



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)*

Wednesday, October 31, 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-B0173 pp. 3-13](#)

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 #3 | October 31, 2018

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.¹ 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.

The panel will discuss how the recommendations in this action plan will be implemented. Specifically:

- **Staffing.** DCHS staff indicated at the panel meeting last week that no new staffing was needed or anticipated. However, since then the Task Force has held an additional meeting. Has DCHS revisited staffing needs and, if so, how many staff might be needed, what would their tasks be, and how would they be funded?
- **GMPC structure.** It is anticipated that some of the recommendations will be carried out through an inter-jurisdictional team supporting the Growth Management Policy Council. How will this support be structured, how will County staff be involved, what specific tasks are anticipated to be covered, and how will this effort be funded?
- **Support for local coalitions.** 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). However, advocates have requested additional funding for 2019, and policy makers have indicated an interest in support for additional coalitions, particularly in North King County. How could these requests be addressed?

¹ Motion 14754

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. (See Attachment 1). The panel will discuss:

- **King County Correctional Facility West Wing Enhanced Shelter.** What, if any expenditures have been made to date on this facility? What work has been completed to date? What is the Executive's level of certainty at this stage of development with the proposed \$2 million capital budget? What is the timeline for shelter opening?
- **Fourth and Jefferson Day Center.** What, if any expenditures have been made to date on this facility to provide for the day center? What work has been completed to date? What is the Executive's level of certainty at this stage of development with the proposed \$2 million capital and basic operating budget? What is the timeline for the day center to open?
- **Modular Dorms.** What funding was used to purchase the dorms? How is this purchase price reflected in the estimated \$4 million capital cost? Where are the dorms now, when are they expected to arrive in Seattle, and what level of Council approval is needed to open them for residents? What is the timeline for refurbishing the dorms and when are they anticipated to open? What is the status of the two other modular projects (the proposed Elliott shelter and the micro dwelling units) in terms of the purchase of the modular units, the funds expended to date, the status and location of the units, and the timeline to opening?
- **Harborview Hall.** What has been spent to date of the \$2.5 million set aside by the Council in the 2017-2018 budget? What updates can be provided about the timeline to opening the overnight shelter? How does the Executive propose to fund the additional work needed to open the building as an enhanced shelter?

TRANSIT-ORIENTED DEVELOPMENT BONDS

In 2015, the State Legislature passed the Workforce Housing Bill,² which gave the County the ability to bond against future (post-2021) lodging tax revenues for affordable housing³ 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.⁴ Earlier this year, the Executive announced the intention to issue an additional \$100 million in lodging tax-backed bonds to support affordable housing and provided an outline of a plan earlier this month (see Attachment 2). The panel will discuss:

² SHB 1223 (Chapter 102, Laws of 2015)

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

⁴ Motion 14687

- **Proposed project allocations.** The proposed geographic distribution, number of units, type of units, other funds leveraged, and timeline for each of the projects proposed for a project-specific allocation.
- **Preservation projects.** More information about the proposed plan to work with the King County Housing Authority on preservation, including how projects will be selected and the anticipated timeline for project selection and preservation.
- **Competitive allocations.** More information about how the competitive projects will be organized (around transit spines, geographically, etc.), and the timeline on which procurement processes are expected to be organized.

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Executive's Winter Shelter Proposal | October 2018

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

*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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Draft - \$100 million TOD/Affordable Housing Plan

Overarching Parameters

Funding is to be used for the acquisition, preservation, and/or new construction of affordable housing, serving households with incomes between 30% to 80% of the Area Median Income (AMI), with a specific focus on serving households below 60% AMI. Investments will be made within ½ mile of transit in neighborhoods with existing or planned walkable, transit-friendly, mixed-use development.

All projects allocated funding will be required to go under construction within 3 years of award. If a project fails to meet that deadline, the funding will be reallocated to another project within the same geographic sub region.

DCHS will aim to balance investments across the following sub-regions: 1) North/East King County, 2) South King County, 3) Seattle, and 4) Unincorporated King County.

