REGIONAL
AFFORDABLE HOUSING
TASK FORCE

Final Report and Recommendations
for King County, WA

December 2018
Revised March 2019

Residents in every community in the county are facing an unprecedented challenge in finding and keeping a home they can afford. Affordable housing is a critical component of our region's infrastructure, and we must act together, across all levels of government and all sectors, to address this crisis and ensure the health and livability of our communities and the economic vitality of our region.

Meeting the Need
From our Co-Chairs

On any given day, King County residents are flooded with stories about bidding wars for houses, skyrocketing rents, and million-dollar apartments. A constant undercurrent to the news stream is that our county is becoming too expensive for regular, working people to afford and that we have reached a crisis point with no relief in sight. Too many of our neighbors are having to leave their communities and drive far from work and reliable transportation to find a home they can afford.

For the last 18 months, the members of the Regional Affordable Housing Task Force have immersed ourselves in affordable housing data and policy to fully understand the economic drivers of the affordable housing crisis, how it is affecting individuals and families, and what solutions are be available.

According to our estimates, we need 156,000 more affordable homes today and another 88,000 affordable homes by 2040 to ensure that no low-income or working households are cost burdened. That means we need to build, preserve or subsidize a total of 244,000 net new homes by 2040 if we are to ensure that all low-income families in King County have a safe and healthy home that costs less than 30 percent of their income.

WE NEED TO BUILD, PRESERVE OR SUBSIDIZE A TOTAL OF 244,000 NET NEW AFFORDABLE HOMES BY 2040 IF WE ARE TO ENSURE THAT ALL FAMILIES IN KING COUNTY HAVE A SAFE AND HEALTHY HOME THAT COSTS LESS THAN 30% OF THEIR INCOME.

The shortfall of affordable homes has been decades in the making and the problem will not be solved overnight. Jurisdictions across the county have been taking steps to encourage and increase affordable housing. Unfortunately, those efforts have not been enough to avoid our current crisis. We need a long-term strategy to engage jurisdictions, stakeholders, business, philanthropy and the community countywide so that we can scale up current efforts and find new strategies to meet the challenge we face.

We also have an urgent need to act now. We heard from low-income families in all parts of the county who are struggling to find and keep a home they can afford today. Providing affordable housing will not get less expensive in the future. To spur the County and cities to collective action, the Task Force developed a Five-Year Action Plan that includes seven goals, with strategies to achieve the goals, and actions to implement the strategies. We recognize that not all of these actions are appropriate for every community and none of these actions is required. Nonetheless, we have a shared goal that can only be reached if we all work together.

WE HEARD FROM LOW-INCOME FAMILIES IN ALL PARTS OF THE COUNTY WHO ARE STRUGGLING TO FIND AND KEEP A HOME THEY CAN AFFORD TODAY.

A coordinated, countywide effort to build affordable housing is not just about housing. It is also about building healthy and welcoming communities where all families and people, regardless of income, race, family size or need, are able to live near good schools, transit, jobs, and green spaces. King County is booming and finding ways to safely and affordably house our residents is a key component of ensuring our prosperity continues and is shared into the future.

We extend our sincerest gratitude to the members of the Task Force, and to city and County staff, as well as stakeholders for the hundreds of hours they contributed to the process. Without their thoughtful engagement and steadfast commitment to making a meaningful change, we would not have been able to craft the Action Plan.

We started the Regional Affordable Housing Task Force with the assumption that our housing crisis is a regional problem requires a regional solution. Our work over the last 18 months has demonstrated that the cities and the County can come together and that collaboration is the only way we will be able to address the affordable housing crisis.

Claudia Balducci
King County Councilmember

David Baker
Mayor of Kenmore

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LIST OF PARTICIPANTS

Task Force Members

Co-Chairs

Claudia Balducci, King County Councilmember
David Baker, Kenmore Mayor

King County

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Rod Dembowski, Councilmember
Larry Gossett, Councilmember
Jeanne Kohl-Welles, Councilmember
Pete von Reichbauer, Councilmember
Adrienne Quinn/Leo Flor, Director of the Department of Community and Human Services, Ex-Officio member

City of Seattle

Rob Johnson, Councilmember
Steve Walker, Director of Office of Housing *(on behalf of Mayor Jenny Durkan)*

Sound Cities Association

Ken Hearing, North Bend Mayor
Ryan McIrvin, Renton Councilmember
John Stokes, Bellevue Councilmember

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Isaac Horwith, King County
Calli Knight, King County
Alison Mendiola, King County
Brian Parry, Sound Cities Association
Kelly Rider, King County
Karen Wolf, King County

KENMORE MEETING
November 2017

Standing Advisory Panel

Hamdi Abdulle, African Community Housing & Development
Patricia Akiyama, Master Builders Association of King and Snohomish County
Maria Barrientos, Barrientos & Ryan LLC
Colleen Echohawk, Chief Seattle Club
Merf Ehman, Columbia Legal Services
Mark Gropper, Renton Housing Authority
Marty Kooistra, Housing Development Consortium
MA Leonard, Enterprise Community Partners
Andrew Lofton, Seattle Housing Authority
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Steven Norman, King County Housing Authority
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Racquel Russell, Zillow
Chris Szala, Community House Mental Health/ Vashon Household
Tony To, Homesight
Brett Waller, Washington Multi-Family Association
Bryce Yadon, Futurewise

Staff Working Group

Emily Alvarado, City of Seattle
Alison Bennett, City of Bellevue
Alison Eisinger, Seattle/King County Coalition on Homelessness
Paul Hintz, City of Renton
Paul Inghram, Puget Sound Regional Council
Valerie Kendall, King County
Janet Lewine, City of Bellevue
David Miller, City of North Bend
Jack Pace, City of Tukwila
Alan Painter, King County
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Sarah Stiteler, City of Redmond
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Jeff Watson, City of Federal Way
Julie West, King County

Facilitated by:

Kristina Gallant, Community Attributes, Inc.
Chris Mefford, Community Attributes, Inc.

EXECUTIVE SUMMARY

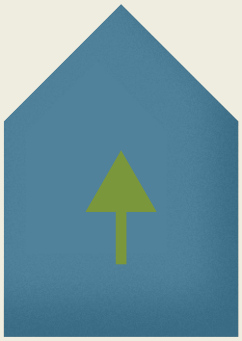
The Regional Affordable Housing Task Force was created in 2017 to bring together representatives from King County, the City of Seattle and other cities with the goal of developing a regional plan to address the affordable housing crisis in King County. The Task Force concluded its work in December 2018 with a final report and Five-Year Action Plan.

Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80 percent of Area Median Income and below is cost burdened. This includes 156,000 homes for households currently cost-burdened and an additional 88,000 homes for growth of low-income households between now and 2040. When low-income families spend more than 30 percent of their income on housing, they are cost burdened and struggle to afford other basic necessities like food, transportation, health care, and child care.

The current housing crisis is driven, in part, by the fact that King County's population since the end of the Great Recession has grown faster than new homes have been built. Further, there are not enough homes close to jobs, services, and frequent transit. This situation has created a gap between supply and demand that has driven housing prices rapidly upward. In King County, median home sale prices increased 53 percent and average rents increased 43 percent from 2012 to 2017. Even before this current crisis, households at the bottom of the income spectrum struggled to find and maintain housing. Now, moderate-income households are also being priced out of King County.

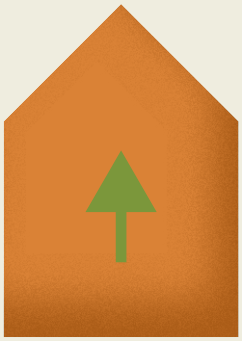
The affordable housing crisis has not affected all households evenly. Low and moderate income households have been disproportionately affected, with 124,000 of these households cost burdened. Even as the overall number of homes has increased in the last ten years by 88,000,

RAPID GROWTH



HOME PRICE ▲
2012-2017

53%



RENT ▲
2012-2017

47%

244,000

Additional Affordable Homes
needed by 2040

the number of rental homes affordable to low and moderate income families has decreased by 36,000. Communities of color and renters are disproportionately likely to be severely cost burdened, paying more than half of their income toward housing costs. Of black households, 56 percent are severely cost burdened, while 35 percent of white households are severely cost

burdened. And, renters are more likely than home owners to be severely cost burdened.

Recognizing the urgent need to act in the face of the affordable housing crisis, the Task Force adopted a Statement of Intent that prioritizes "recommendations that are actionable, sustainable, and regional in nature and that will make a meaningful difference toward meeting the projected need for households with incomes at 80 percent or less of Area Median Income by building, preserving, or subsidizing 244,000 net new healthy homes countywide by 2040."

