



# King County

1200 King County  
Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Meeting Agenda

### Panel 1 - Combating our Housing Crisis (Discussion Related to Proposed 2019-2020 Biennial Budget)

*Councilmembers: Jeanne Kohl-Welles, Chair, Claudia Balducci,  
Rod Dembowski, Larry Gossett, Kathy Lambert, Dave Upthegrove  
Staff: Mary Bourguignon (206-477-0873), Panel Lead, Sahar Fathi (206-263-0960),  
Miranda Leskinen (206-477-0950), Alison Mendiola (206-477-3644), Jeff Muhm (206-477-0951)  
Panel Assistant: Angelica Calderon (206-477-0874)*

9:30 AM

Tuesday, October 23, 2018

Room 1001

#### SPECIAL MEETING

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**
2. **Roll Call**
3. **Public Comment**

To show a PDF of the written materials for an agenda item, click on the agenda item below.

#### Briefing

4. [Briefing No. 2018-B0177](#)

Screening of trailer for "Trickle Down Town" a film on homelessness in Seattle  
*Tomasz Biernacki, filmmaker*

5. [Briefing No. 2018-B0173 pp. 3-15](#)

Combating our Housing Crisis: Policy Discussion on the Proposed 2019-2020 Budget.  
*Mary Bourguignon and Alison Mendiola, Council Staff  
Mark Ellerbrook, Regional Housing and Community Development Manager, Department of Community and Human Services  
Kelly Rider, Special Projects Manager, Department of Community and Human Services*

#### Adjournment



*Sign language and communication material in alternate formats can be arranged given sufficient notice (296-1000).  
TDD Number 206-1024.  
ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.*



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**Metropolitan King County Council  
Budget Panel Discussion 2019-2020**

## **COMBATING OUR HOUSING CRISIS**

Panel Meeting #2 | October 23, 2018

### **TRICKLE DOWN TOWN**

Trickle Down Town is a documentary film about the homeless crisis in Seattle. It is based on interviews with policymakers, advocates, and people who are experiencing homelessness. Trickle Down Town, by filmmaker Tomasz Biernacki, premiered at the Admiral Theater in West Seattle on October 21.

The panel will view a short trailer from the film and speak with Mr. Biernacki.

### **REGIONAL AFFORDABLE HOUSING: BEYOND THE TASK FORCE**

In late 2016, the Council called for a planning effort in coordination with the County's partners to develop a regional plan for affordable housing.<sup>1</sup> The Regional Affordable Housing Task Force was convened in 2017 and has been working since then to develop an action plan by the end of 2018.

Executive staff note that implementation of the action plan is primarily anticipated to be carried out by existing staff or with future new resources supported by the recommended governance structure. To help engage regional partners in this effort, the proposed 2019-2020 budget includes a new allocation of \$50,000 per year for a South King County Housing collaboration, an amount comparable to the County's allocation to the East King County Housing collaboration (ARCH—A Regional Coalition for Housing).

The panel will discuss staffing and implementation needs for the Regional Affordable Housing Task Force recommendations, as well as next steps to support and incentivize the development of affordable housing around the region.

### **TRANSIT-ORIENTED DEVELOPMENT BONDS**

In 2015, the State Legislature passed the Workforce Housing Bill,<sup>2</sup> which gave the County the ability to bond against future (post-2021) lodging tax revenues for affordable housing<sup>3</sup> in transit areas. In response, the Council outlined an \$87 million bond allocation plan with geographic requirements for where the bond funds would be spent.<sup>4</sup> To date, \$50 million

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<sup>1</sup> Motion 14754

<sup>2</sup> SHB 1223 (Chapter 102, Laws of 2015)

<sup>3</sup> Affordable housing in this context was defined as being affordable between 30% to 80% of area median income

<sup>4</sup> Motion 14687

has been allocated from that plan and \$37 million is in the progress of being allocated through competitive procurement processes, as shown in Table 1, below:

