

AFFORDABLE HOUSING COMMITTEE

Friday May 15, 2020, 1:00 – 4:00 pm

INTRODUCTIONS

Agenda

1:00 P.M.	Introductions and Agenda Review
1:05 P.M.	Approve Meeting Minutes
1:10 P.M.	Vice Chair Nomination and Selection
1:15 P.M.	Work Plan Update
1:30 P.M.	Community Partners Table
1:45 P.M.	COVID-19 Impacts
2:35 P.M.	Break
2:45 P.M.	Work Plan Adjustments
3:40 P.M.	Member-Driven Initiatives: City of Auburn
3:55 P.M.	Next Steps
4:00 P.M.	Adjourn

MEETING MINUTES

January 30th, 2020

AHC Membership Update

New Members*

- **Michael Ramos**, Executive Director of Church Council of Greater Seattle
- **Caia Caldwell**, External Relations Manager for Master Builders Association of King and Snohomish Counties
- **Councilmember Ryan McIrvin**, City of Renton, *Former SCA alternate member*
- **Mayor Lynne Robinson**, City of Bellevue, *Former SCA alternate member*
- **Councilmember Girmay Zahilay**, King County
- **Councilmember Teresa Mosqueda**, City of Seattle

New Alternate Members

- **Councilmember Tanika Padhye**, City of Redmond, *Sound Cities Association*
- **Councilmember Zach Hall**, City of Issaquah, *Sound Cities Association*
- **Mayor Rob McFarland**, City of North Bend, *Sound Cities Association*

**GMPC concurred on 2/26/2020,
Appointment letters pending*

VICE CHAIR SELECTION




WORK PLAN






Staff Update

McCaela Daffern

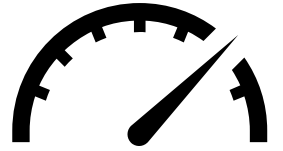
Regional Affordable Housing Implementation Manager
King County Department of Community and Human Services

Work Plan Progress

WORK PLAN ITEMS	PROGRESS	STATUS
1. Establish procedures for Affordable Housing Committee		On Schedule <i>Target:</i> TBD
2. Center equity in the Committee's work		On Schedule <i>Target:</i> Nov 2020
3. Develop the data dashboard and reporting systems		Slowed due to COVID-19 capacity and rescheduling <i>Target:</i> Nov 2020

WORK PLAN ITEMS	PROGRESS	STATUS
4. Take advantage of timely opportunities to increase regional collaboration <i>Countywide Planning Policies</i>		Slowed due to COVID-19 and State extension of timeline <i>Revised target:</i> Fall AHC adoption
Emerging Issue: <i>COVID-19 discussion on May agenda</i>		Not started <i>Target:</i> TBD
5. To build support for affordable housing, develop a community engagement strategy		Not started <i>Target:</i> Nov 2020
6. Analyze and identify unused and new revenue sources and help build the case for greater investment		Slowed due to COVID-19 capacity and rescheduling <i>Target:</i> Nov 2020
7. Review and recommend zoning and land use actions to increase and diversify housing choices and maximize affordability, particularly near frequent transit		Not started <i>Target:</i> Nov 2020

Affordable Housing Dashboard

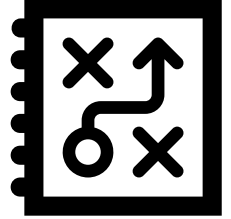


Progress



- **Staff** has been working with a combination of the entire HIJT and smaller groups of subject-matter experts from the HIJT to:
 - ✓ *Evaluate a variety of datasets for rental prices, subsidized units, and housing prices;*
 - ✓ *Purchase software and datasets, gather, build & clean data;*
 - ✓ *Build structure, layout, and organization for dashboard;*
 - ✓ *Refine narratives for written dashboard content to accompany data*
 - ✓ *Develop methodologies for measuring metrics for goals 1,3,6*
 - ✓ *Develop communications & roll-out plan for Fall 2020*
- **Stakeholder engagement** has not started
- **Changes to timeline** Draft dashboard & annual report presentation at May AHC meeting postponed until July, two data releases combined into a single dashboard roll-out in Fall 2020, Annual Report postponed until Fall 2020

CPP Work Group

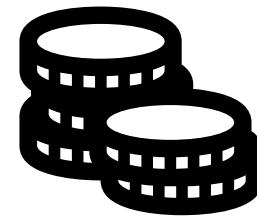


Progress



- **HIJT work group formed** to reviewed AHC feedback from January, began drafting amendments, and worked with the IJT on overarching CPP priorities
- **Stakeholder engagement** with:
 - ✓ *Growth Management Planning Council's Interjurisdictional Team (IJT)*
 - ✓ *King County Planning Directors*
 - ✓ *Growth Management Planning Council (GMPC)*
 - ✓ *Sound Cities Association Public Issues Committee*
 - ✓ *Housing Development Consortium (HDC) members*
 - ✓ *South King County Joint Planners and Developers Workgroup*
 - ✓ *South King Housing and Homelessness Partners (SKHHP) Staff Workgroup*
 - ✓ *South King Regional Housing Action Plan Group (HB 1923-funded)*
- **Changes to timeline** AHC March meeting cancelled; CPP update timeline extended by 6 months; AHC discussion postponed until July; AHC recommendation expected in November

Revenue Work Group



Progress



- **HIJT work group formed**, developed a scope of work; identified anticipated challenges and issues; and developed draft principles to guide the work
- **Stakeholder engagement** has not started
- **Changes to timeline** This body of work paused and group pivoted to developing COVID-related revenue research; will reengage in work plan scope in May

Member-Driven Initiatives | Overview

What is it?