Adopting a countywide approach, the Task Force developed a Five-Year Action Plan that identifies seven goals, with strategies to achieve the goals, and actions that can be taken in the near term to implement the strategies. The Task Force conversation has demonstrated that the cities and the County can work together to address the common challenge of ensuring all King County residents have a safe and healthy home they can afford. It has also demonstrated that one size does not fit all and cities will be free to select the strategies and actions that work best in their communities. However, the Action Plan does set a countywide goal of producing 44,000 homes affordable for people earning 50 percent of Area Median Income and below by 2024. An ongoing Affordable Housing Committee of the Growth Management Planning Council will be responsible for tracking progress toward that collective goal. The Affordable Housing Committee will implement the Task Force Five-Year Action Plan and serve as a place for coordination and cooperation among cities and the County.

FIVE YEAR ACTION PLAN

Goal Summary

1. **Create and support an ongoing structure for regional collaboration**
2. **Increase construction and preservation of affordable homes for households earning less than 50% area median income**
3. **Prioritize affordability accessible within a half mile walkshed of existing and planned frequent transit service, with a particular priority for high-capacity transit stations**
4. **Preserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness**
5. **Protect existing communities of color and low-income communities from displacement in gentrifying communities.**
6. **Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve jobs/housing connections throughout King County**
7. **Better engage local communities and other partners in addressing the urgent need for and benefits of affordable housing**

CREATING A COUNTYWIDE CONVERSATION

In total, the Regional Affordable Housing Task Force met 14 times over 18 months and heard from dozens of affordable housing stakeholders, experts and staff, along with hundreds of community members.

King County began the process leading to the formation of the Regional Affordable Housing Task Force in November 2016. The King County Council and Executive collaboratively established the Task Force and defined its purpose and composition in May 2017. (King County Motion 14754 and King County Motion 14873.)

The Task Force was designed to have balanced representation between County and city elected officials, with five County Council members and the County Executive participating, along with two representatives from the City of Seattle and four representatives from the Sound Cities Association. At its kickoff meeting in July 2017, the Task Force elected two co-chairs, one County representative (Councilmember Claudia Balducci) and one city representative (Kenmore Mayor David Baker).

The King County Regional Affordable Housing Task Force met nearly monthly for a year and a half to understand the scale of the regional affordable housing crisis, its different impacts on King County communities, and diverse strategies to address these impacts. The Task Force's goal was to develop a strategy to address housing affordability at a regional scale.

From the July 2017 kickoff to February 2018, the Task Force met six times to understand the scope and nature of the affordable housing crisis. Regional experts in housing gave presentations covering a comprehensive array of housing affordability-related topics, and the Standing Advisory Panel was assembled to provide expert perspectives on an ongoing basis. In addition to engaging the public at the July kickoff meeting, the January 2018 meeting served as a public forum for community members to give testimony about their experiences with and perspectives on housing affordability challenges. Topics covered by testimony included homelessness, displacement and equity, the cost of living, housing demand, fair housing,

RENTON KICKOFF
July 2017

SOUTH SEATTLE
January 2018

SHORELINE
September 2018

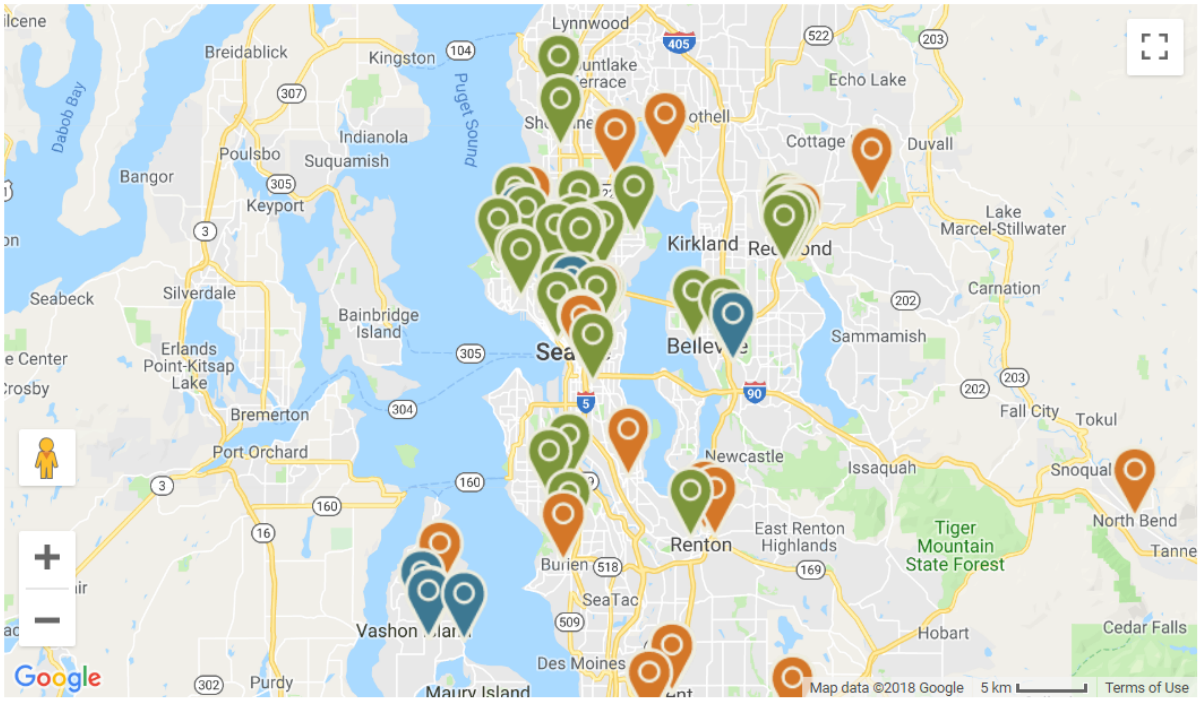
housing funding, community and social service organizations, regulations, and local success stories and opportunities. An online comment tool was also launched to gather continued public input; it gathered 78 comments. *(See Appendix C for Public Comment.)*

In February 2018, the Task Force began to identify potential solutions, and generated a list of draft policy recommendations in June 2018 in the form of a Five-Year Draft Action Plan. The Draft Action Plan was refined through the summer, and plans began for the Task Force's future governance. In September 2018, the Task Force held three community meetings in Shoreline, Bellevue, and Auburn to gather public feedback on the Draft Action Plan. The Task Force met in October and December to finalize and adopt the Five-Year Action Plan. *(See Appendix D for Task Force Schedule.)*

Throughout, the Standing Advisory Panel and a Staff Working Group, consisting of land use and housing experts from across the county, met regularly with King County lead staff to answer Task Force questions and make recommendations for the Task Force to consider.

Map of Public Comment Tool Feedback

(See Appendix D)



Toggle Map by: Ideas (37) Stories (6) Concerns (27) **View All (70)**

UNDERSTANDING THE CHALLENGE

Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80 percent of Area Median Income and below is cost burdened. This includes 156,000 homes for households currently cost-burdened and an additional 88,000 homes for growth in low-income households between now and 2040. When low-income families spend more than 30 percent of their income on housing, they are cost burdened and struggle to afford other basic necessities like food, transportation, health care, and child care.

Regional Context

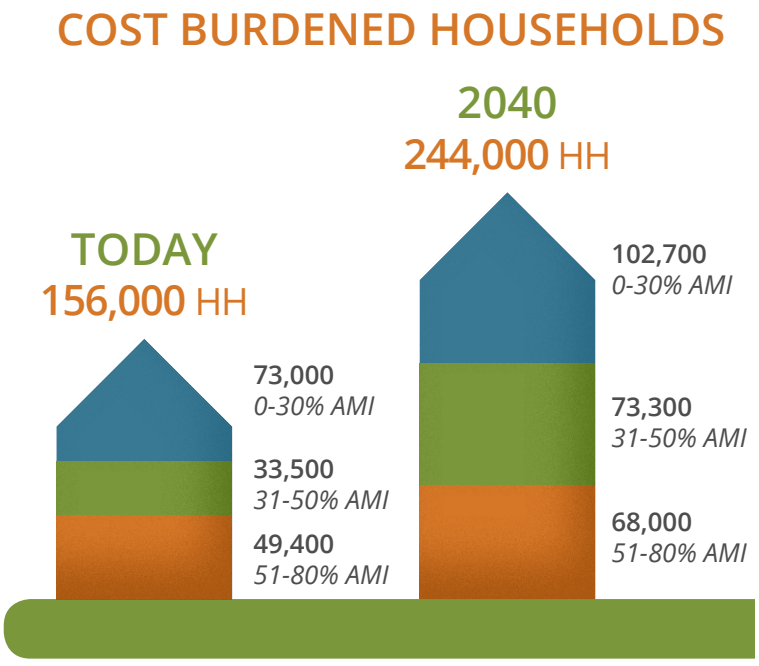
With nearly 2.2 million residents, King County is the largest county in Washington State. Nationally, it is the 13th largest by population and ninth largest by total employment. Two million of its residents live in one of the 39 cities in the county and the remaining 200,000 in the unincorporated area. Seattle, the largest city in the county, is home to 730,000 residents. Several nationally-known businesses are collectively the major economic drivers for the region: Amazon, Boeing Commercial Airplanes, Microsoft, Starbucks and the University of Washington.