**Table 1. Motion 14687 Bond Allocation, Funds Allocated to Date**

<b>Area</b>	<b>Motion 14687 Allocation</b>	<b>Funds Awarded (as of Aug 2018)</b>	<b>Funds Remaining (as of Aug 2018)</b>
All County – Seattle	\$10.75M	\$8.45M	\$2.3M
All County - South	\$10.75M	\$10.7M	\$0.05M
All County – N/E	\$10.75M	\$9.1M	\$1.65M
I-90 Corridor	\$10M	\$10M	--
Northgate	\$10M	--	\$10M*
South King County	\$10M	--	\$10M
Bel-Red Corridor	\$10M	--	\$10M
Seattle S Downtown**	\$14.7M	\$11.7M	\$4M
<b>TOTAL</b>	<b>\$87M</b>	<b>\$49.95</b>	<b>\$37.05</b>

Source: Motion 14687, 2018 Annual Report (2018-RPT 1004)

\*An RFP for the Northgate development was issued in September 2018

\*\*Motion 14687 allocated \$14.7M for Seattle South Downtown, of which 10% of total bond amount (\$8.7M) must be allocated to Historic South Downtown PDA per state law.

Earlier this year, the Executive announced the intention to issue an additional \$100 million in lodging tax-backed bonds to support affordable housing. The Council asked the Executive to transmit a plan for these new bonds by February 28, 2019, which should “support the recommendations of the Regional Affordable Housing Task Force and describe how the lodging tax revenues... will be used across the county in an equitable manner.”<sup>5</sup>

The panel will discuss potential policy options for these bonds to support transit-oriented development affordable housing. Attachment 3 contains a potential list of projects for funding that has been provided by the Executive.

## **EMERGENCY WINTER SHELTER**

Earlier this month, the Executive announced a plan to open additional homeless shelter, day center, and dormitory-style housing for people experiencing homelessness. The proposal includes:

- **King County Correctional Facility West Wing:** a 24/7 enhanced emergency shelter with supportive services for 125 to 150 single adults. Estimated capital costs to retrofit the space are \$2 million and operating costs are estimated at \$4 million for the biennium.
- **Fourth and Jefferson:** a day center with Housing Navigation services on the first floor of the County-owned Fourth and Jefferson building, to complement the night-time shelter on the second floor of that building. Estimated capital and operating

<sup>5</sup> Ordinance 18788

costs are \$2 million for the biennium, with an additional \$400,000 for the Housing Navigation services.

- **Modular Dorms:** purchased worker dorms from Houston are proposed to be used for temporary housing for 160 people to provide a “bridge” between emergency shelter and permanent housing. Estimated capital costs are \$4 million with \$2.25 million in operating costs for the biennium.
- **Harborview Hall:** an overnight shelter for 100 people, with an estimated \$1.25 million in capital costs and \$1.8 million for operating costs during the biennium. Future use of the space for a 24/7 enhanced shelter with services is contemplated, pending permitting decisions. That use would be estimated to require an additional \$6 million for capital and \$4 million for biennial operating costs.

The panel will discuss the proposal and opportunities to use County resources to address the homelessness crisis. Attachment 1 provides a summary of the Executive’s winter shelter proposal. Attachment 2 provides a narrative description from the Executive.

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## Executive's Winter Shelter Proposal | October 2018