- AHC members showcase affordable housing best practices from their cities or organizations
- AHC members surface and advance actions that implement the Regional Affordable Housing Task Force Five Year Action Plan

How does it work?

- 15 minutes set aside at each meeting for members to present on promising solutions
- Topics will be timely, scalable or replicable and could include:
 - A proposed model ordinance
 - Examples of new or creative ways to speed the production of affordable housing
 - A best or promising practice

Member-Driven Initiatives | Roles

AHC Members

- Develop their initiatives from beginning to end, including:
 - Presenting
 - Collaborating with others
 - Developing initiative summary
- Track information

HIJT Members

- Schedule presenters and initiative topics for AHC meetings
- Provide technical assistance (A/V or remote access) or printing materials for presentations
- Create shared document templates for AHC members to input information
- Update the dashboard to reflect progress on member-driven initiatives
- Share information via AHC website

COMMUNITY PARTNERS TABLE

BRIEFING

Melissa Arias

Regional Affordable Housing Specialist

King County Department of Community and Human Services

Community Partners Table

Purpose

- **Surface and strategize around housing issues** of importance to the communities that members are connected to and **recommend items for** inclusion in the Affordable Housing Committee **annual work plan**
- **Collaborate** with the AHC **in reducing the disproportionate impacts of housing affordability challenges**, including displacement, on communities impacted by racism, colonization, and oppression
- **Advise** the Affordable Housing Committee and King County staff **on how to best engage communities** most impacted by the housing crisis in affordable housing planning and equitable development plans and policies

Types of Equity

Process

Inclusive, open and fair access by all stakeholders to decision processes that impact community and operational outcomes. Process equity relies on all affected parties having access to and meaningful experience with civic and employee engagement, public participation, and jurisdictional listening.

Distributional

Fair and just distribution of benefits and burdens to all affected parties and communities across the community and organizational landscape.

Cross-generational

Effects of current actions on the fair and just distribution of benefits and burdens to future generations of communities and employees. Examples include income and wealth, health outcomes, white privilege, resource depletion, climate change and pollution, real estate redlining practices, and species extinction.

MEMBERSHIP

Members will be identified through a screening process that seeks to balance geographical representation with diversity of race, ethnicity, age, ability, and housing and equity expertise. Organizations must represent no- and low-income communities, including but not limited to the following:

- Black, Indigenous and People of Color
- Immigrants and refugees
- People living with disabilities
- Low-income seniors
- Cost-burdened renters
- LGBTQ+ people
- People with criminal records
- People who have experienced homelessness

Next Steps | 2020 Timeline

February-May

- Gather support
- Agree on logistics
- Develop plan for support and management of the Table
- Orient people to the Table

June-September

- Develop and execute recruitment strategy
- Develop and execute onboarding strategy
- Plan for first meeting

October-December

- Hold first meeting
- Table members to define priorities and next steps



Are there any considerations you would like the HIJT to keep in mind as we move forward with developing the Community Partners Table framework?

COVID-19 IMPACTS

Staff Briefing

Mark Ellerbrook

Division Director – Housing, Homelessness & Community Development
King County Department of Community and Human Services



COVID-19 exacerbates our existing
housing crisis

Before COVID, 1 out of 3 households in King County were cost-burdened



Growth

- King County's population growth has been greater than housing production since 2011
- Wages have not kept up with increased housing costs



Cost burden

- More than 100,000 low-income households pay more than half their income for housing costs