These large businesses, and along with smaller enterprises, have led King County out of the Great Recession and into a period of overall economic growth. As a result of this strong economy, the population has increased, attracting new employees for burgeoning businesses, and wages for higher-income households have increased. King County has experienced some of the fastest growing housing prices in the nation. From 2012 to 2017, median home sale prices increased 53 percent and average rents increased 43 percent.[1]

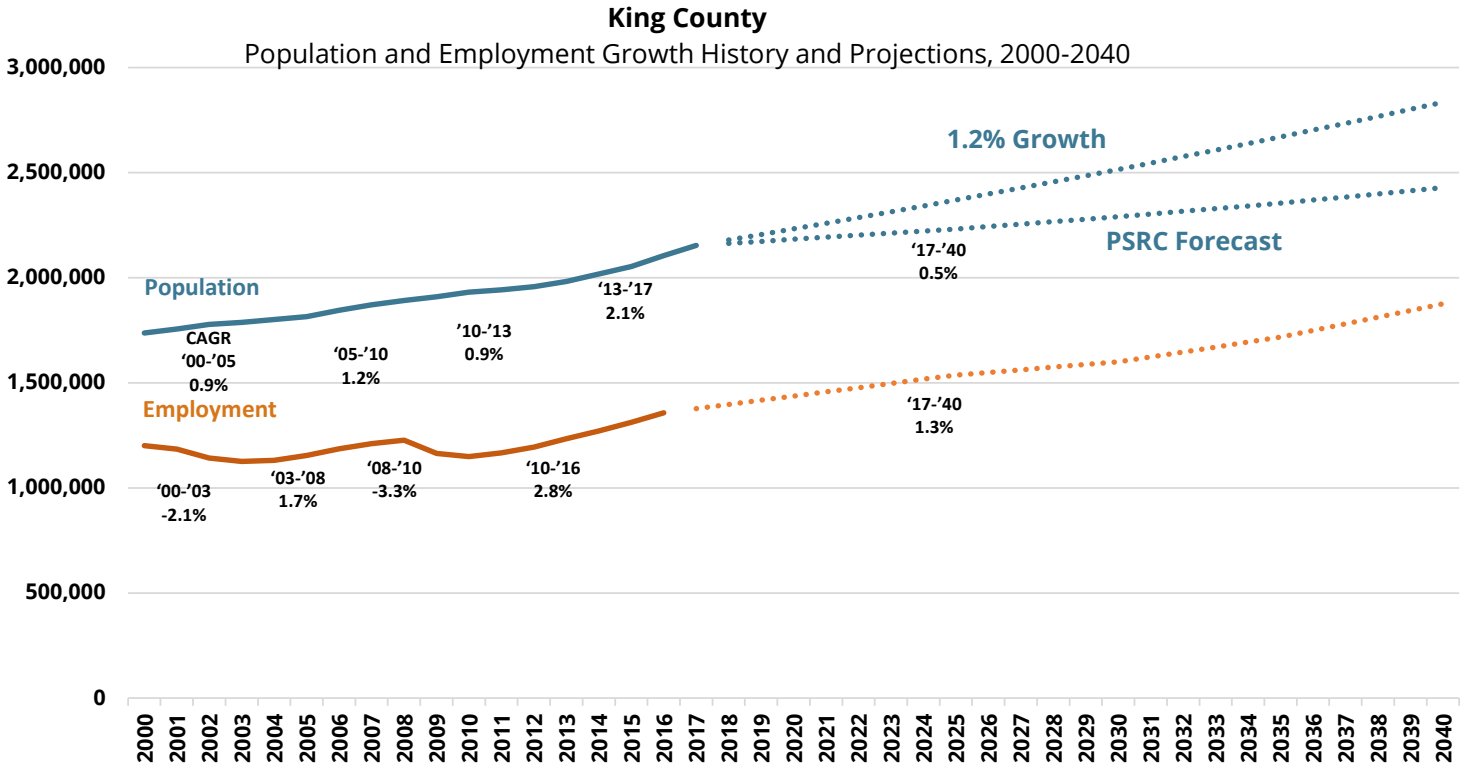
As the housing market has skyrocketed, many residents in King County have been left behind. Low-income households (those making 80 percent or less of Area Median Income), in particular, struggle to find and keep a home they can afford.

Rising Prices

In 2018, the Federal Department of Housing and Urban Development (HUD) defined Area Median Income (AMI) for a family of four in King and Snohomish counties as earning an annual income of $103,400. A family of four earning 80 percent AMI has an annual income of $82,720 and could pay monthly housing costs of $2,068 without being cost burdened. The average rent in King County was $2,432 per month and the median home



1 Regional Affordable Housing Task Force, 2017. Washington State Office of Financial Management, and Dupree + Scott



Sources: PSRC, 2015; Washington State ESD, 2017; Washington State OFM, 2017; Community Attributes 2017

purchase price was $614,000 as of October 2018.[2] *(See Appendix E for affordable housing prices for various households.)*

In October 2018, the median purchase price for a house was $706,000 in Seattle and $813,000 in East King County, making home ownership out of reach in these areas even for families earning 100 percent AMI.

Growing Need

At its core, the housing crisis is driven by a supply and demand challenge that is two-fold. First, since 2012, King County's population has grown faster than new homes have been built, creating a growing gap between supply and demand. Between 2013 and 2017, King County's population grew by an average of 31,800 people or 13,000 households per year, assuming 2.45 people per household. Over that same time only 10,100 new housing units were added each year, on average.

Second, King County's population has not grown evenly across the income spectrum. Sixty percent of the new households in King County between 2006 and 2016 earned $125,000 or more

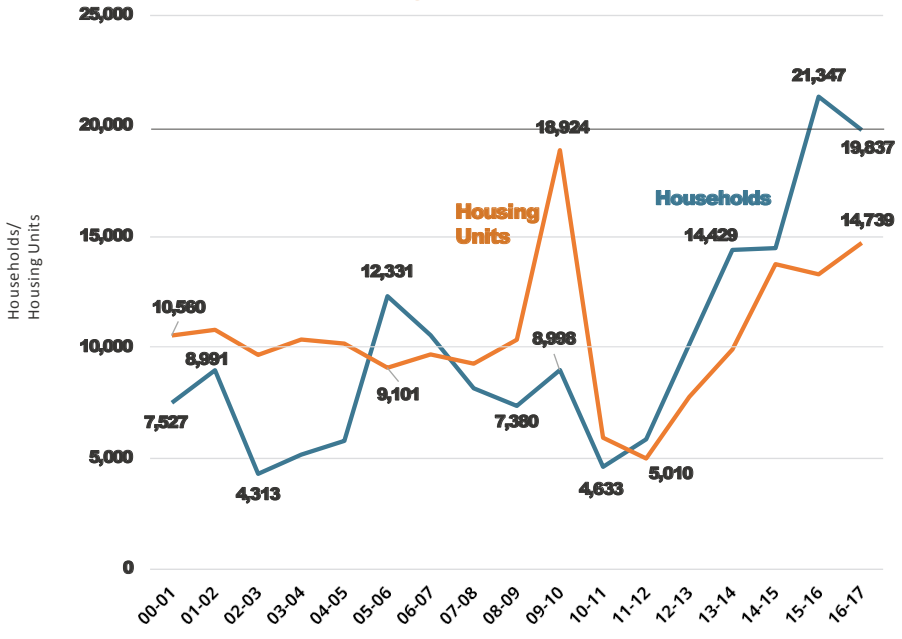
HUD 2017 Household Income Limits

	1 Person	2 People	4 People
30% Area Median Income			
Household Income	$22,500	$25,700	$32,100
Corresponding Monthly Rent	$563	$643	$803
50% Area Median Income			
Household Income	$34,450	$42,800	$53,500
Corresponding Monthly Rent	$936	$1,070	$1,338
80% Area Median Income			
Household Income	$56,200	$64,200	$80,250
Corresponding Monthly Rent	$1,405	$1,605	$2,006
Est. Corresponding Purchase Price	$260,400	$297,400	$371,800
125% Area Median Income			
Household Income	$93,625	$107,000	$133,750
Corresponding Monthly Rent	$2,341	$2,675	$3,344
Est. Corresponding Purchase Price	$433,700	$495,700	$619,600

2 Zillow: https://www.zillow.com/king-county-wa/home-values/

Northwest Multiple Listing Service: http://www.northwestmls.com/library/content/statistics/KCBreakouts.pdf