Location	Services	People Served	2019-2020 Capital	2019-2020 Operating	Funding Sources
<b>KCCF West Wing</b> 24/7 ENHANCED SHELTER	<ul style="list-style-type: none"> <li>• 24/7 enhanced shelter</li> <li>• Supportive services</li> <li>• Showers</li> </ul>	125-150	\$2 million	\$4 million	<u>CAPITAL</u> <ul style="list-style-type: none"> <li>• VSHSL HS1</li> </ul> <u>OPERATING</u> <ul style="list-style-type: none"> <li>• VSHSL HS1</li> <li>• Doc recording fees</li> </ul>
<b>Fourth &amp; Jefferson</b> DAY CENTER	<ul style="list-style-type: none"> <li>• Day center 1<sup>st</sup> Flr (6AM-7PM)</li> <li>• Housing Navigation</li> <li>• Possible hygiene/laundry</li> </ul>	Drop-in	\$2 million (Capital + Basic Operating)	\$0.4 million (Housing Navigation)	<u>CAPITAL + OPERATING</u> <ul style="list-style-type: none"> <li>• VSHSL HS1</li> </ul> <u>HOUSING NAVIGATION</u> <ul style="list-style-type: none"> <li>• Short-term lodging tax</li> </ul>
<b>Modular Dorms</b> BRIDGE HOUSING	<ul style="list-style-type: none"> <li>• Dorm-style housing</li> <li>• Supportive services</li> </ul>	160	\$4.25 million	\$2.25 million	<u>CAPITAL</u> <ul style="list-style-type: none"> <li>• Short-term lodging tax</li> <li>• Convention Center</li> </ul> <u>OPERATING</u> <ul style="list-style-type: none"> <li>• Convention Center</li> </ul>
<b>Harborview Hall</b> OVERNIGHT SHELTER	<ul style="list-style-type: none"> <li>• Overnight shelter</li> <li>• Referral services</li> </ul>	100	\$1.25 million	\$1.8 million	<u>CAPITAL</u> <ul style="list-style-type: none"> <li>• MIDD</li> <li>• General Fund (2017-2018)</li> </ul> <u>OPERATING</u> <ul style="list-style-type: none"> <li>• General Fund (2017-2018)</li> <li>• VSHSL</li> </ul>
<b>Harborview Hall</b> 24/7 ENHANCED SHELTER	<ul style="list-style-type: none"> <li>• 24/7 enhanced shelter</li> <li>• Supportive services</li> <li>• Showers</li> </ul>	TBD	~\$6 million	~\$4 million	<u>CAPITAL</u> <ul style="list-style-type: none"> <li>• TBD</li> </ul> <u>OPERATING</u> <ul style="list-style-type: none"> <li>• TBD</li> </ul>

\*Note that the Fourth & Jefferson Building has an overnight shelter that will be located on Floor 2. The day center will only be open during the hours when the shelter is closed.

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## ATTACHMENT 2

### RESPONSES FROM EXECUTIVE ON WINTER SHELTER PROPOSAL

The following questions asked for cost and funding information for capital and operating expenditures for the emergency housing strategies announced by the Executive on Thursday, October 11<sup>th</sup>. While working through these questions, we identified some need to move funding sources between projects in order to best align funding purposes and regulations with the projects identified, and this has resulted in some differences between the answers below and the original answers about the use of new funding streams that were included in the materials for Combating Our Housing Crisis Panel 1.

Please consider this document the current document of record, and the answers below as updates on any previously provided information.

Here is a revised summary of the planned usage of this fund's major new revenue streams:

- Department of Commerce Modular Capital Funding (Total: \$4.5 Million)
  - Elliott Shelter (\$750,000)
  - Micro Dwelling Modular Units (\$750,000)
  - City of Seattle Office of Housing State Innovation Project (\$3 million - restricted funding).
- Convention Center Affordable Housing (Total: \$5 million)
  - Micro Dwelling Modular Units (\$2.25 million)
  - Modular Dormitory Units (\$2.75 million).
- Lodging Tax on Short-Term Rentals (Total: \$8.1 million)
  - Micro Dwelling Modular Units (\$1 million)
  - Modular Dormitory Units (\$3.75 million)
  - Day Center Navigation Services (\$400,000)
  - Support Services for Existing Supportive Housing (\$1 million)
  - Rent and Service Support for Homeless Families (\$2 million)

#### **KCCF West Wing 24/7 Enhanced Shelter**

##### **1. What are the estimated capital costs to set up for shelter space?**

The current order of magnitude estimate for capital costs is \$2 million, which would cover expenditures such as addressing deferred maintenance, painting, security separation, egress, elevator controls, new office space, new data infrastructure for the office space, rebuilding restrooms, moving DAJD stored materials, and window treatments.

##### **2. What are the estimated operating costs for 2019-2020, and what will those operating costs include (months open – for instance, will this be winter-only, supportive services, meals, etc.)?**

2019-2020 biennial operating costs are \$4 million, which includes both the cost of building operations (utilities, security staff, etc.) and supportive services for shelter users (case management

and connections to services). This cost estimate assumes the shelter will operate 12 months per year, 24 hours per day, 7 days per week.