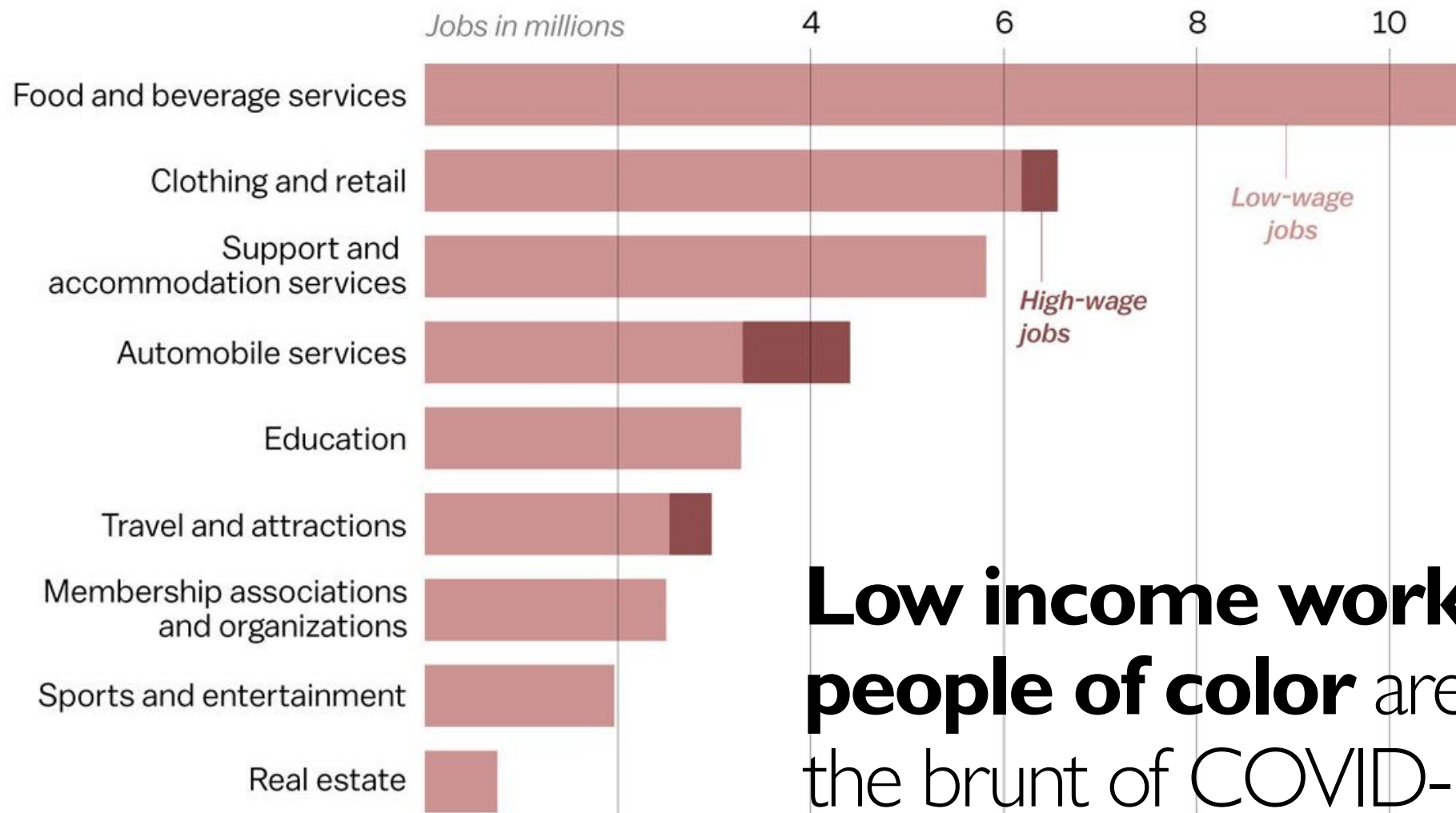
Disproportionality

- Renters are twice as likely to pay half their income for housing costs
- People of color are significantly more likely to be paying more than half their income on housing



Need

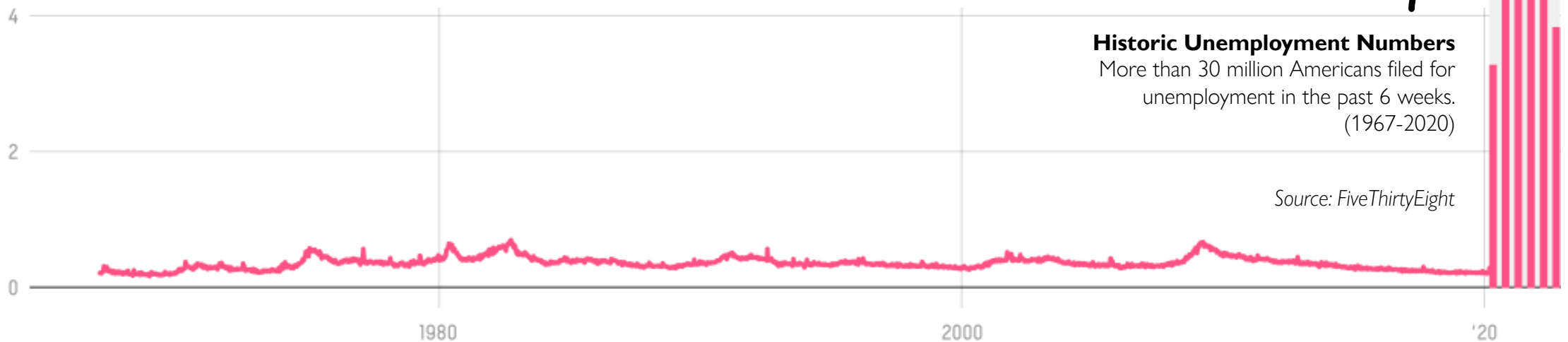
- 244,000 affordable homes needed by 2040