Change in Annual Households & Housing Unit, 2000-2017

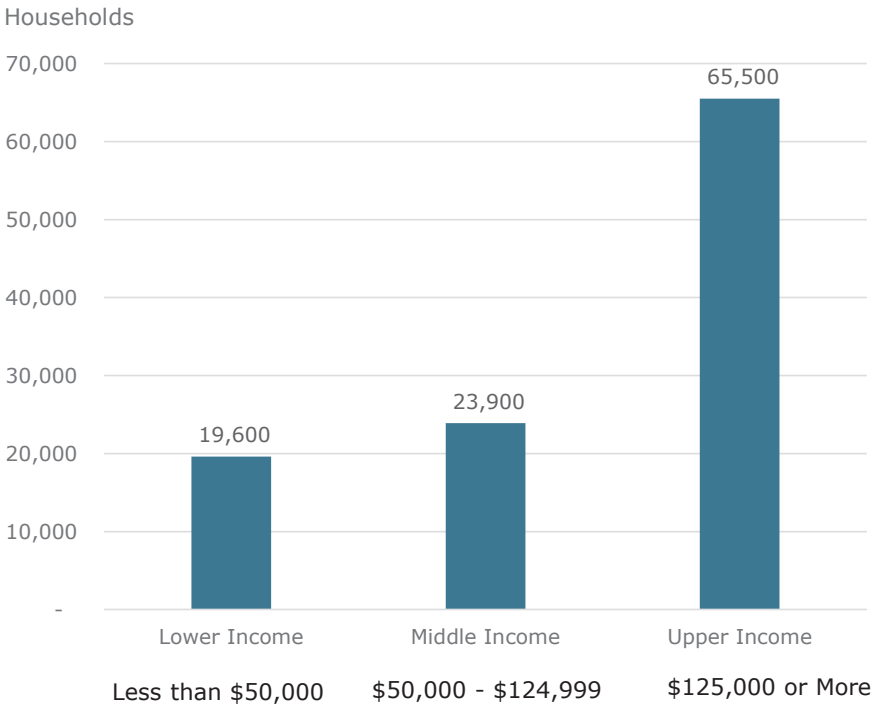


Sources: Washington State OFM, 2017

SINCE 2010, ON AVERAGE, KING COUNTY HAS ADDED 31,800 PEOPLE PER YEAR, OR 13,000 HOUSEHOLDS AT 2.45 PERSONS PER HOUSEHOLD.

ONLY 10,100 NEW HOUSING UNITS PER YEAR ON AVERAGE HAVE BEEN ADDED DURING THE SAME TIME.

Change in King County Households by Income Range, 2006-2016



Sources: US Census Bureau, ACS 1-Year Estimates; Community Attributes 2017

STOCK OF RENTAL HOMES AFFORDABLE TO HOUSEHOLDS AT OR BELOW 80% AMI DECREASED BY 36,470 UNITS OVER 10 YEARS

per year, while 18 percent earned less than $50,000. Middle income earners constituted only 22 percent of new households.

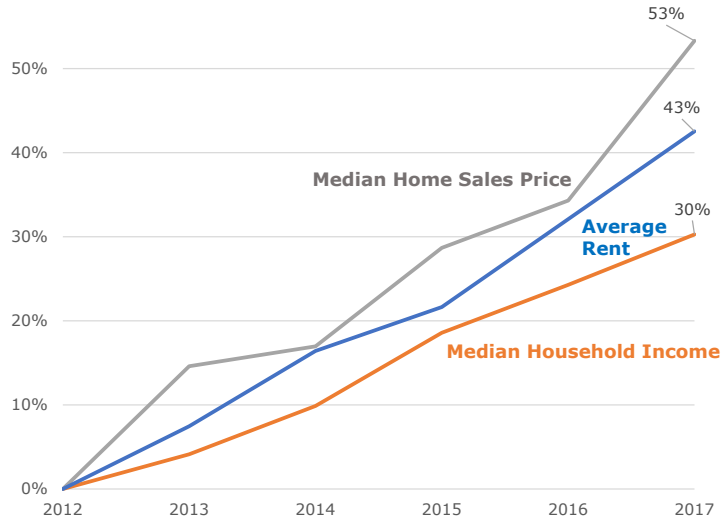
In response to demand for housing by high-earner households, housing developers have focused new projects to serve the upper end of the market and many of what were once existing affordable units have increased in price beyond what many middle- and low-income working families can afford.

Since 2012, both rent and home purchase prices have increased faster than income, placing intense pressure on middle- and low-income households throughout King County and forcing many to relocate far from where they work or to struggle with paying more than 30 percent or even 50 percent of their income on housing.

Loss of Existing Affordability

Further, the stock of homes affordable to those earning 80 percent or less of AMI has decreased since 2007, and is on a trajectory to continue decreasing without concerted and purposeful intervention. According

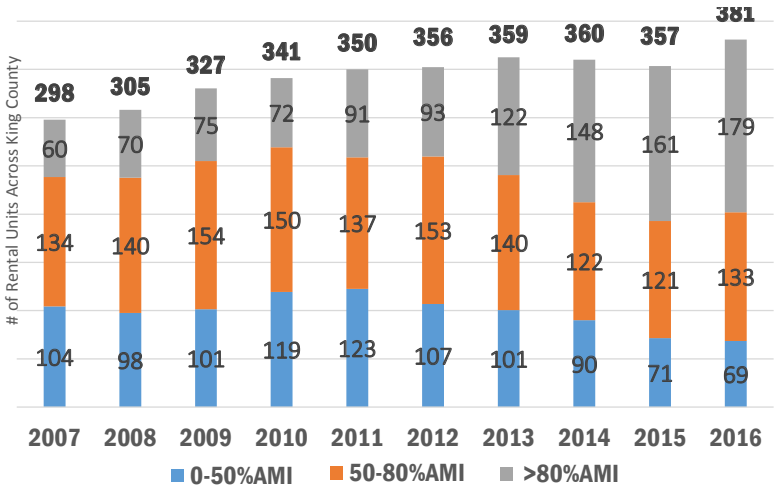
2012-2017 Cumulative % change in median home prices and household incomes



Sources: Zillow, OFM, Dupre+Scott, CAI 2017

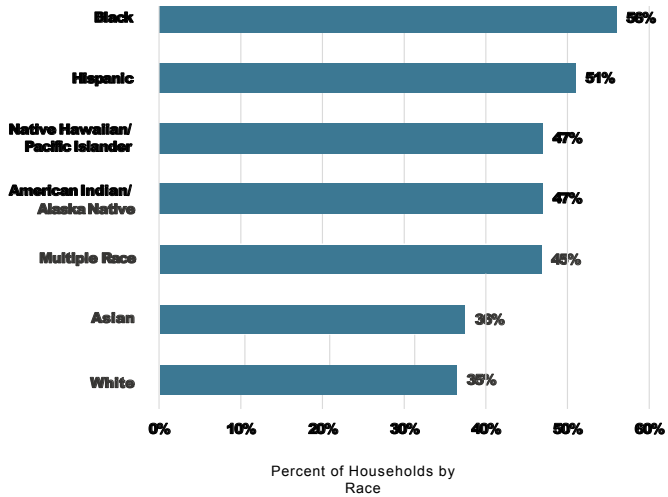
Loss of Affordable Rental Housing 2007-2016

(# of units in thousands)



Sources: McKinsey, American Community Survey Public Use Microdata Sample

RACE & HOUSING COSTS: Households Spending 30% or More of Income on Housing, 2015



Sources: King County Dept. of Community & Human Services 2017; Community Attributes

to a 2018 study by McKinsey Consulting, in 2007, 238,000 of the 298,000 rental homes in King County were affordable at this income. Between 2007 and 2017, the total number of rental units increased by 88,000, but the number of rental units affordable at 80 percent AMI and below decreased by 36,000 units. As affordable units have declined, units affordable above 80 percent AMI have come to occupy a substantially larger portion of the total rental stock. In 2007, there were 60,000 rental units affordable above 80 percent AMI, or 20 percent of the total. In 2016, there were 179,000 units above 80 percent AMI, or 47 percent of the total. This core shift in the rental market reflects the shift in income distribution in the county and the growing pressure on prices as more households compete for housing that is not keeping pace with demand.

Disparities in Need

The affordable housing challenge is not distributed evenly among residents based on income, race, age, or household size, nor is it evenly spread geographically. The disparities are most stark when looking at low-income King County residents who are severely cost burdened, or those paying more than half of their income on housing. Low-income households who are severely cost burdened struggle regularly to make housing payments and are at an extremely high risk of homelessness if a household crisis arises. Without the ability to save for a rainy day, one health care bill, car repair need, or employment gap could force a household into homelessness. While lack of affordable housing is not the only cause of homelessness, affordable housing and homelessness are inextricably linked. According to King County's 2018 Count Us In report, 98 percent of those surveyed during the annual point-in-time count said they would move into safe and affordable housing if it were offered, and approximately

21 percent of survey respondents indicated that issues related to housing affordability were the primary conditions leading to their homelessness.

Census data show that more than 124,000 low-income households in King County are severely cost burdened. Of these, 88 percent, or 109,700 households, earn 50 percent or less of AMI, meaning the county's poorest residents struggle most with housing costs. Similarly, 88 percent of households that are severely cost burdened are earning 50 percent or less of AMI.