**3. Has an operator been selected? If yes, who is it?**

No, an operator has not been selected. DCHS is currently completing a RFQ process for experienced shelter operators to be on hand for existing and new shelter facilities. The operator of this shelter will likely be selected from this group of approved operators. Additionally, DCHS is also exploring ways to expand operator competency and capacity related to disproportionally homeless populations including minorities and households with past criminal justice involvement. DCHS hope to include this work in operations at the West Wing and other recently announced shelters.

**4. What is the funding source for capital and operating? How is this reflected in the budget or will additional action be needed?**

The capital costs for this shelter will be paid for with Veterans, Seniors and Human Services Levy (VSHSL) funding from strategy HS1. The operating costs for this shelter will be paid for out of Document Recording Fees and VSHSL funding (also from strategy HS1).

In terms of budget action:

- For DCHS, in the 2019-2020 proposed budget, both the Housing and Community Development (HCD) Fund and the VSHSL Fund contain adequate appropriation to make these investments. The relevant requests for DCHS appropriation are in the HCD Fund in decision packages DS\_002 and DS\_005, and in the VSHSL Fund in decision packages TA\_001, TA\_003, and TA\_004. These three VSHSL decision packages align the budget to the adopted Implementation Plan for years 2019 and 2020.
- For FMD, they will charge expenditures directly to DCHS's expenditure authority through a work authorization, and do not need additional appropriation to complete this work.

**5. Is the intended population single men? Will there be space for women and couples? If so, what % of the total?**

The population has not been determined, although it will likely be predominantly single men as that is the group with the highest need in this geographic area. Providing space for women and couples would be ideal and will be part of the discussion with the selected operator to see if the space can be set up to serve these populations while ensuring the privacy and security of all shelter residents. We will also work with the shelter operator to provide strong connections to homeless individuals exiting the criminal justice system.

**6. How will you handle access to the shelter area? (I recall this being an issue of concern two years ago when a number of CMs toured the space to assess for shelter use)**

From the outside, the shelter will be accessed through the entrance on the southwest corner of the building, near the intersection of 5th and Jefferson. Making this change work will include programming changes to the building's integrated security control system.

On the inside, one of the necessary capital improvements is physically separating the shelter space from the secured space of the jail. Shelter space and services will be located on the first floor with additional shelter space available on floors two and three. These will be accessed via an existing elevator. DAJD operations will continue above the 3rd floor.

**7. Will meals be served, and if so, will DAJD provide them or an outside contractor?**

Although this will need to be discussed with the service provider, the intention is that meals will be provided. This would be done through an outside contractor who delivers prepared food to the shelter.

**8. Will there be hygiene services (shower, laundry), and if so, can you break out the capital/operating costs for these?**

Full bathrooms and showers already exist in the facility and will be available to shelter residents. FMD is in the process of determining the cost for making these fully operational, but their initial estimates are included in the \$2 million total capital cost noted above.

There is not presently a laundry facility in the West Wing. However, this is an important service. FMD and the operator will work to determine how best to provide this service.

**Fourth and Jefferson Day Center**

**9. If I'm understanding the proposal correctly, the combination of the overnight shelter on floor 2 and the day center on floor 1 will make this building into 24/7 use. Reports prepared by DCHS over the last two years had indicated that permitting and building retrofit issues for 24/7 use were too expensive to proceed. Has something changed to make this possible? Or are we moving forward with the building retrofits that had been described in past reports?**

The proposal is to relocate the existing emergency shelter function from the 1st to the 2nd floor, which would request transferring the Special Use Permit for an Emergency Shelter to the 2nd floor and continuing with the zoned use as an office function on the 1st floor and construct a Day Center on that floor with shower, toilets and community space for all. The Day Center will only be opened during limited hours (i.e., when the Emergency Shelter is not open for operations). A primary hurdle for the use of the 4th and Jefferson building in the previous report was the expected cost of needing to comply with City of Seattle permits. City of Seattle DCI has not weighed in yet on this proposed use, but King County and the City of Seattle are in active discussion about permit requirements and how costs could be mitigated, and initial conversations have been positive.

**10. What are the estimated capital costs to set up for day/shelter use? How is this reflected in the budget or will additional action be needed?**

The budget includes \$2 million for capital improvements and operations, and basic supportive services for the day center.