Low income workers and people of color are bearing the brunt of COVID-19 impacts

Likely Scenarios

- ✓ **Cost burden rises** because housing supply is still so low that home prices are not likely to go down. Home prices are less responsive to recessions because housing is an absolute need.
- ✓ **Disproportionate impacts** on vulnerable populations



Other Likely Scenarios

- ✓ **Cost burden rises** because housing supply is still so low that home prices are not likely to go down. Home prices are less responsive to recessions because housing is an absolute need.
- ✓ **Disproportionate impacts** on vulnerable populations
- ✓ **Renters & owners face evictions/foreclosures** at the end of moratorium, and **existing affordable housing units are at risk** if they have a foreclosure
- ✓ Immediate crisis response **pulls attention from long-term needs**
- ✓ **Funding sources uncertain** during recession



short-term emergency measures

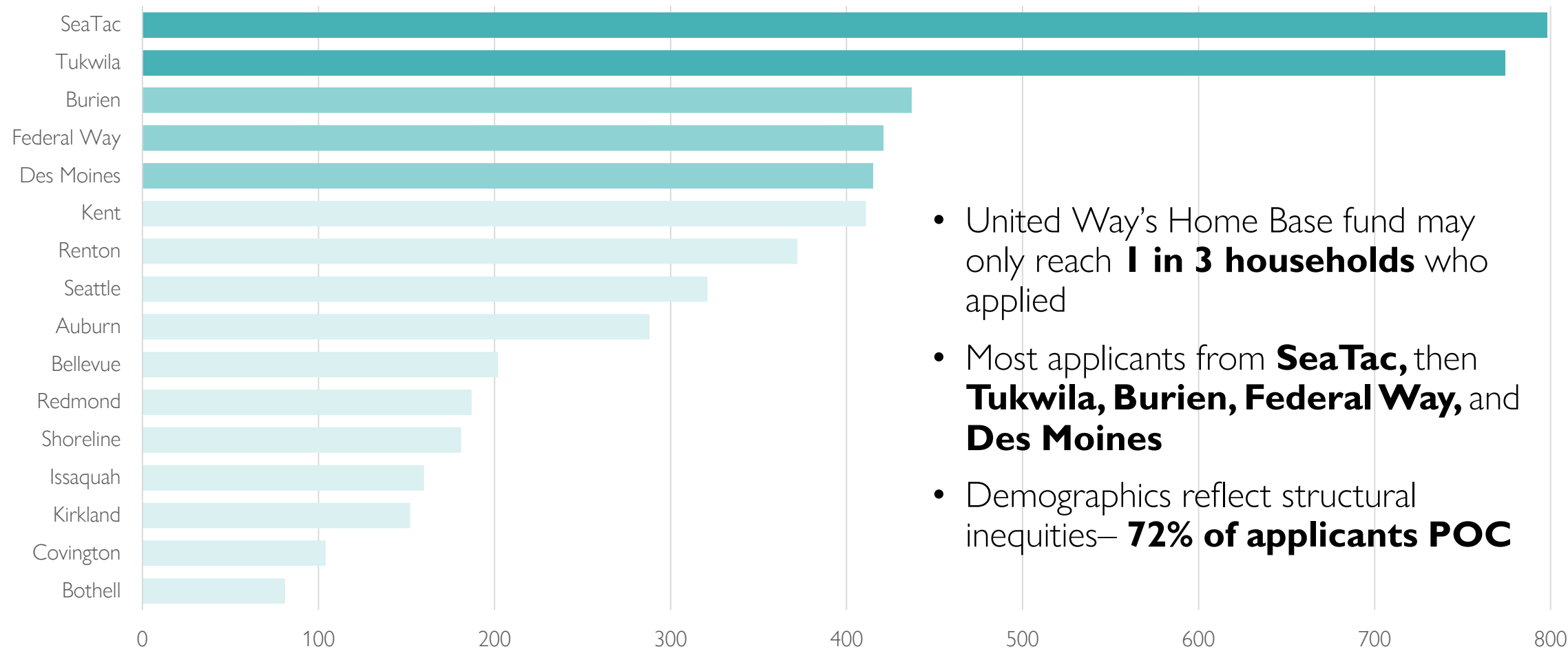
will expire & exhaust

Currently, 100% of renters and ~70% of mortgages are covered, but time is running out



*Source: [Urban Institute](#)

Rental assistance need eclipses funds



- United Way's Home Base fund may only reach **1 in 3 households** who applied
- Most applicants from **SeaTac**, then **Tukwila, Burien, Federal Way**, and **Des Moines**
- Demographics reflect structural inequities— **72% of applicants POC**

