Summary of Strategies Discussed

The following outlines strategies discussed for recommendation at the June 1st Task Force meeting, June 12th Standing Advisory Panel meeting, and July 13th Staff Workgroup meeting. Further work is needed to prioritize which of the below strategies should be included in the Regional Affordable Housing Task Force recommendation for a countywide housing strategy.

1. Secure Housing Stability for the Lowest-Income Households

1.1 City Strategies:

- Partner with faith-based communities (and other tax-exempt organizations) to build affordable housing on under-utilized property, and provide higher densities in transition zones.
- Use proceeds from public land sales for affordable housing or land bank before public land is sold.
- Make land available at a discounts for affordable housing on surplus property.
- Identify preferred revenue sources and create a spending plan (including capital, operations, and service dollars) for new affordable housing revenue. Sources could include:
 - Utilize REET 2 flexibility
 - Property tax levy
 - Additional state legislative tools

1.2 County Strategies:

- Identify a preferred source and create a spending plan for new affordable housing revenue. Sources could include:
 - Sending a proposal for 1/10 of a percent sales tax to the ballot to fund affordable housing and behavioral health services. Restrictions on uses are stated in RCW 82.14.530.
 - Sending a Regional Affordable Housing Property Tax Levy to the ballot.
- Make strategic use of Opportunity Zone investments (per federal tax reform)
- Expand credit enhancement program to non-profit developers
- Make County under-utilized/surplus property available at a discount for affordable housing development.

1.3 State Strategies:

- Increase State Housing Trust Fund allocations. At its peak, the fund generated \$200 million per biennium for affordable housing statewide. Since the recession, the fund has generated approximately \$50-\$100 million per biennium.
- Expand authority for up to a .25% Real Estate Excise Tax (REET 3/4) to King County and cities. Currently, authority is restricted to San Juan County. This was a <u>HALA</u> proposal. A Countywide .25% REET would create approximately \$95 million/year in additional affordable housing funds for King County (based on current annual REET collections).

- Clarify local authority for a Conversion Fee when condos are converted to another use. Example: <u>HB 2395</u> (introduced in 2016).
- Clarify local authority for a Demolition Fee on demolished housing. Example: <u>HB</u> <u>2397</u> (introduced in 2016).
- Approve councilmanic authority for 1/10 percent sales tax option for affordable housing and behavioral health. Example: <u>HB 1797.</u>
- Authorize a state sales tax exemption for construction costs on new affordable housing. This is estimated to save approximately \$1-\$1.5 million per housing development.
- Authorize a state sales tax credit for county investments in affordable housing, up to .03% of sales tax. Example: <u>HB 2437</u> (introduced in 2018); final version would have added approximately \$20 million/year for King County affordable housing funds or \$250 million in bonding authority.
- Support alternative sources of revenue such as a state income tax, capital gains tax on property, vacant land tax and underutilized land tax.
- Authorize property tax exemption for affordable housing developers prior to occupancy.

2. Prioritize Affordability Accessible to Transit

2.1 City Strategies:

- Require affordable housing development for any approved development agreement.
- Implement appropriate, effective voluntary and mandatory inclusionary housing policies and corresponding upzones.
- Implement multi-family property tax exemption.
- Waive city impact, permitting and other fees for rehabilitation and new construction of affordable housing.
- Incorporate programmatic Environmental Impact Statement, fee exemptions, multifamily property tax exemption, reduced parking requirements, and density increases as incentives within inclusionary housing policies.
- Pair increased zoning and tax-exempt property to promote flexible and affordable housing construction.

2.2 County Strategies:

• Expand Transfer of Development Rights program to provide significant density benefits for affordability outcomes at a receiving site

2.3 State Strategies:

- Exempt affordable housing from SEPA in TOD areas
- Establish minimum density requirements for zoning in high capacity transit station areas.

3. Preserve Access to Affordable Homes for Renters

- **3.1** All: fund acquisition of existing buildings funding low-income renters at-risk of housing instability
- 3.2 City Strategies:

- Support tenants by adopting just cause eviction protections (also a state strategy), relocation assistance, advance notice of rent increase, fair chance housing, rental inspection and licensing, and enforcing the ban on source of income discrimination.
- Implement more aggressive code enforcement to maintain higher quality of housing, especially for low-income households

3.3 County Strategies:

- Create a toolkit of model ordinances for tenant protection policies cities should implement. (would require additional staff)
- Assist cost-burdened tenants by:
 - Increasing funding for emergency rental assistance. Example: Youth and Family Homelessness Prevention Initiative, funded through the Best Starts for Kids Levy.
 - Funding services for renters to clean up their tenant screening reports or address related barriers to housing. (new funding needed)
 - Expanding shallow (and deep) rent subsidies. Small subsidies may assist some populations in maintaining their housing during times of changing household costs like rent increases or increasing health care or child care needs. (VSHSL includes this strategy)
- Invest in community health workers to raise healthy housing education and maintenance in housing at highest risk of adverse health outcomes (asthma, etc)
- Expand funding for tenant and landlord education re: barriers to housing, tenant rights, etc. Currently many tenants and landlords are unaware of their rights and restrictions. (new funding/staff needed)
- Fund tenant relocation match for city programs
- Add strategies for manufactured housing