In terms of budget action:

- For DCHS, the VSHSL Fund contains adequate appropriation to make these investments in the day center. The relevant requests for DCHS appropriation are in the VSHSL Fund in decision packages TA\_001, TA\_003, and TA\_004. These three VSHSL decision packages align the budget to the adopted Implementation Plan. Strategy HS1 is on page 56 of the implementation plan and included in this strategy are funds for shelter capital and operating costs.

Budget and funding for the existing shelter portion of the Fourth and Jefferson building are located in the base budget for the Community Services Operating Fund (Fund 1421) and are funded with General Fund dollars and Document Recording Fees.

- For FMD, they will charge expenditures directly to DCHS's expenditure authority through a work authorization, and do not need additional appropriation to complete this work.

**11. What are the estimated operating costs for 2019-2020, and what will those operating costs include (months open – for instance, will this be winter-only, supportive services, meals, etc.)? Can you break out what had been planned for shelter-only operations and what is in addition for the day center?**

The facility will be open year round and will likely operate the opposite hours of the co-located shelter (6am to 7pm). The exact day center program has not been determined. However, basic supportive services will be provided, which are included in the \$2 million estimate in question 18.

Additionally, the shelter will include specialized housing navigation services. The costs for these specialized services are estimated at \$400,000 for the biennium and are drawn from short term rental lodging tax.

**12. Has an operator been selected? Same as for shelter (Salvation Army)?**

No, an operator has not been selected. DCHS is completing a RFQ process for experienced shelter and day center operators to be on hand for existing and new shelter facilities. The operator will likely be selected from this group of approved operators. Facility operations and services could be provided by separate agencies.

**13. What is the funding source for capital and operating?**

The capital, operations, and basic supportive services for the day center will be paid for with Veterans, Seniors and Human Services Levy (VSHSL) funding from strategy HS1. The specialized housing case management will be paid for out of the new revenue generated by applying the lodging tax to short-term rentals (such as AirBnBs).

**14. Is the intended population single men? Will there be space for women and couples? If so, what % of the total?**

The specific operations will be determined in conjunction with the operator. The expectation is that the day center space will be available to any users and will likely draw from homeless individuals spending time outdoors near the court house.

**15. Will meals be served?**

As noted in the response above, the exact day center program has not been determined. Once an operator is selected, we will continue conversations around the type of supportive services that can be provided.

**16. Will there be hygiene services (shower, laundry), and if so, can you break out the capital/operating costs for these?**

Bathroom facilities will be available as part of the day center. While there are showers in the building, if and how these will be made available to the day center as opposed to the shelter will be determined in conjunction with the operator. The provision of laundry services will need to be discussed with both FMD and the shelter operator to determine if they can be provided within the allotted budget and facility permit.

## **Modular**

**17. Can you provide capital + operating costs for the modular units that will be in addition to the planned 72 beds at Elliott? (And just to make sure I'm clear, is the proposal for the 72 at Elliott plus 88 in bridge housing, or 160 additional in bridge housing?)**

The modular dormitory units are in addition to the Elliott Shelter and Micro Dwelling Units previously announced. Capital expenses (including acquisition, transportation, and site set up) are estimated between \$3 million and \$5 million, because much of the final cost will depend on site set up expenses once a site is selected. For budgeting purposes, DCHS has assumed \$4.25 million in its funding plan.

Operating and service expenses are estimated at approximately \$2.25 million for the biennium and will depend, in part, on the programming for the units.

**18. How is this reflected in the budget or will additional action be needed?**

The relevant requests for DCHS appropriation are in HCD Fund in decision packages DS\_009 (for the lodging tax) and DS\_010 (for the Convention Center funding).

For FMD, they will charge expenditures directly to DCHS's expenditure authority through a work authorization, and do not need additional appropriation to complete this work.

**19. Do you have a timeline on siting?**

We are actively researching potential siting locations, and the timeline for siting these units will depend on how quickly we can find a site, finish all inspection and permitting work, and will also be dependent on the programmed use and operator.