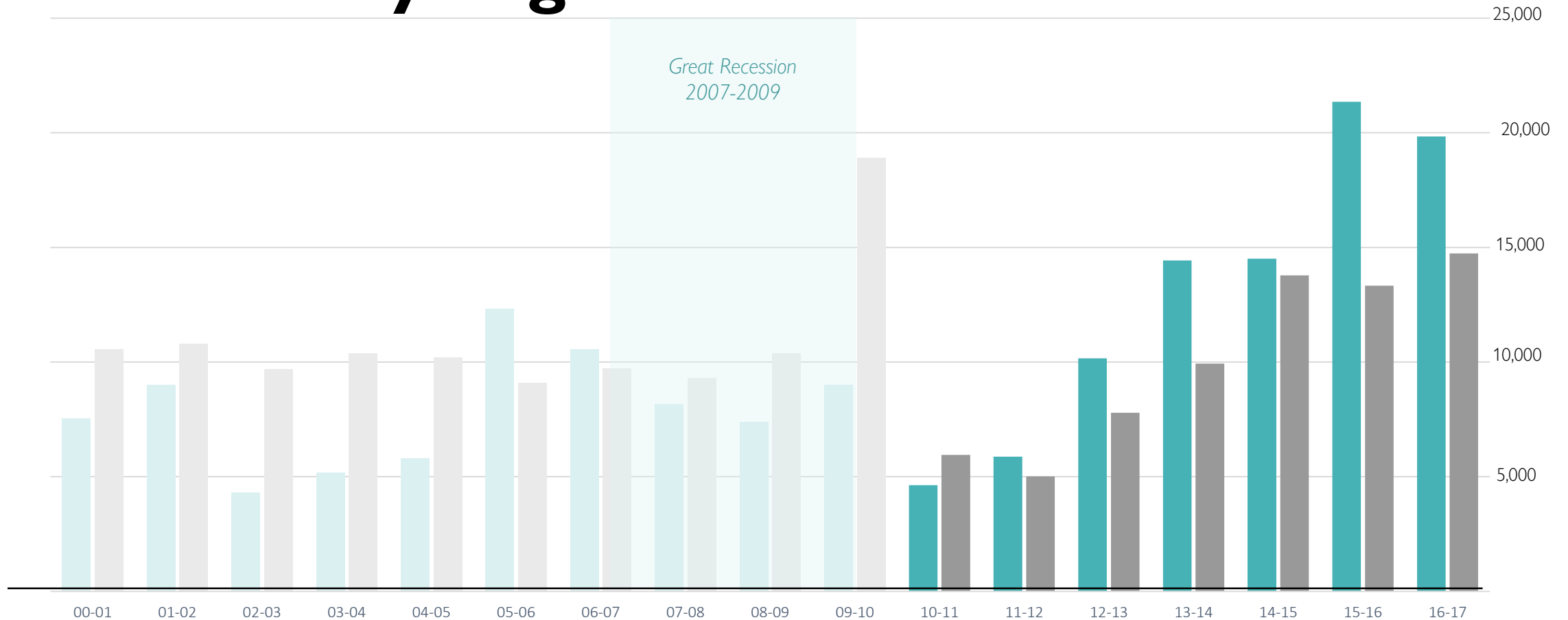
Home Based Rental Assistance Applications received per 100,000 residents in each jurisdiction

