitable for housing 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 meets the needs of the lowest income households, including families and a balanced mix of unit sizes (studio through three-bedroom units).

Strategy A: Implement comprehensive inclusionary/incentive housing policies 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 transit infrastructure investments
- 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

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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)

Action Plan:

- King County to consider bonding 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
- 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

Action Plan:

- 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, aligned with Goal 2, Strategy B
- 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 and tenants. 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 and statewide policies related to tenant protection to ease implementation and provide consistency for landlords

- a. Just Cause Eviction
- b. Notice of rent increase
- c. Increase protections for renters facing relocation or displacement
- d. Expand eviction prevention, relocation and other services and assistance
- e. Prohibit discrimination in housing against tenants and potential tenants with arrest records, conviction records, or criminal history

Action Plan:

- Support the development and adoption of statewide legislation and policy related to tenant protections

- County or governance organization to review proposed statewide policies and legislation

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

- a. Source of Income discrimination protection
- b. Just Cause Eviction
- c. Notice of rent increase
- d. Tenant relocation assistance
- e. Rental inspection programs
- f. Prohibiting discrimination in housing against tenants and potential tenants with arrest records, conviction records, or criminal history

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 BC: Expand supports for low-income renters and people with disabilities

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
- Increase funding for services that help people with disabilities stay in their homes and/or age in place

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

Action Plan:

- 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
- Partner with Aging & Disability organizations to integrate accessibility services

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

Communities throughout the region are experiencing dramatically increasing housing costs and a growing demand for housing especially, but not exclusively, 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 or low-income households 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 Opportunity⁶

⁶ Communities of Opportunity, a King County and Seattle Foundation partnership, is an inclusive table where community members and leaders, organizations, and institutions share power, voice, and resources. COO has four

- Include cities, investors, and community-based organizations in development of certification process and matching dollars for socially responsible, equitable Opportunity Zone⁷ investments that prevent displacement
- 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
- Encourage homeownership opportunities as a way to prevent displacement within communities of color while also promoting the growth of intergenerational wealth
- Where appropriate, acquire and preserve manufactured housing communities to prevent displacement

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.

From 2011 through 2017, more than 96,200 new households came into King County, but only 64,600 new units were built. Despite a building boom, the private market is not keeping pace with population growth in recent years, which contributes to rapid increases in home purchase costs and rents, as well as low vacancy rates. 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:

- Accessory Dwelling Units (ADU) and Detached Accessory Dwelling Units (DADUs)
- Duplex, Triplex, Four-plex
- Zero lot line town homes, row houses, and stacked flats
- Micro/efficiency units

priority areas: quality affordable housing; providing healthy, affordable food and safe places outside to be physically active, especially for youth; increased economic opportunity; and strong community connections. The County portion of COO is funded with 10% of the Best Starts for Kids Levy proceeds.

⁷ Opportunity Zones are a community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. A low-income community is one with a poverty rate of at least 20% and low-income is a household earning up to 80% AMI. King County Opportunity Zones can be found on the state Department of Commerce website (commerce.wa.gov).

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 increase density
- Explore opportunities to pilot innovative housing in industrial zones, with a focus on TOD and industrial buffer zones
- Update building codes to promote more housing growth and innovative, low-cost development
- As part of any updated zoning, evaluate feasibility of incorporating affordable housing provisions
- Promote units that accommodate large households and/or multiple bedrooms

Strategy B: Decrease costs to build and operate housing affordable to low-income households**Action Plan:**

- Maximize and expand 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
- State legislature to exempt affordable housing from sales tax

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

Strategy D: Expand and preserve homeownership opportunities for low-income households**Action Plan:**

- Increase educational efforts to ensure maximum use of property tax relief programs to help sustain homeownership for low-income individuals
- Support alternative homeownership models that lower barriers to ownership and provide long-term affordability, such as community land trusts, co-ops, and rent to own models

- Expand targeted foreclosure prevention
- Where appropriate, preserve existing manufactured housing communities through use-specific zoning or transfer of development rights

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 create informed communities and 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 engagement of local communities and residents in planning efforts to achieve more affordable housing

Action Plan:

- 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, which may include providing evening meetings, translation services, food, and child care, or travel stipends for low-income individuals and historically marginalized communities to participate, that promote more equitable engagement in zoning and siting decisions

Strategy B: Expand engagement of non-governmental partners (philanthropy, employers, investors, private developers 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, the health care sector, and others to encourage investments in affordable housing
- Encourage business, organized labor, and philanthropy to support public dialogue on affordable housing