People of color are disproportionately over represented among households that are severely cost burdened. While 35 percent of white households are severely cost burdened, 56 percent of black households are severely cost burdened. Just over half of Hispanic households are severely cost burdened.

In terms of age, King County's youngest and oldest residents are most likely to be severely cost burdened. Among households where the head of household is under 25 years old, 35 percent are severely cost burdened. Among those households over 65 years old, 20 percent are severely cost burdened. For younger households, severe cost burden limits their ability to meet their basic needs, which means they will struggle to save to purchase a home, pay for higher education, or make other investments that will improve their economic prospects throughout their lives. For seniors, severe cost burden adds to the challenges of being able to age in place and to afford assistance and health care costs as needed.

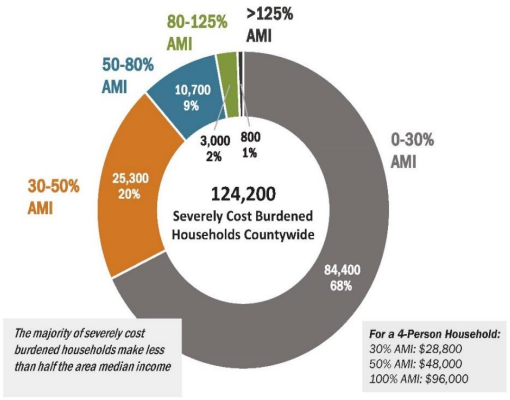
Large families can have difficulty with finding homes that have enough bedrooms to comfortably accommodate all of their members. In addition, 14 percent of households with five or more members are severely cost burdened.

Regardless of income, race, age or household size, renting rather than owning increases the chances of being severely cost burdened. Of renters, 22 percent are severely cost burdened, while 11 percent of homeowners are severely cost burdened. When households are severely

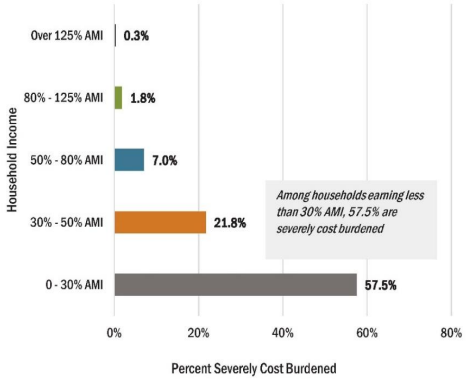
Severe Cost Burden: By Income and Age

More than 100,000 low-income households are severely cost burdened.

Severe Cost Burden by Area Median Income (AMI)



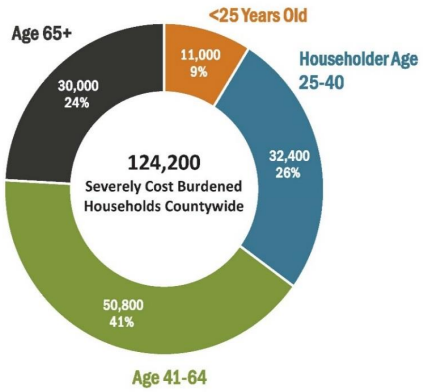
Severe Cost Burden Within Income Levels



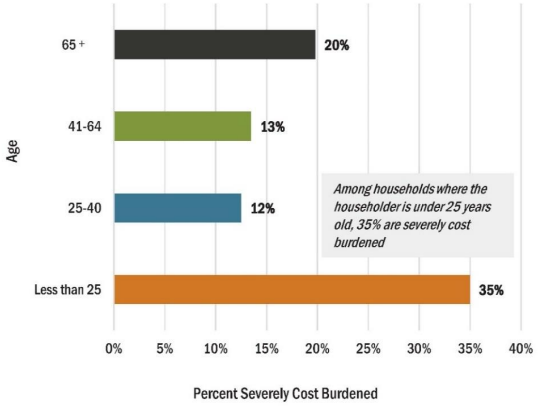
Data Sources: 2011-2015 ACS 5-year Public Use Microdata Samples (PUMS)

The youngest and oldest residents are most likely to be severely cost burdened.

Severe Cost Burden by Age



Severe Cost Burden Within Age Groups

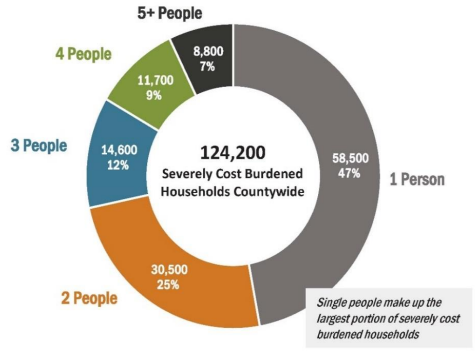


Data Sources: 2011-2015 ACS 5-year Public Use Microdata Samples (PUMS)

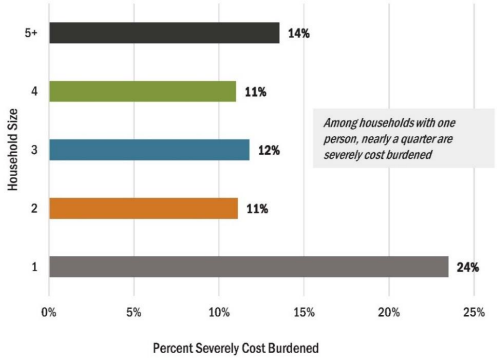
Severe Cost Burden: By Household Size and Type

One-person households are most likely to be severly cost burdened.

Severe Cost Burden by Household Size



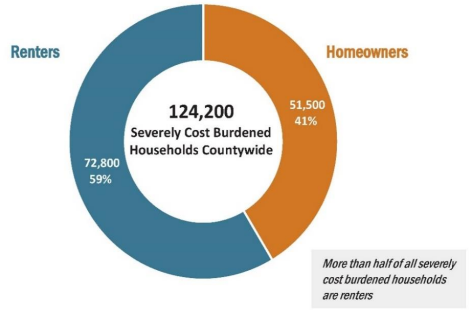
% of All Households that are Severely Cost Burdened, by Houshold Size



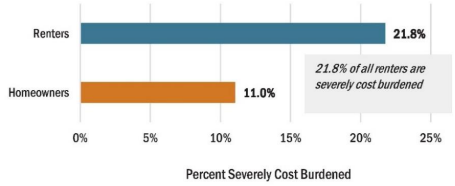
Data Sources: 2011-2015 ACS 5-year Public Use Microdata Samples (PUMS)

Renters are twice as likely to be severely cost burdened compared to homeowners. Over 70,000 renters are severely cost burdened.

Severe Cost Burden by Renters & Homeowners



% of Renters and Homeowners that are Severely Cost Burdened



Data Sources: 2011-2015 ACS 5-year Public Use Microdata Samples (PUMS)

cost-burdened they are challenged to make their housing payments, which places them at risk for eviction. By Washington State law, missing a rent payment by just four days can result in an eviction filing. A recent report of Seattle eviction filings by the Housing Justice Project found that 45 percent of eviction filings were for missing just one month or less in rent payment. Once an eviction filing is on someone's background history, it increases the challenges of obtaining future housing. If an eviction filing is made but the tenant is not formally evicted, Washington State law (RCW 59.18.367) enables tenants to have these records removed from future screening reports used by potential landlords.[3]

Renters are also subject to price changes imposed by landlords that can force them to relocate with little notice. Washington State law requires landlords to give 20 days' notice of a rent change, which is a very challenging timeframe for finding a new home if the new rent is too high, especially when the rental vacancy rate is less than 5 percent as it is in King County.

