

# AFFORDABLE HOUSING COMMITTEE

Wednesday, March 24, 2021, 12:00 p.m. – 2:00 p.m.

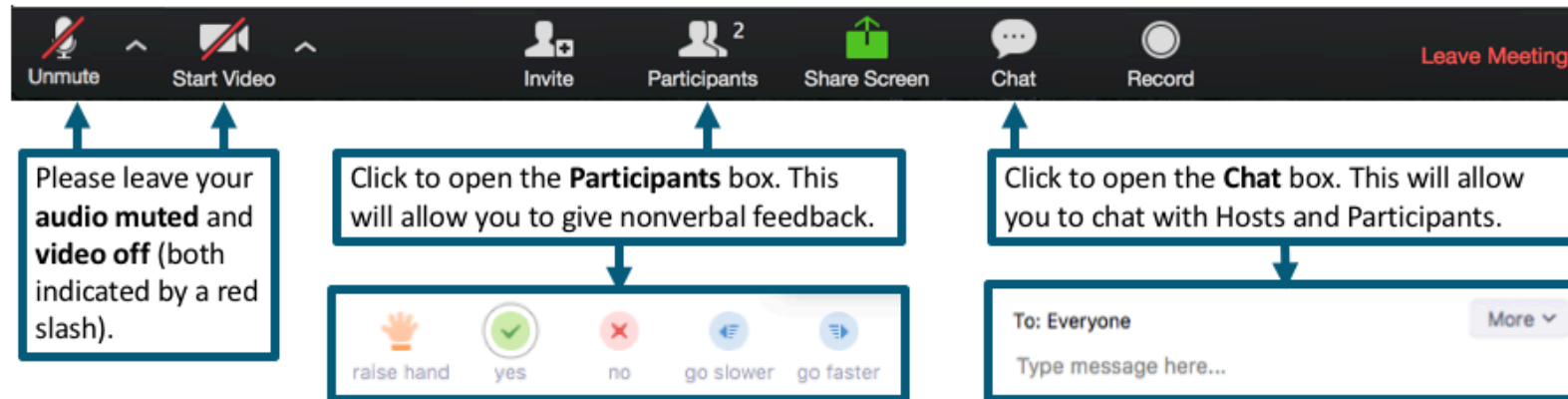
# Zoom Logistics

- **For Committee members and presenters**

- You can ask questions by raising your hand or via the chat function
- Check to ensure you can find your hand raise function and have the chat function open
- If you are comfortable, please keep your video on to aid in deliberations and facilitation
- Keep your microphone muted when not speaking.

- **For everyone else**

- You may keep your video off.
- Please keep yourself muted



# For Speakers, Staff, and Guests

- McCaela Daffern and Ali Saperstein are the main cohosts. We have administrative control over all meeting functions. Janet Lee and Melissa Arias are back-up cohosts in case we have technical issues.
- If you need any technical assistance during the meeting send a chat to Melissa via the Zoom Chat platform, email her or call her.
- Ali is the primary slide deck manager.
- Chat is open to all participants. You can address everyone or just privately to individuals. Be sure you are addressing the right audience before chatting. McCaela will monitor the chat box.
- Remember some listeners may not be able to see slides.
- Unruly or uncooperative attendees should be brought to the attention of a cohost. Cohost will put them in a waiting room to address the issue or remove them from the meeting.

# Introductions

# Agenda

- 12:00 p.m.     **Introductions and Agenda Review**
- 12:05 p.m.     **Adoption of March 24, 2021, Meeting Minutes**, *action item*
- 12:10 p.m.     **Revenue and Expenditure Monitoring**, *briefing and discussion*
- 12:30 p.m.     **Adopt 2021 Federal Funding Priorities**, *action item*
- 1:00 p.m.      **State Legislative Session Wrap-Up**, *briefing and discussion*
- 1:15 p.m.      **Dashboard Release**, *briefing and discussion*
- 2:00 p.m.      **Wrap Up and Next Steps**