Allocations Proposed

- **Up to \$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. High Opportunity Communities is defined as communities where households have access to good schools, transportation and economic opportunities to promote upward mobility.
 - Policy Objective: To ensure that affordable housing for 30%-80% AMI is retained in areas of the County that are subject to high displacement.
 - Policy Objective: To ensure that housing dollars are allocated to areas of the County that have traditionally been underserved.
 - Policy Objective: Equitable geographic dispersion between the North/East and South sub regions.
- **Up to \$15,000,000 for incentives to cities on affordable housing**
 - Matching funds, up to \$ 5 million, on a dollar per dollar basis are available to cities, outside of Seattle, to identify and support 4 projects that are developable within 3 years. To be eligible for the match, the city must demonstrate cost reductions in the amount of the matching request. Cost reductions could include, but are not limited to, free property, lower parking ratios, cash, fee waivers, or other monetary incentives for the development of affordable housing.
 - Policy Objective: To incentivize cities to develop affordable housing strategies that remove barriers and/or provide incentives to increase the supply of affordable housing.
 - Policy Objective: To leverage County dollars and ensure affordable housing throughout the County.

- Policy Objective: At least two projects in each of North/East and South sub regions.
- **Up to \$24,000,000 for competitive nonprofit/public pipeline**
 - Policy Objective: To leverage County dollars and ensure affordable housing throughout the County.
 - Policy Objective: Maintain a pool of available funds for development opportunities potentially not yet identified/ or other projects that will be ready to proceed. Applications will be reviewed on a rolling basis.
 - Policy Objective: Equitable geographic dispersion across the sub-regions North/East, South, Seattle, and Unincorporated Areas.
- **Up to \$35,000,000 for specific projects**
 - Up to \$6,500,000 to YouthCare/CHPP for Broadway Youth Opportunity Center and Affordable Housing (Seattle)
 - Description: A joint project between Capitol Hill Housing, and Youthcare to provide an opportunity center for students focused on education and employment. Housing will be next door to the Youth Care Center.
 - Population: Students and 30% to 80% households
 - Unit Count: Approximately 75 Units of affordable housing plus some dorm style units in the Youth Care Center
 - Location: Capitol Hill, Seattle
 - Timeline: Project needs to secure all necessary financing, including historic tax credits; estimated construction start Spring 2020
 - Committed Public Sources to Date: \$2.5M State via Commerce
 - Estimated Total Development Costs: \$45M
 - Policy Objective: Affordable housing in a transit and amenity rich neighborhood in Seattle with direct access to the Seattle College.
 - Policy Objective: Provide youth a safe space and alternative to detention, helping the County meet its goal for zero youth detention.
 - Up to \$5,000,000 to Bellwether/Plymouth for Madison/Boylston Affordable Housing and Homeless Housing (Seattle)
 - Description: A joint project between Bellwether Housing and Plymouth Housing on surplus property from Sound Transit. The Bellwether portion of this project is eligible for TOD funds.
 - Population: Bellwether portion will serve low-wage workers and other low-income households
 - Unit Count: 253 Units (Bellwether portion), plus 112 Units (Plymouth portion)
 - Location: First Hill, Seattle
 - Timeline: Project needs to secure all necessary financing; estimated construction start June 2020
 - Committed Public Sources: None to date.
 - Estimated Total Development Costs: \$122M
 - Policy Objective: Affordable housing in a transit and amenity rich neighborhood in Seattle.

- Up to \$1,750,000 to Filipino Community Center for TOD Affordable Housing(Seattle)
 - Description: Development by Filipino Community of Seattle to serve very low-income seniors.
 - Population: Seniors at 30%-50% AMI
 - Unit Count: 94 Units
 - Location: Along future Graham Street Light Rail Station, Seattle
 - Timeline: Project needs to secure gap funding to start construction May 2019
 - Committed Public Sources: \$1M State via Commerce, and \$11Msecured from City Office of Housing.
 - Estimated Total Development Costs: \$37M
 - Policy Objective: Affordable housing in a transit and amenity rich neighborhood in Seattle.
- Up to \$2,500,000 for SCIPda for Pacific Tower North Lot redevelopment (Seattle)
 - Description: Partnership between SCIDpda, International Community Health Services, Kin On and El Centro de la Raza that includes affordable housing, an early learning center and all-inclusive care for the elderly.
 - Population: Family, Veterans, 30%-50% seniors
 - Unit Count: 262 Units
 - Location: Beacon Hill, Seattle
 - Timeline: Project needs all necessary financing; estimated construction start July 2020
 - Committed Public Sources: King County Funds under the existing \$87 million TOD Allocation Plan are already invested related to the leasehold purchase of the Pacific Hospital North Lot: the \$3 million set-aside for the Pacific Hospital Preservation & Development Authority plus \$1.7 million from the Historic South Downtown Preservation & Development Authority set-aside
 - Estimated Total Development Costs: \$138M
 - Policy Objective: Affordable housing in a transit and amenity rich neighborhood in Seattle.
 - Policy Objective: Provide early childhood learning center for underserved community.
- Up to \$4,000,000 for Shelter America for Vashon Creekside Affordable Housing (Unincorporated)
 - Description: Townhouses on Vashon Island.
 - Population: Individuals and families between 50% and 60% AMI
 - Unit Count: 45 Units
 - Location: Vashon Island
 - Timeline: Estimated in 2019
 - Committed Public Sources: None that aware of.
 - Estimated Total Development Costs: \$13M

