Summary of Strategies Discussed

The following outlines strategies discussed for recommendation at the June 1st Task Force meeting and June 12th Standing Advisory Panel 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:

- Work with faith-based communities to utilize higher zoning densities if building affordable housing on under-utilized property.
- Use proceeds from public land sales for affordable housing.
- Authorize discounts for affordable housing on surplus property.

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.

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 a .25% Real Estate Excise Tax (REET 4) to King County.
 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> 2397 (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.

Updated: June 27, 2018

• Support alternative sources of revenue such as a state income tax, capital gains tax, vacant land tax and underutilized land tax.

2. Prioritize Affordability Accessible to Transit

2.1 City Strategies:

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

2.2 County Strategies:

• Create a Transfer of Development Rights program which provides significant density benefits for affordability outcomes.

2.3 State Strategies:

•

3. Preserve Access to Affordable Homes for Renters at risk of Displacement

3.1 City Strategies:

 Support tenants by adopting just cause evictions (also a state strategy) and enforcing the ban on source of income discrimination.

3.2 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 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)
- 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)

Updated: June 27, 2018

3.3 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: HB 2583 (introduced in 2017) would have removed this restriction generally. HB 5377/HB 2051 (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.

4. Protect Communities of Color and Low-Income Communities Against Displacement 4.1 City Strategies:

• Encourage cities to work with disadvantaged communities so they have a role in the redevelopment process.

4.2 County Strategies:

 Encourage 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)

4.3 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.

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 etc.
- 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:

•

5.3 State Strategies:

•

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

- Create a community toolkit for affordable housing education, siting, messaging, awareness.
- Foster community advocacy for affordable housing.
- Utilize community engagement techniques that promote more equitable engagement for zoning and housing policy discussions.

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.
- Reduce utility and sewer connection fees for affordable housing.

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.

Updated: June 27, 2018