3.4 State Strategies:

- Clarify local authority for rental regulations re: notice for rent increases, code compliance, etc. Current state law restricts cities' ability to adopt rent regulations and related rules. This creates legal confusion for cities regarding their ability to adopt more limited regulations on rental property owners to help preserve existing housing stock or give tenants sufficient time to seek alternative housing choices. Example: <u>HB 2583</u> (introduced in 2017) would have removed this restriction generally. <u>HB 5377/HB 2051</u> (introduced in 2015) would have clarified the ability for certain cities to require 90 notice for large rent increases and altered the standards for when relocation assistance can be required.
- Enact statewide Just Cause eviction protections.
- Reform the eviction process statewide, expand the "3 day pay or vacate" notice to allow more time for accessing eviction prevention programs.
- Increase eviction filing fee
- 4. Protect Communities of Color and Low-Income Communities Against Displacement
 4.1 All: invest in homeownership such as "rent to own" and co-op models
 4.2 City Strategies:

• Work with disadvantaged communities so they have a role in the redevelopment process.

4.3 County Strategies:

- Support affordable housing preservation by creating a loan fund for housing owners who need to make improvements to housing quality, if they commit to providing affordable rents. (would require new funding)
- Expand work to Affirmatively Further Fair Housing through affirmative marketing programming

4.4 State Strategies:

- Provide local authority for a preservation tax exemption which would exempt a portion of local property taxes if a building owner commits to providing affordability Example: <u>SB 5182</u> (introduced in 2017/18).
- Authorize a waiver on sales tax costs for rehabilitation of affordable housing.
- Fund capacity building

5. Promote Greater Housing Growth & Diversity

5.1 City Strategies:

- Expand allowed housing diversity in single-family zones- cottage housing, duplexes, Accessory Dwelling Units, zero lot lines, commercial/mixed zoning as appropriate, etc.
- Where applicable, consider reduced fees for expanded housing diversity with minimal impact (ie: ADU charges).
- Pre-approve model ADU development plan and adopt model ordinance for ADUs.
- Encourage private development of housing by streamlining regulations for developers, adopting uniform plans and codes across jurisdictions, reducing restrictions on private developers, requiring or incentivizing universal design housing.
- See also strategies listed under "2. Prioritize Affordability Accessible to Transit"

5.2 County Strategies:

- Reduce utility and sewer connection fees for affordable housing.
- Create model ADU plans and model ordinance

5.3 State Strategies:

- Authorize strong, equitable value-capture/infrastructure funding tool tied to affordable housing investments, to better support city growth
- Increase funding for local planning
- Fund state public works trust fund—connect to local affordable housing outcomes

6. Better Engage Local Communities in the Creation and Preservation of Affordable Homes 6.1 City Strategies:

- Create a community toolkit for working with and engaging community to successfully site affordable housing and enact affordable housing policies.
- Foster community support for affordable housing.

- Utilize community engagement techniques that promote more equitable engagement for zoning and housing policy discussions.
- Form a SKC partnership

6.2 County Strategies:

- Develop and host a website dashboard to monitor data and policy outcomes on local comprehensive plans, Countywide Planning Policies, and the Regional Affordable Housing Task Force recommendations. (would require additional staff)
- Support the formation of a South King County regional collaboration to assist with affordable housing policy development, implementation, and enforcement.
- Provide technical assistance to cities, or grants to cities, on development, implementation and enforcement of land use and other affordable housing policy development. (would require additional staff)
- Fund a challenge/matching pool that rewards jurisdictions who invest their own dollars in affordable housing. (funding needed)
- Provide incentives to encourage jurisdictions to promote the development of affordable housing by linking transportation, land conservation, or other county fund sources for local projects to jurisdictions' efforts to increase affordable housing.
- Establish city incentives to encourage new policies/zoning/funding for affordable housing development (ex: establish a city incentive program for "gold star" cities that achieve certain criteria).
- Create a compact for cities to sign, committing to implementing best practices at the local level (ex: ADUs, enhanced zoning, inclusionary housing, permitting predictability, funding)

6.3 State Strategies:

- Create and implement enforceable goals for affordability in comprehensive planning through the Growth Management Act. (Example: Allow exemptions from local zoning regulations when jurisdictions do not implement affordable housing policies identified in comprehensive plans and housing strategy plans).
- Authorize a strong, equitable infrastructure financing tool for local governments.