# Meeting Minutes

**Reference material:** [Draft March 24, 2021, AHC Meeting Minutes](#)

**Council Chair Claudia Balducci**

Affordable Housing Committee Chair  
King County Council

# Revenue & Expenditure Monitoring

## Reference material:

[Revenue and Expenditure Monitoring Staff Report](#)

### **McCaela Daffern**

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

# Analysis Scope

Analyzed the impact of two recently authorized revenue tools for affordable housing in King County

- **Affordable and Supportive Housing Sales and Use Tax Credit**
  - Also referred to as the **State Sales and Use Tax Credit** or **Tax Credit**
  - Passed into law as House Bill 1406
  - Enacted by 30 jurisdictions in the region
- **Sales and Use Tax Option for Housing and Related Services**
  - Also referred to as the **Local 0.1% Sales and Use Tax Option** or **Tax Option**
  - Passed into law as House Bill 1590
  - Includes King County's Health Through Housing
  - Enacted by nine jurisdictions in the region



# Data Collected

- HB 1406 data from the Washington State Department of Commerce
- Findings from HIJT survey of 30 local jurisdictions (25 responded)
  - How many and which jurisdictions have enacted the authorized tools
  - Revenue collected as of March 2021
  - Planned and committed/awarded expenditures
  - Resulting or projected housing production
  - Implementation alignment with AHC's Shared Revenue Principles
  - Equity in processes and outcomes
  - Administrative challenges
- HIJT Revenue Work Group members ensured strong response rate
- **See Exhibit I for data**

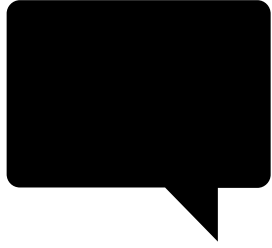
# Key Findings

- **\$22.5 million collected** countywide
  - \$13 million from the Tax Credit and \$9.6 million from the Tax Option
- **\$15.3 million uncommitted**
- **A large revenue gap remains** to meet the AHC's near-term goal of 44,000 units affordable at or below 50% AMI by 2024
  - Collections = 0.1% of the \$18 billion needed from existing and new revenue sources (2019-2024)
- **Inconsistent awareness and application of the Shared Revenue Principles** (adopted 11/13/2020) during implementation
- **\$14.1 million committed** to build or preserve affordable homes
  - Includes \$13.3 million that was awarded in advance of collection by the City of Seattle
  - 454 units affordable at or below 50% AMI
  - 224 units affordable between 51% and 80% AMI
- **Jurisdictions consider equity** in processes and outcomes but additional guidance is needed

# Possible Next Steps

**HIJT Revenue Work Group identified several possible Committee actions for consideration:**

- **Secure additional local revenue** at a level sufficient to meet the region's need
- Continue to **advocate** for additional state and federal funding
- Encourage local jurisdictions and subregional collaborations to bond against future revenues or commit funds ahead of collection to **increase available funds for capital expenses**
- Encourage local jurisdictions and public funders to **prioritize funds for the swift production and preservation of housing that will remain affordable for the long term**
- Encourage local jurisdictions and subregional collaborations to consider and **align efforts with the Shared Revenue Principles**
- Facilitate partnerships to **support the capacity building necessary** to deploy new revenue
- **Consistently track** implementation of new revenue and lessons learned
- Assist jurisdictions in **identifying equitable processes and achieving equitable outcomes**



What steps can and should the AHC take to influence the implementation of existing revenue sources or advocate for new revenue sources in alignment with the Committee's goals and the Shared Revenue Principles?