Preliminary data as of April 21



**long-term
challenges**
will remain and grow

Housing supply is still so low that home prices are not likely to go down

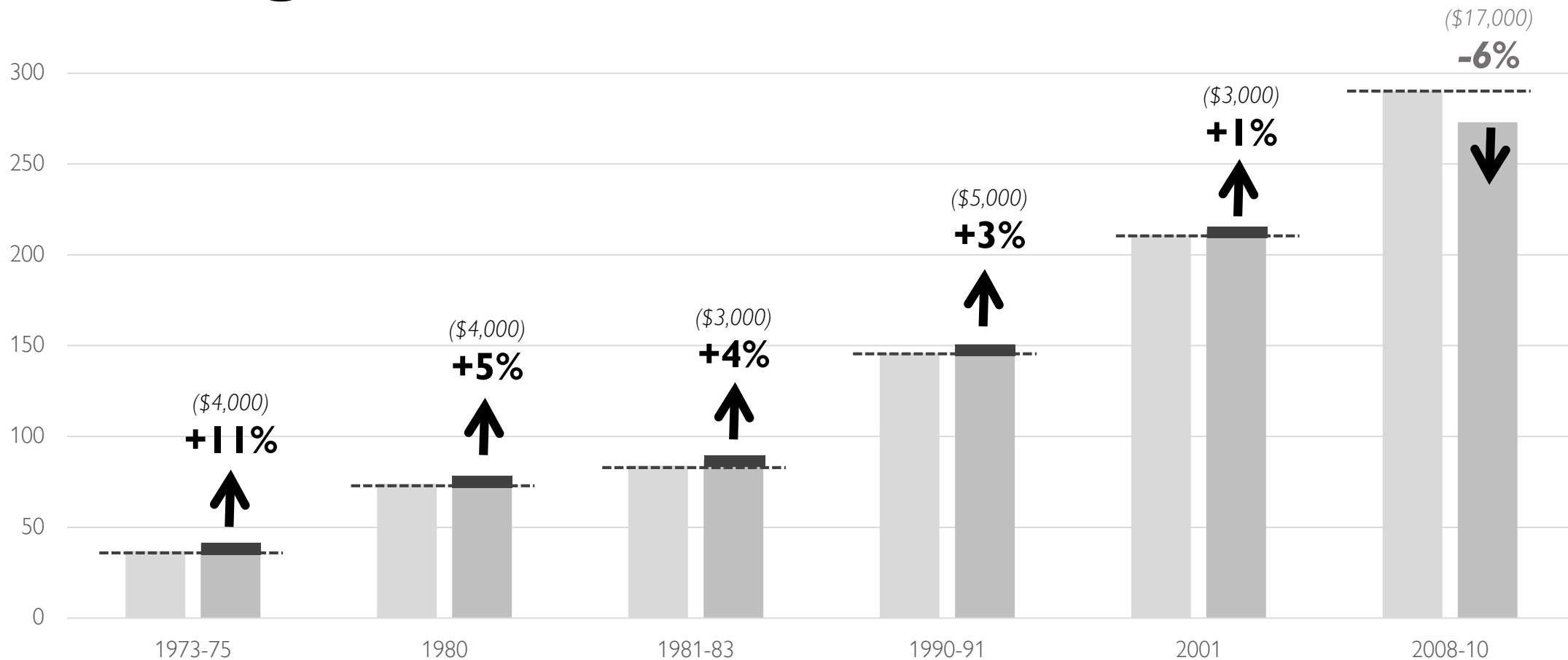


King County Annual Housing Units & Household Growth from 2001-2018

Source: Washington State Office of Financial Management, Puget Sound Regional Council Covered Employment Estimates

households housing units

Historic data shows that home prices actually rise during recessions

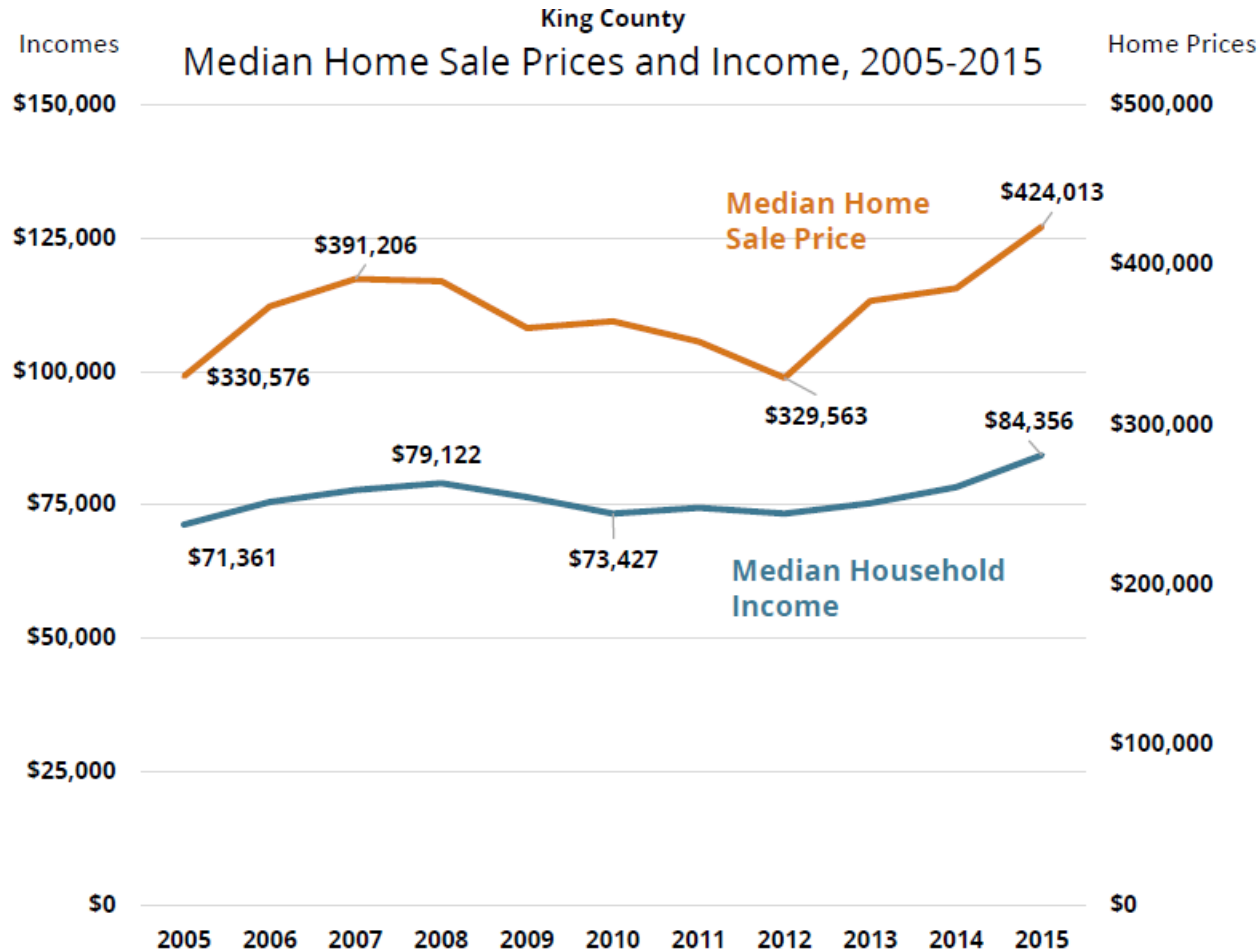


Impact of Recessions on Housing Prices 1973-2010

Source: [Federal Reserve](#), Analyzed by [Windermere Economics](#)