- Policy Objective: Affordable housing in unincorporated King County.
- Up to \$250,000 for City of Shoreline for Fircrest pre-development planning (Shoreline)
 - Description: Exploration of the feasibility to acquire and redevelop the property to provide for affordable housing as well as other uses.
 - Population: Individuals and Families between 30% to 80% AMI
 - Unit Count: TBD
 - Location: Between NE 150th Street/NE 165th Street and 15th Ave NE/25th Ave NE, Shoreline
 - Timeline: TBD
 - Committed Public Sources: None.
 - Estimated Total Development Costs: TBD
 - Policy Objective: Exploring the opportunity to redevelop underutilized public land for affordable housing in North King County.
- Up to \$5,000,000 for joint development project along future Sound Transit light rail King County/Redmond/KCHA (Redmond)
 - Description: Joint development between KC Metro, KC DCHS and KCHA to provide bus layover and affordable housing across the street from light rail station and Redmond Connector Trail.
 - Population: Individuals and families between 30% and 80% AMI
 - Unit Count: Approximately 150 -200 Units
 - Location: Downtown Redmond
 - Timeline: TBD
 - Committed Public Sources: None.
 - Estimated Total Development Costs: TBD
 - Policy Objective: To provide affordable housing at transit and amenity rich neighborhood in East King County.
 - Policy Objective: To partner with other KC agencies in TOD projects.
- Up to \$2,000,000 Cascade Park Apartments
 - Description: Acquisition and Preservation of an existing low income senior housing development, to be purchase by Mt. Si Senior Center.
 - Population: Seniors below 60% AMI
 - Unit Count: 28
 - Location: 440 Main Avenue South, North Bend
 - Timeline: Acquisition & Rehab start by December 2019
 - Committed Public Sources: None. (Existing owners financing through USRDA will likely be assumed)
 - Estimated Total Development Costs: TBD
 - Policy Objective: To provide affordable housing at transit and amenity rich neighborhood in East King County.

- Up to \$4,000,000 for Renton Housing Authority Sunset Oaks (Renton)
 - Description: One of several development projects in the Sunset Area Transformation Plan. Specifically, the project will provide replacement housing for the Sunset Terrace Public Housing site.
 - Population: Individuals and Families at 60% AMI
 - Unit Count: 62 Units
 - Location: Sunset Transformation Area, Renton
 - Timeline: Project needs to secure gap funding to start construction early 2019
 - Committed Public Sources: None that aware of.
 - Estimated Total Development Costs: \$23.4M
 - Policy Objective: To provide affordable housing at transit and amenity rich neighborhood in South King County.
- Up to \$4,000,000 for joint development project in Burien/King County (Burien)
 - Description: Joint development between KC Metro and KC DCHS
 - Population: Individuals and families between 30% and 80% AMI
 - Unit Count: TBD
 - Location: Near Burien Town Square
 - Timeline: TBD
 - Committed Public Sources: TBD
 - Estimated Total Development Costs: TBD
 - Policy Objective: To provide affordable housing at transit and amenity rich neighborhood in South King County.
 - Policy Objective: To partner with other KC agencies in TOD projects.

Staffing Proposed

In order to administer these funds, DCHS will require increased staffing capacity by adding four new Full Time Employees; three for the Housing Community Development Program team:

- One PPM I and one PPM II to administer and monitor use of funds
- One fiscal specialist for the DCHS financing team
- One PPM II to work with cities to participate in the incentive program and implement recommendations of the Regional Affordable Housing Task Force.

In order to fund these positions, all projects allocated funding out of this pool will be required to pay fees associated with the administrative costs of the program as follows:

- 2% fee on total loan amount due at closing, plus 1% simple interest annual payment over the life of the loan.

This is the same as fees charged on the existing TOD Allocation Plan.