# 2021 Federal Funding Priorities

**Reference material:** [AHC Federal Legislative Priorities Staff Report](#)

**Council Chair Claudia Balducci**

Affordable Housing Committee Chair  
King County Council

# State Legislative Session Wrap-Up

**Reference material:** [AHC State Legislative Agenda Staff Report](#)

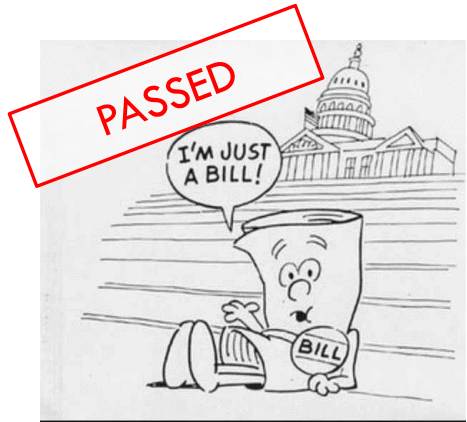
**Kelly Rider**

Government Relations Officer, King County Department of Community and Human Services

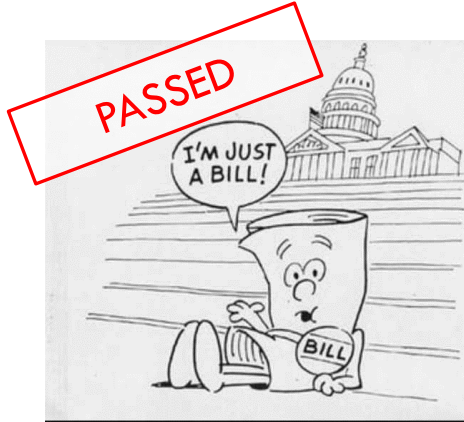
# SUMMARY OF AHC PRIORITIES

- ✓ Increase the Document Recording Fee (DRF)
- ✓ Invest \$250 Million in the Housing Trust Fund
- ✓ Support housing stability, through tenant protections and COVID-19 recovery efforts
- ✓ Increase flexibility for HB 1590 and TOD funds
- ✓ Maintain funding for ABD/ HEN
- ✓ Update the Growth Management Act to better meet housing need

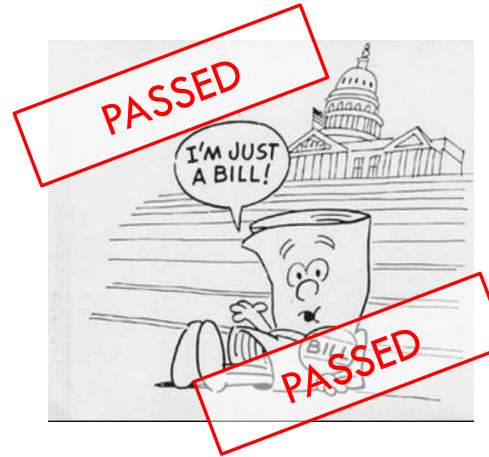
# IT WAS A PRODUCTIVE POLICY SESSION!



HB 1070  
(1590 & TOD  
Flexibility)

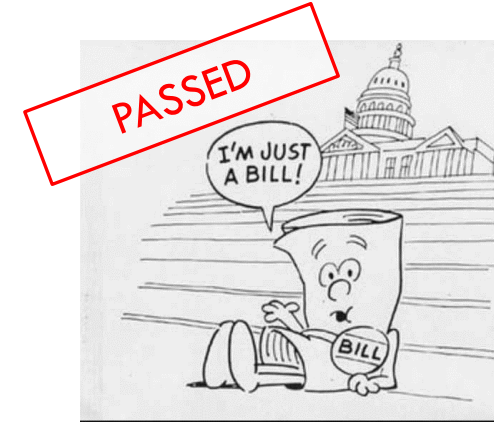


HB 1277  
(\$100 Document  
Recording Fee  
Increase)



HB 1237  
(Just Cause  
Eviction Protection)

SB 5160  
(Tenant Right to  
Counsel)



HB 1220  
(Update the GMA  
Housing and Shelter  
Requirements)