■ Start of Recession ■ End of Recession

And home prices rise much faster than income, further increasing cost-burdened households



- ✓ Median home sale price has been growing at nearly twice the rate as the median household income since 2005
- ✓ From 2012-2015:
Household Income: **+3.5%**
Home Sale Price: **+6.5%**



**our resource
landscape**

is unclear

Actions taken have been significant but insufficient

Federal, State, and local governments, in partnership with nonprofits and private sector actors, are taking actions to respond to immediate needs, but current resources are insufficient.

Federal CARES Act

\$19.31 million in Federal COVID-19 recovery resources allocated to King County jurisdictions

Local Rental Assistance

11 jurisdictions deployed more than \$3.32 million in rental assistance to keep renters housed. United Way, Seattle Foundation and others also contributed support.*

Tenant Protections

10 jurisdictions enacted at least one emergency protection for renters (e.g. temporary residential eviction moratorium, ban on late fees)

**as of May 8th*

Some local resources for housing will decrease, the impact on others is unclear

Potential Decrease

- Federal 9% Low-income Housing Tax Credit (LIHTC)
- Federal 4% LIHTC
- King County Hotel/Motel Tax
- King County Mental Illness and Drug Dependency

Stable

- King County Veterans, Seniors, and Human Services Levy
- Federal HOME
- Youth and Family Homelessness Prevention Initiative
- Best Start for Kids

Unclear

- Washington State Housing Trust Fund (HTF)
- A Regional Coalition for Housing HTF
- Seattle Office Housing (mix of funds)
- Cities and County use of State Sales Tax “Credit” (House Bill 1406)
- King County Document Recording Fee & Regional Affordable Housing Program
- Airbnb Short Term Lodging Tax
- Consolidated Homeless Grant Document Recording Fees

An aerial, grayscale photograph of a suburban neighborhood. The image shows a dense grid of streets with many small, uniform houses. The streets are mostly straight, with some curves. The houses are arranged in neat rows, and there are some larger, more prominent buildings or commercial areas interspersed. The overall impression is of a well-planned, organized community.

lessons learned
from previous experiences

Great Recession (2008-2012)

✓ **High number of foreclosures**

The prior downturn was real estate led and many households were exposed due to predatory lending. These loans led to a huge foreclosure crisis and a precipitous drop in homeownership rates, particularly among People of Color. Foreclosures may not be a leading factor this time but a secondary impact as folks deal with loss of income.

✓ **Decrease in resources for affordable housing**

We hit the high water mark in HTF (\$200M) just before the last recession. We did not get back to that level of funding again for over a decade.

✓ **Increased burden on public sector**

Last recession resulted in drops in tax credit value due to companies not needing tax credits. State is likely to experience similar funding challenges for 2020-2021, which will create gaps in already funded projects and increase requests to public sector for funding.

Big Win

Systemic reforms to our financial and mortgage sectors through the Dodd-Frank Act created the guard rails that are protecting us today

Lost Opportunity

We did not take advantage of the downturn to **acquire affordable housing and property** at a discount when distressed properties came on the market

Lesson Learned

Support to specific individuals (i.e. mortgage payment support, rent assistance) is very expensive on a per household basis. **Policy support is much more effective.**

What this Means for the AHC

Previous crises have shown that acting quickly on both short-term and long-term policy actions is critical for stabilizing the housing ecosystem. As a body, the AHC is best positioned for working on **long term policy changes** and **influencing the regional recovery**.

- ✓ *Cost burden will rise dramatically*
- ✓ *Disproportionate impacts are amplified*
- ✓ *Need to build/preserve housing remains*

Discussion



Thoughts? Reflections?