3 https://www.kcba.org/Portals/0/pbs/pdf/HJP_LosingHome_%202018.pdf

Some households are unable to find affordable housing when rents escalate and ultimately end up homeless. A study in the Journal of Public Affairs found that for every $100 increase in rent, homelessness increased 15 percent.[4]

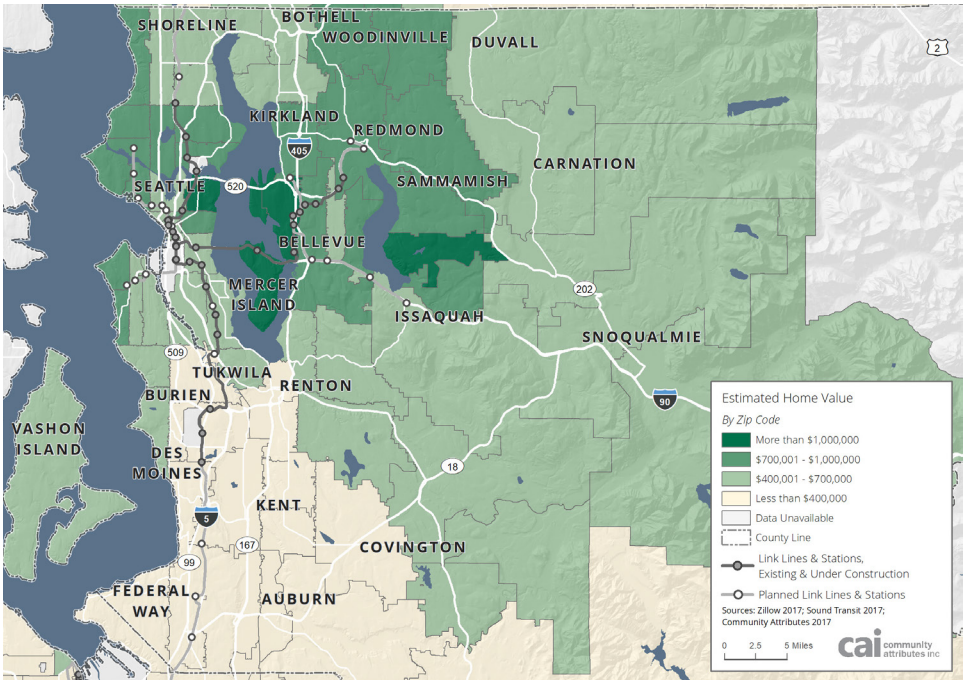
Geographic Differences

The disparities in the population and housing market play out on a sub-regional basis within King County. Communities south of I-90, such as Auburn, Federal Way, Kent, Renton, South Seattle and Tukwila, have historically had lower housing prices than the cities north of I-90, including Bellevue, Issaquah, Kirkland, North Seattle, Redmond, and Sammamish. Low-income households and communities of color tend to concentrate in the southern portion of the county as they seek lower housing costs and community connections. Because of this, while housing costs are lower, cost burden is typically higher in South King County communities.

Due to south King County's existing stock of more "naturally occurring" affordable housing, there has been an emphasis on preserving existing rather

4 https://onlinelibrary.wiley.com/doi/full/10.1111/j.1467-9906.2012.00643.x

Estimated Home Value, 2017



than building new affordable developments. Nonetheless, housing prices and rents have trended upward in the last ten years as more people moved into the sub-region seeking more affordable housing. For example, in the City of Kent, rents increased by 33 percent from $1,522 per month in 2012 to $2,035 per month in 2017, and average home purchase prices increased by 71 percent from $204,000 in 2012 to $349,000 in 2017, according to Zillow.[5]

North Seattle and the suburban North/East section of the county have historically experienced higher housing prices, along with generally higher household incomes. In these areas, the housing prices have accelerated rapidly in recent years. The price of the average home purchase price in Seattle has increased by 63 percent from $381,500 in 2012 to $620,500 in 2017. Rents have increased simultaneously by 47 percent from $1,774 per month in 2012 to $2,605 in 2017.[6]

Small cities in the rural area, such as Carnation, Covington, Duvall, Maple Valley, North Bend, and Snoqualmie have experienced significant new home construction attracting growing numbers of households and skewing their housing markets to be more expensive. The population growth has also contributed to stresses on transportation and other infrastructure.

While the historic, relative differences among sub-regions have remained, the rapid increases in housing costs in all areas of King County have prompted a shifting of population. As prices have reached the point to make housing unattainable in high-cost areas north of I-90, middle- and low-income earning households have moved to south King County and to small cities in the rural eastern area of the county. As prices have increased in these relatively affordable areas, residents are increasingly displaced out of King County altogether and into Pierce County to the south and Snohomish County to the north.

Displacement of Existing Communities and Households

One result of this outward migration in search of affordable housing has been the displacement of historic communities, particularly communities of color and cultural communities. The problem of displacement can be felt in all corners of the county, but it is especially acute in areas experiencing redevelopment, often related to the arrival or the planned arrival of light rail or other public amenities. For instance, the light rail line through South Seattle runs through historic low-income, communities of color. Rising demand to live in these communities has placed pressure on rental housing costs, increasing prices out of reach of existing communities. Additionally, some existing

5 https://www.zillow.com/kent-wa/home-values/

6 https://www.zillow.com/seattle-wa/home-values/

property owners choose to sell or redevelop, replacing modest, older housing with larger and more amenity-rich, multifamily developments. While new density is needed to meet the growing population and demand for transit access, without engagement of traditionally marginalized community members paired with public and non-profit intervention to build affordable and mixed income buildings, people have been and will be forced into new neighborhoods far from their community roots.

Transit Access and Affordability

Another result of the current crisis and the "drive to qualify" is the continued pressure on the region's transportation system. Despite continued voter support for transit system expansion at the local, county, and regional level, the region and Seattle continue to place in the top 10 for traffic congestion, with one recent ranking placing Seattle 9th nationally and estimating the cost of traffic congestion at $5 billion annually.[7] Additional access to affordable homes near transit will be critical to reversing this trend and ensuring low-income households most dependent on transit are able to utilize and benefit from transit in their communities and across the region.

Shared Ownership

There is broad consensus across the Task Force, stakeholders, and communities that the scope and scale of this challenge requires everyone in the region to participate. Broad engagement of businesses, philanthropy, neighborhoods and community members is necessary. And a new structure for government and stakeholder collaboration that monitors changing needs and progress and makes recommendations to ensure that King County's thriving economy and healthy communities provide safe, healthy, affordable homes for all existing and future residents is recommended by the Task Force.

7 Inrix: http://inrix.com/scorecard-city/?city=Seattle%3B%20WA&index=20. https://www.geekwire.com/2018/seattle-traffic-congestion-ninth-worst-u-s-eight-cities-top-10-vying-amazons-hq2/

EXISTING EFFORTS

While the need for affordable housing has become increasingly critical since the end of the Great Recession, King County has long recognized the need for coordinated efforts to encourage the creation and preservation of affordable housing throughout the county.

Traditionally, the federal government led affordable housing efforts nationwide. While federal tax credits continue to make up the majority of affordable housing investments, the State and local governments have played ever increasing roles. This is particularly true for policies related to zoning and land use, which are under the purview of local governments. The Washington State Growth Management Act adopts a goal for comprehensive plans and local development regulations to "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock."[8] This goal is to be pursued as part of local comprehensive plan Housing Elements, which are required to "make adequate provisions for existing and projected needs of all economic segments of the community."[9] Therefore, city and county governments have a major role in addressing the affordable housing needs of their communities.

Upon adoption of the Growth Management Act of 1990, King County established the Growth Management Policy Council (GMPC) as a venue where the County and cities can develop a collaborative framework of policies to guide jurisdictions as they update their comprehensive land use plans. The GMPC includes representatives from King County, Seattle, the Sound Cities Association, Bellevue, special purpose districts and the Port of Seattle. Since its inception, the GMPC has developed and adopted Countywide Planning Policies (CPPs), which include a chapter on housing with policies intended to help all jurisdictions "plan for and promote a range of affordable, accessible, and healthy housing choices for current and future residents." The policies focus on households earning 80 percent or less of AMI and provide special emphasis on low and very-low income households earning 50 percent or less of AMI. The housing chapter of the CPPs was last updated in 2012 and is due for another update in 2020 following adoption of VISION 2050 by the Puget Sound Regional Council.

In addition to this countywide planning approach, sub-regional planning collaboratives have also been active in King County. A Regional Coalition for Housing (ARCH) was created in 1992 to assist and empower cities in East King County to increase diversity and affordability of housing in their boundaries. It started with three city members and has grown to include 15 cities and King County. ARCH provides centralized technical support to member jurisdictions and administers the ARCH Housing Trust Fund, to which cities make annual contributions. Over 25 years, the ARCH Trust Fund has invested $60 million of local resources toward 80 housing developments that include over 4,000 units of affordable housing.

Efforts to create a formal collaborative in South King County are reaching fruition, and the new organization should begin operations in 2019. Currently, eight cities are expected to participate, along with King County.