**20. What (if any) supportive services will be provided?**

DCHS has set aside \$2.25 million for operating and service expenses for the modular dormitory units. Programming for the units is to be determined. It is possible that the units will be used in a variety of housing applications, including both bridge housing and permanent uses. The service package will depend on the use and will be determined in conjunction with the operator.

**21. Have you identified an operator?**

An operator has not yet been determined. It is possible that multiple operators may be involved in the use of the units.

## **Harborview Hall**

**22. Just to make sure I have the most up to date information, do you have an opening date for the overnight shelter? An ETA for 24/7 opening?**

FMD continues to work to address capital issues with the building. The current critical path to opening the facility as an overnight shelter (and would also impact using it as a 24/7 shelter) involves the need to repair the existing fire panel. Repairs will need to be made to ensure the panel is code compliant. This issue was only recently confirmed, and the current best case estimate is that improvements will take approximately 60 days, but could also take significantly longer.

The current focus of the project team is to address issues related to the overnight shelter to get that open as soon as possible. Once those have been addressed and the facility is open, FMD will shift to identifying the improvements and costs necessary to shift to 24/7 operations

An ETA for opening is dependent on understanding more about the issues with the fire panel.

**23. Can you provide the latest estimates of capital + operating for (a) overnight and (b) 24/7? What is the funding source and is all of this in the proposed budget?**

Overnight operations:

- Capital costs for the overnight shelter are estimated at \$1.25 million, including current estimates of improvements to the fire panel.
- Operating an overnight shelter costs about \$1.8 million for the biennium.
- Funding sources for capital include MIDD (\$250,000) and General Fund support provided by the Council in the 2017-2018 budget (\$1.0 million). Operating expenses (\$1.8 million) are covered by the General Fund support provided by Council in the 2017-2018 budget (\$400,000) and VSHSL (\$1.4 million).
- Adequate appropriation exists in DCHS's budget to pay for an overnight shelter.

24/7 operations:

- As noted above, we are still working to identify improvements and costs related to the 24/7 shelter. All numbers below are estimates.
- On the capital side, costs have not yet been finalized but may be as high as \$6 million.
- On the operating side, we estimate it would cost about \$4 million for the biennium to operate Harborview Hall as a 24/7 enhanced shelter
- The funding sources and budget authority needed to operate a 24/7 shelter at Harborview Hall would be dependent on final cost estimates.

## Attachment 3

### From Executive: \$100 million TOD proposal

- **\$25,000,000 for King County Housing Authority for preservation and acquisition**
  - Funding will be used for anti-displacement, preservation, and acquisition of existing housing; KCHA and DCHS will partner on project selection.
  - This pool would be used in High Opportunity Communities and areas that are vulnerable for displacement such as Auburn, Bellevue, Issaquah, Kent, Kirkland, Redmond, and Tukwila.
- **\$15,000,000 for incentives to cities on affordable housing**
  - \$5 million each for 3 cities, outside of Seattle, as matching funds to identify and support projects that cities can demonstrate are developable within 3 years.
  - The city must provide \$5 million worth of cost reductions through incentives including, but not limited to, free property, lower parking ratios, cash, fee waivers, or other monetary incentives.
- **\$25,000,000 for competitive nonprofit/public pipeline**
- **\$35,000,000 for specific projects**
  - \$6,500,000 to Youthcare/CHPP for Broadway Youth Opportunity Center (Seattle)
  - \$5,000,000 to Bellweather/Plymouth for Madison/Boylston project (Seattle)
  - \$1,750,000 to Fillipino Community Center for Graham Street project\*\*\* (Seattle)
  - \$2,500,000 for SCIPda for Pacific Tower North Lot redevelopment (Seattle)
  - \$4,000,000 for Shelter America for Vashon Creekside property\*\*\* (Unincorporated)
  - \$250,000 for City of Shoreline for Fircrest pre-development planning (Shoreline)
  - \$5,000,000 for joint redevelopment project along future Sound Transit light rail of King County/Redmond/KCHA (Redmond)
  - \$2,000,000 for housing project in Snoqualmie/Carnation (I'm still waiting to get the details on this one)
  - \$4,000,000 for Renton Housing Authority for Sunset area redevelopment site\*\*\* (Renton)
  - \$4,000,000 for joint redevelopment project along of Burien/King County (Burien)