# ... AND THE BUDGETS LOOK GOOD TOO!

- \$184.9M for the Housing Trust Fund (\$124.9 M flexible pool)
- \$93.8M for a new Rapid Capital Acquisition fund (primarily serve people experiencing homelessness)
- \$888M for Rental Assistance (federal funding allocations)
- \$95.4M (+\$58.5M from DRF increase) for Permanent Supportive Housing Operations, Maintenance, and Services (PSH OMS)
- \$88.8M in other DRF investments for project-based vouchers, rapid re-housing, acquisition, eviction prevention, etc. funds
- Maintained ABD/ HEN increase

# HIGHLIGHTS FROM BILLS - FUNDING

## HB 1070 (flexibility for existing \$)

- HB 1590 \$\$ (enable Health through Housing)
  - Allow property acquisition
  - Allow to serve homeless single adults
  - County must provide opportunity for 15% of units to serve individuals w/ ties to city where facility is located
- TOD Funds
  - Allow to be used for 0-30% AMI housing and homeless youth housing and service space

## HB 1277 (\$100 DRF Increase)

- 20% of funds to PSH OMS
- 4% to landlord mitigation fund (this biennium, then 2%)
- Remainder:
  - 60% to project-based vouchers, services, rapid rehousing, emergency housing or acquisition for persons who are chronically homeless
  - 50% of those served must be unsheltered
  - Eviction prevention rental assistance also allowed after 60% threshold is met

# HIGHLIGHTS FROM BILLS — TENANT PROTECTIONS

## HB 1236 – Just Cause

- **Landlords cannot evict tenants without “just-cause”** (e.g. nonpayment of rent, landlord moving into unit, etc.), except if initial lease term was 12-months and subsequent lease terms are between 6-12 months, a landlord can terminate with a 60 day no-cause notice
- **Notices to terminate must provide all info known to the landlord** at the time of the notice so tenant can defend themselves
- If a tenant permanently vacates for a reason other than the landlord terminating the tenancy (such as death, deportation, etc.), the **remaining occupants can apply to take over the rental agreement**

## HB 5160 – Right to Counsel, Payment Plans, Dispute Resolution, etc.

- **Eligible tenants facing eviction have the right to counsel.** Tenants are eligible if they are 200% or below FPL or receive certain public benefits
- **Landlords must offer payment plans** that can't exceed 1/3 month's rent for rent accrued between 3/1/2020 and 6 months after moratorium expiration
- **Creates Eviction Resolution Pilot**, which is a partnership between Dispute Resolution centers and the courts to use mediation as an alternative to eviction
- **Allows landlords to apply for up to \$15K** if a tenant abandons unit and has unpaid rent from 3/1/2020 to 6 months after moratorium. Landlord must forgive any remaining unpaid rent.
- **Current eviction moratorium ends on June 30, 2021**

# HIGHLIGHTS FROM BILLS — GROWTH MANAGEMENT/ HOUSING PLANNING

## HB 1220 - Planning

- Adds new planning requirements for comprehensive plans related to:
  - Moderate density housing options
  - Zoned capacity for affordable housing, shelter and PSH
  - Racially disparate housing outcomes
  - Displacement
  - Proactive action on racially disparate housing outcomes
  - Actions needed to achieve housing affordability
- Encourages actions to accommodate Accessory Dwelling Units (ADUs)

## HB 1220 – Shelters and PSH

- Jurisdictions may not prohibit PSH wherever housing and hotels are allowed
- Jurisdictions may not prohibit indoor emergency housing or indoor emergency shelter in any zones where hotels are allowed, except with an adopted ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a 1-mile proximity to transit. Jurisdictions have until September to adopt such an ordinance before this part goes into effect.

# HIGHLIGHTS FROM BILLS — TAX INCENTIVE FOR AFFORDABLE HOUSING

## HB 5287 — Multifamily Housing Tax Exemption

- Allows King County to implement MFTE in unincorporated urban areas
- Creates a new 20-year exemption program
- Allows buildings to extend the MFTE for an additional 12 years if the project meets local affordability requirements
- Eliminates the MFTE program for new projects in 2032

# Dashboard Release

**Reference material:** [AHC Dashboard Release Staff Report](#)

**Janet Lee**

Affordable Housing Planner

King County Department of Community & Human Services