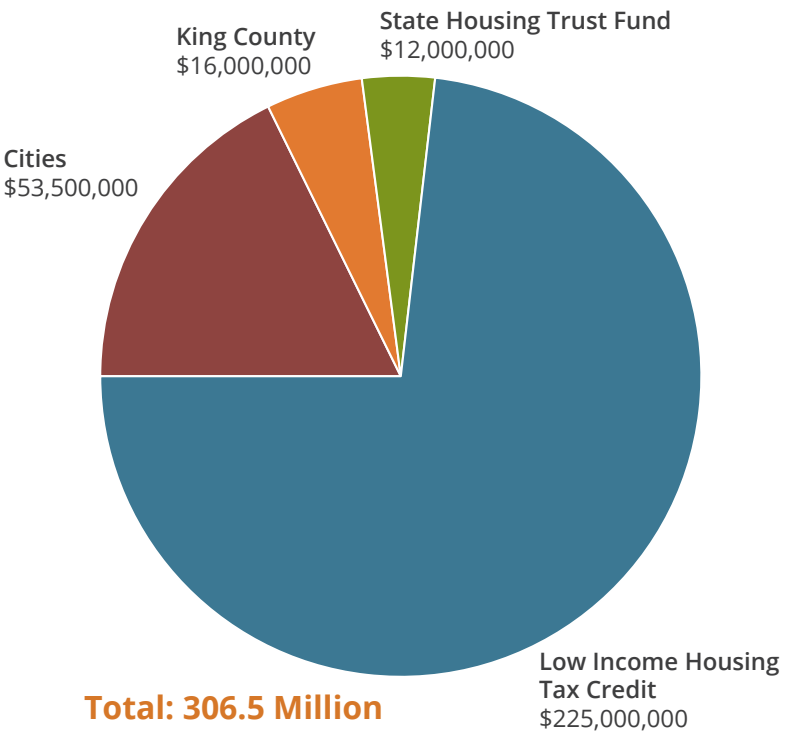
8 Revised Code of Washington 36.70A.020(4)

9 Revised Code of Washington 36.70A.070(2)

Individual cities have undertaken extensive planning efforts and land use code updates to respond to the pressures on housing in their jurisdictions and to respond to changing factors and new opportunities. Bellevue, Bothell, Issaquah, Kenmore, Kirkland, and Redmond have all adopted new housing strategy plans since their most recent comprehensive plan update. Sammamish is also working on a plan. Other cities have been preparing for the arrival of light rail. Shoreline, for instance, undertook a major upzone in areas surrounding the two stations that will come online in 2023. If fully realized, the new development will almost double the current size of the city and include significant affordable housing in market-rate developments.

Along with planning efforts, cities and the County have made significant investments in building new affordable housing. In the last five years, an average of $306.5 million in public dollars have been invested annually to build or preserve affordable housing in King County. The federal government has traditionally invested the largest portion of funds in providing affordable housing, primarily through the Low Income Housing Tax Credit. However, those resources have not kept pace with increasing need. In response, state and local governments and local voters have authorized new and expanded funding to increase the supply of affordable housing across King County. These investments have generated between 1,000 and 2,500 units per year. These estimates do not include funds for operations, maintenance, or rental support (such as Section 8 vouchers) that are critical components to ensure affordable housing providers can maintain buildings over time, often for a 50 year commitment. Additionally, funds for services support special need households by connecting them with employment, transportation, or health services. These funds are critical to helping some households obtain successful housing outcomes.

Public Capital Funds for Affordable Housing
(Annual Average, 2012-2017)



Total: 306.5 Million

See Appendix B, Attachment A on page 52.

There are three housing authorities in King County - King County, Renton and Seattle - that collectively own over 18,000 units of affordable housing and provide rental assistance to more than 23,500 households. Together they provide homes for close to 95,000 low income King County residents every night.

While all of these efforts have helped thousands of people find and keep affordable homes over the past decades, they have not been sufficient in the face of the rapidly growing need for affordable housing in King County. Filling the affordable housing gap of 244,000 units over the next 20 years will require existing efforts to scale up and the region to create new strategies, collaborations and investments to dramatically increase the number of affordable homes available to those who need them.

King County Councilmember Larry Gossett and family at the opening of Gossett Place in Seattle.

Raising the wall for one of nine Habitat for Humanity Blitz Build homes for veterans in Pacific.

STATEMENT OF INTENT

Residents in every community in the county are facing an unprecedented challenge in finding and keeping a home they can afford. Affordable housing is a critical component of our region's infrastructure, and we must act together, across all levels of government and all sectors, to address this crisis and ensure the health and livability of our communities and the economic vitality of our region.

The Regional Affordable Housing Task Force will make recommendations that are actionable, sustainable, and regional in nature and that will make a meaningful difference toward meeting the projected need for households with incomes at 80 percent or less of Area Median Income by building, preserving, or subsidizing 244,000 net new healthy homes countywide by 2040.

The Task Force will identify strategies which:

- ✓ Support affordable homes in close proximity to jobs, transit and key services;
- ✓ Reduce the disproportional impacts of housing affordability challenges, including displacement, on communities of color, older adults, and others with fixed or limited-incomes;
- ✓ Address affordability and accessibility needs of large households, individuals with mobility or behavioral health challenges, and to allow people to age in place if they desire.

Further, the Task Force will prioritize strategies that can be implemented at the regional level or through jurisdictional collaboration by 2024.

INFORMED BY DATA ANALYSIS AND STAKEHOLDER AND COMMUNITY CONVERSATIONS, THE TASK FORCE ADOPTED A STATEMENT OF INTENT TO HELP GUIDE ITS WORK IN DEVELOPING RECOMMENDATIONS.

THE STATEMENT OF INTENT RECOGNIZES THE 20-YEAR NEED, WHILE FOCUSING ON THE NEXT FIVE YEARS TO 2024 TO HELP ENSURE THAT RECOMMENDATIONS WOULD POSITION THE REGION TO ACT QUICKLY TO ADDRESS THE AFFORDABLE HOUSING CHALLENGE.

FIVE YEAR ACTION PLAN

The Task Force recommended a Five-Year Action Plan as a way to spur the region into action quickly. The Action Plan includes seven goals and each goal has a number of strategies to achieve the goal. The Action Plan also identifies specific actions that can be taken in the near term to implement the strategies. While encouraging quick action, the Plan also establishes the structure for ongoing collaboration to carry the work forward past the five-year action plan.

The region should adopt strategies to ensure an adequate housing supply countywide to meet the needs of low-income individuals and families who are cost-burdened. This includes constructing new housing, preserving the quality and affordability of existing housing, and providing subsidies when needed. Public resources should be prioritized for serving households earning 50 percent AMI and below, while also leveraging private investments to support affordability from 50 percent to 80 percent AMI. However, private market participation alone will be insufficient to address the full need at 80 percent AMI and below.[10] These recommendations are not mandates. They are not intended to place limits on local actions or override local control.

10 With significant public support (reduced land costs and fees and significant density), some markets may be able to incorporate lower affordability into private market developments.

REGIONAL AFFORDABLE HOUSING TASK FORCE

FIVE YEAR ACTION PLAN

OVERARCHING GOAL:

Strive to eliminate cost burden for households earning 80 percent Area Median Income and below, with a priority for serving households at or below 50 percent Area Median Income.

1 Create and support an ongoing structure for regional collaboration

	County	Cities	Housing Committee	State
STRATEGY A: Create an Affordable Housing Committee of the Growth Management Planning Council (GMPC)				
i. Maintain a website and prepare an annual report to collect data and report on progress toward implementing the Action Plan			✓	
ii. Review and make recommendations to other governing bodies regarding funding/pursuing new and innovative financing strategies, land use policies and State legislative agenda items			✓	
iii. Make recommendations to the GMPC for Countywide Planning Policies updates and to the PSRC's Growth Management Policy Board			✓	
iv. Coordinate support for increased federal funding			✓	
v. Provide technical support to cities and the County and support new and existing sub-regional collaborations			✓	
vi. Review and evaluate the Committee and recommend alternative governance structures if needed to implement the Action Plan			✓	
STRATEGY B: Support the creation and operation of sub-regional collaborations to increase and preserve affordable housing				
i. Support the creation of sub-regional collaborations in all parts of King County	✓	✓	✓	
ii. Fund operations of sub-regional collaborations	✓	✓		
iii. Encourage the growth and success of existing sub-regional collaborations	✓	✓	✓	

Increase construction and preservation of affordable homes for households earning less than 50% area median income

2

	County	Cities	Housing Committee	State
STRATEGY A: The Affordable Housing Committee will work with cities and the County to identify and prioritize new resources to build or preserve 44,000 units in the next five years and track progress toward the goal				
i. Identify revenue sources sufficient to support the local share of funding 44,000 units over five years	✓	✓	✓	
ii. Collectively advocate to maintain and increase Federal resources directed toward affordable housing in King County	✓	✓	✓	
iii. Collectively advocate for increased State resources to support affordable housing in King County	✓	✓	✓	✓
iv. Explore unused authority to raise revenue to support the goal of building or preserving 44,000 units over five years	✓	✓	✓	
v. Work with business and philanthropy to increase and effectively leverage private investments in affordable housing	✓	✓	✓	
vi. Pursue strategies to reduce the cost of developing affordable units	✓	✓		
vii. Monitor County and city progress toward raising funds necessary to produce 44,000 units in the next five years			✓	
STRATEGY B: Make available at no cost, at deep discount, or for long term lease, under-utilized property from State, County, cities, and non-profit/faith communities				
i. Expand coordination to identify, acquire and develop property for affordable housing	✓	✓		✓
ii. Track and report progress on REDI fund and Home & Hope			✓	
iii. Identify one or more parcels in their boundaries to prioritize for affordable housing (for-profit or non-profit, new or preserved)	✓	✓		
iv. Develop policies for the sale of County-owned property at reduced or no cost when used for affordable housing, which may be used as a model ordinance by cities	✓			
STRATEGY C: Develop a short-term acquisition loan fund to enable rapid response to preserve affordable housing developments when they are put on the market for sale				
i. Identify entity to inventory all large (50+ unit) privately owned affordable multifamily properties at risk of redevelopment or rapid rent escalation	✓	✓	✓	
ii. Measure and monitor progress in preserving privately owned affordable housing through nonprofit or public housing authority acquisition, or other means			✓	