10-min

BREAK

WORK PLAN ADJUSTMENTS

McCaela Daffern

Regional Affordable Housing Implementation Manager
King County Department of Community and Human Services

Current Work Plan Considerations

Possibilities

Considering factors such as alignment with regional COVID-19 recovery needs, timeliness, capacity to execute, or how far along the project is in execution:

- **Scale back** current work plan
- **Revise deadlines** for current work plan items
- **Stay the course but meet more often** or for longer periods of time
 - Staff will need additional assistance to prepare materials for those meetings

Short Term RAHTF Items

THEME	ACTION PLAN ITEMS
✓ Cost burden will increase	<ul style="list-style-type: none"> • Increase educational efforts to ensure maximum use of property tax relief programs to help sustain homeownership for low-income individuals (6.D.i) • Expand targeted foreclosure prevention (6.D.iii)
✓ Disproportionate impacts are amplified	<ul style="list-style-type: none"> • Strive to more widely adopt model, expanded tenant protection ordinances countywide and provide implementation support (4.B) • Expand supports for low-income renters and people with disabilities (4.C) <ul style="list-style-type: none"> • VSHSL Shallow rent subsidies (4.C.i) • Emergency rental assistance (4.C.ii) • Civil legal aid support (4.C.v)
✓ Need to build/preserve affordable housing remains	<ul style="list-style-type: none"> • Continue current work plan item • Coordinate support for increased federal funding

Long-term RAHTF Items (Part I)

THEME	ACTION PLAN ITEMS
✓ Cost burden will increase	<ul style="list-style-type: none"> • Support alternative homeownership models that lower barriers to ownership and provide long-term affordability (6.D.ii) • Encourage homeownership opportunities as a way to prevent displacement within communities of color while also promoting the growth of intergenerational wealth (5.B.v)
✓ Disproportionate impacts are amplified	<ul style="list-style-type: none"> • Propose and support legislation and statewide policies related to tenant protection to ease implementation and provide consistency for landlords (4.A) • Strive to more widely adopt model, expanded tenant protection ordinances countywide and provide implementation support (4.B) • Where appropriate, acquire and preserve manufactured housing communities to prevent displacement (5.B.vi)

Long-term RAHTF Items (Part 2)

THEME	ACTION PLAN ITEMS
✓ Need to build/preserve affordable housing remains	<ul style="list-style-type: none"> • Coordinate support for increased federal funding (1.A.vii) • Develop a short-term acquisition loan fund to enable rapid response to preserve privately owned affordable housing developments when they are put on the market for sale (2.C) • Create and implement regional land acquisition and development strategy near planned and existing frequent transit (3.C) • Analyze and identify unused and new revenue sources and help build the case for greater investment (2.A) * Current workplan item • Create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations, the health care sector, and others to encourage investments in affordable housing (7.B.i) • Implement comprehensive inclusionary/ incentive housing policies in all existing and planned frequent transit service to achieve the deepest affordability possible through land use incentives to be identified by local jurisdictions (3.A)

Discussion



Would you recommend any alterations to the Work Plan to respond to COVID?

What do you want to accomplish in the remaining three meetings of the year?

WORK PLAN ITEMS	STATUS	TARGET COMPLETION
1. Establish procedures for Affordable Housing Committee	On Schedule	TBD
2. Center equity in the Committee's work	On Schedule	Nov 2020
3. Develop the data dashboard and reporting systems	Slowed due to COVID-19 capacity and rescheduling	Nov 2020
4. Take advantage of timely opportunities to increase regional collaboration		
• <i>Countywide Planning Policies</i>	Slowed due to COVID-19 and State extension of timeline	Fall AHC adoption
• <i>Emerging Issue: COVID-19 discussion on May agenda</i>	Not started	TBD
5. To build support for affordable housing, develop a community engagement strategy	Not started	Nov 2020
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MEMBER-DRIVEN INITIATIVES

City of Auburn

PRESENTED TO:
KING COUNTY AFFORDABLE HOUSING
COMMITTEE

AFFORDABLE HOUSING IN AUBURN

MAY 15, 2020

Department of Community Development

Planning • Building • Development Engineering • Permit Center
Sustainability • Community Services • Code Enforcement

AUBURN
VALUES

S E R V I C E
E N V I R O N M E N T
E C O N O M Y
C H A R A C T E R
S U S T A I N A B I L I T Y
W E L L N E S S
C E L E B R A T I O N

AUBURN'S SUCCESSES AND STRENGTHS

- Four Transit Oriented Development projects anchored by a commuter rail station (753 units)
 - Multiple tools to stimulate development.
 - City not hitting affordability objectives for <60% AMI.
- Four 60% AMI Projects since 2016 (1,522 units)
- Develop collaborative partnerships (SKHHP)
- Rental housing licensing, crime prevention, and inspection programs
- Conversion of mobile home park restrictions and requirements

AUBURN AREAS OF ONGOING ATTENTION

- Advancing broader pooling of resources amongst regional and sub-regional partners (HB 1406, consistent housing strategies across cities)
- Easing requirements and costs for development (ADU's, public improvements, fees)
- Evaluation of city-owned land supply to contribute to a project



AUBURN AREAS OF NEEDED ATTENTION

- Housing for <60% AMI
 - Few remaining legislative opportunities for incentives
 - No identified new sources of revenue
 - Due to various sources of lost revenue, cities can't waive all fees
- Preservation of existing housing
 - Limited funding and opportunity for incentives (carrots)

Things we've done:

- ☒ Waive/Reduce Fees
- ☒ Expedite Permitting
- ☒ SEPA Approved
- ☒ Regional Stormwater
- ☒ Reduced Parking Req's

THANK YOU

Next meeting is July 22nd, 2020