Prioritize affordability accessible within a half mile walkshed of existing and planned frequent transit service, with a particular priority for high-capacity transit stations

3

	County	Cities	Housing Committee	State
STRATEGY A: 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				
i. Provide technical assistance in designing inclusionary/incentive housing programs	✓		✓	
ii. Provide website of example ordinances	✓		✓	
iii. Propose and apply for state planning dollars	✓	✓		✓
iv. Evaluate and update zoning in transit areas in advance of transit infrastructure investments	✓	✓		
v. Evaluate the impact of development fees in transit areas and implement reductions if positive impact found	✓	✓		
vi. Regularly measure implementation against goal	✓		✓	
vii. Coordinate with local housing authorities to use project-based rental subsidies with incentive/inclusionary housing units to achieve deeper affordability	✓	✓		
STRATEGY B: Maximize resources available for Transit Oriented Development (TOD) in the near term				
i. Consider bonding against future Lodging Tax revenues for TOD and use a portion of the funds to incentivize cities to support more affordable housing	✓			
ii. Evaluate potential for the current Transfer of Development Rights program, which preserves rural and resource lands, to incentivize affordability outcomes if a receiving site is within a transit walkshed, among other places	✓			
STRATEGY C: Create and implement regional land acquisition and development strategy				
i. Identify priority "pipeline" of property for acquisition and development	✓	✓		
ii. Adopt and implement property value discount legislation/guidance as needed, including updated valuation guidance	✓			
iii. Fund land acquisition, aligned with Goal 2, Strategy B	✓	✓		✓
iii. Adopt increased zoning to maximize affordable housing on acquired parcels	✓	✓		
iv. Identify entity to purchase and hold land prior to construction	✓	✓	✓	
v. Fund capital construction and preservation	✓	✓		✓

Preserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness

4

	County	Cities	Housing Committee	State
STRATEGY A: Propose and support legislation and statewide policies related to tenant protection to ease implementation and provide consistency for landlords				
i. Support the development and adoption of statewide legislation and policy related to tenant protections	✓	✓	✓	✓
ii. Review proposed statewide policies and legislation	✓		✓	
iii. Develop tools landlords can use to help low-income renters, such as a fund landlords can access to make repairs so costs are not passed on to low-income renters	✓		✓	
STRATEGY B: Strive to more widely adopt model, expanded tenant protection ordinances countywide and provide implementation support				
i. Provide model ordinances	✓	✓	✓	
ii. Pursue a signed ILA for enforcement support	✓	✓	✓	
iii. Identify resources to conduct work	✓		✓	
iv. Increase education for tenants and property owners regarding their respective rights and responsibilities	✓		✓	
v. Adopt ordinances as appropriate	✓	✓		
STRATEGY C: Expand supports for low-income renters and people with disabilities				
i. Utilize funds from the Veterans, Seniors and Human Services Levy for shallow rent subsidies to help keep people in their homes	✓			
ii. Increase funding for emergency rental assistance	✓	✓		
iii. Increase deep rental subsidies (in addition to shallow)	✓	✓		
iv. Fund services to address barriers to housing	✓	✓		
v. Expand civil legal aid support	✓	✓		
vi. Expand education of tenant and property owner rights and responsibilities	✓	✓		
vii. Increase funding for services that help people with disabilities stay in their homes and/or age in place	✓	✓		

Strategy D: Adopt programs and policies to improve the quality of housing in conjunction with necessary tenant protections				
i. Adopt and implement proactive rental inspection policies	✓	✓		
ii. Implement robust, proactive code enforcement programs, in partnership with marginalized communities to avoid inequitable impacts	✓	✓		
iii. Invest in community health workers to promote healthy housing education and housing maintenance for highest risk of adverse health outcomes	✓	✓		
iv. Partner with Aging & Disability organizations to integrate accessibility services	✓	✓		

Protect existing communities of color and low-income communities from displacement in gentrifying communities.

5

STRATEGY A: Authentically engage communities of color and low-income communities in affordable housing development and policy decisions	County	Cities	Housing Committee	State
i. Provide capacity grants to small organizations representing communities of color or low-income communities to support their engagement in affordable housing development	✓			
ii. Contract for a toolkit/checklist on community engagement in planning discussions	✓			
iii. Utilize the toolkit and intentionally include and solicit engagement from members of communities of color or low-income households in policy decision-making and committees	✓	✓		
STRATEGY B: Increase investments in communities of color and low-income communities by developing programs and policies that serve individuals and families at risk of displacement				
i. Use Seattle's Equitable Development Initiative as a model for how government can invest in under-represented communities to promote community-driven development	✓	✓		
ii. Build upon the work of the Communities of Opportunity initiative	✓	✓		
iii. Include cities, investors, and community-based organizations in development of certification process and matching dollars for socially responsible, equitable Opportunity Zone investments that prevent displacement	✓	✓	✓	
iv. Expand requirements to affirmatively market housing programs and enhance work to align affordable housing strategies with federal requirements to Affirmatively Further Fair Housing	✓	✓		
v. Encourage homeownership opportunities as a way to prevent displacement within communities of color while also promoting the growth of intergenerational wealth	✓	✓		
vi. Where appropriate, acquire and preserve manufactured housing communities to prevent displacement	✓	✓		

Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve jobs/housing connections throughout King County

6

	County	Cities	Housing Committee	State
STRATEGY A: Update zoning and land use regulations (including in single-family low-rise zones) to increase and diversify housing choices				
i. Provide model ordinances	✓		✓	
ii. Incentivize cities adopting and implementing strategies that will result in the highest impact towards addressing the affordable housing gap, specifically at the lowest income levels	✓			
iii. Review and update zoning and land use code to increase density	✓	✓		
iv. Explore opportunities to pilot innovative housing in industrial zones, with a focus on TOD and industrial buffer zones	✓	✓		
v. Update building codes to promote more housing growth and innovative, low-cost development	✓	✓		
vi. As part of any updated zoning, to evaluate feasibility of incorporating affordable housing provisions	✓	✓		
vii. Promote units that accommodate large households and/or multiple bedrooms	✓	✓		
STRATEGY B: Decrease costs to build and operate housing affordable to low-income households				
i. Maximize and expand use of Multi-Family Tax Exemption	✓	✓		
ii. Reduce sewer fees for affordable housing	✓			
iii. Reduce utility, impact and other fees for affordable housing and Accessory Dwelling Units (ADUs)		✓		
iv. Streamline permitting process for affordable housing development and ADUs	✓	✓		
v. Support condominium liability reform	✓	✓	✓	
vi. Exempt affordable housing from sales tax				✓
vii. Explore incentives similar to the Multi-Family Tax Exemption for the development of ADUs for low-income households	✓		✓	

(Continued on next page).

STRATEGY C: Incentivize growth and affordability goals by expanding tools for investments in local infrastructure				
i. Advocate for a strong, equitable financing tool that captures value from development to fund infrastructure and affordable housing investments (aka: value-capture or tax-increment financing tools)	✓	✓		✓
ii. Advocate for state public works trust fund investments	✓	✓		✓
STRATEGY D: Expand and preserve homeownership opportunities for low-income households				
i. Increase educational efforts to ensure maximum use of property tax relief programs to help sustain homeownership for low-income individuals	✓	✓		
ii. Support alternative homeownership models that lower barriers to ownership and provide long-term affordability	✓	✓		
iii. Expand targeted foreclosure prevention	✓	✓		
iv. Where appropriate, preserve existing manufactured housing communities through use-specific zoning or transfer of development rights	✓	✓		
v. Encourage programs to help homeowners (esp. low-income) access financing, technical support or other tools needed to participate in and benefit from infill development opportunities	✓	✓		

Better engage local communities and other partners in addressing the urgent need for and benefits of affordable housing

	County	Cities	Housing Committee	State
STRATEGY A: Support engagement of local communities and residents in planning efforts to achieve more affordable housing				
i. Develop toolkits and strategies to better engage neighborhoods and residents in affordable housing development	✓		✓	
ii. Use existing data and tools to greatest extent possible, i.e. PSRC Vision 2050 work	✓		✓	
iii. Use community engagement techniques that promote more equitable community engagement in zoning and siting decisions	✓	✓		
STRATEGY B: Expand engagement of non-governmental partners (philanthropy, employers, investors, private developers and faith communities) to support efforts to build and site more affordable housing				
i. Create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations, the health care sector, and others to encourage investments in affordable housing	✓	✓	✓	
ii. Encourage business, organized labor, and philanthropy to support public dialogue on affordable housing	✓	✓	✓	

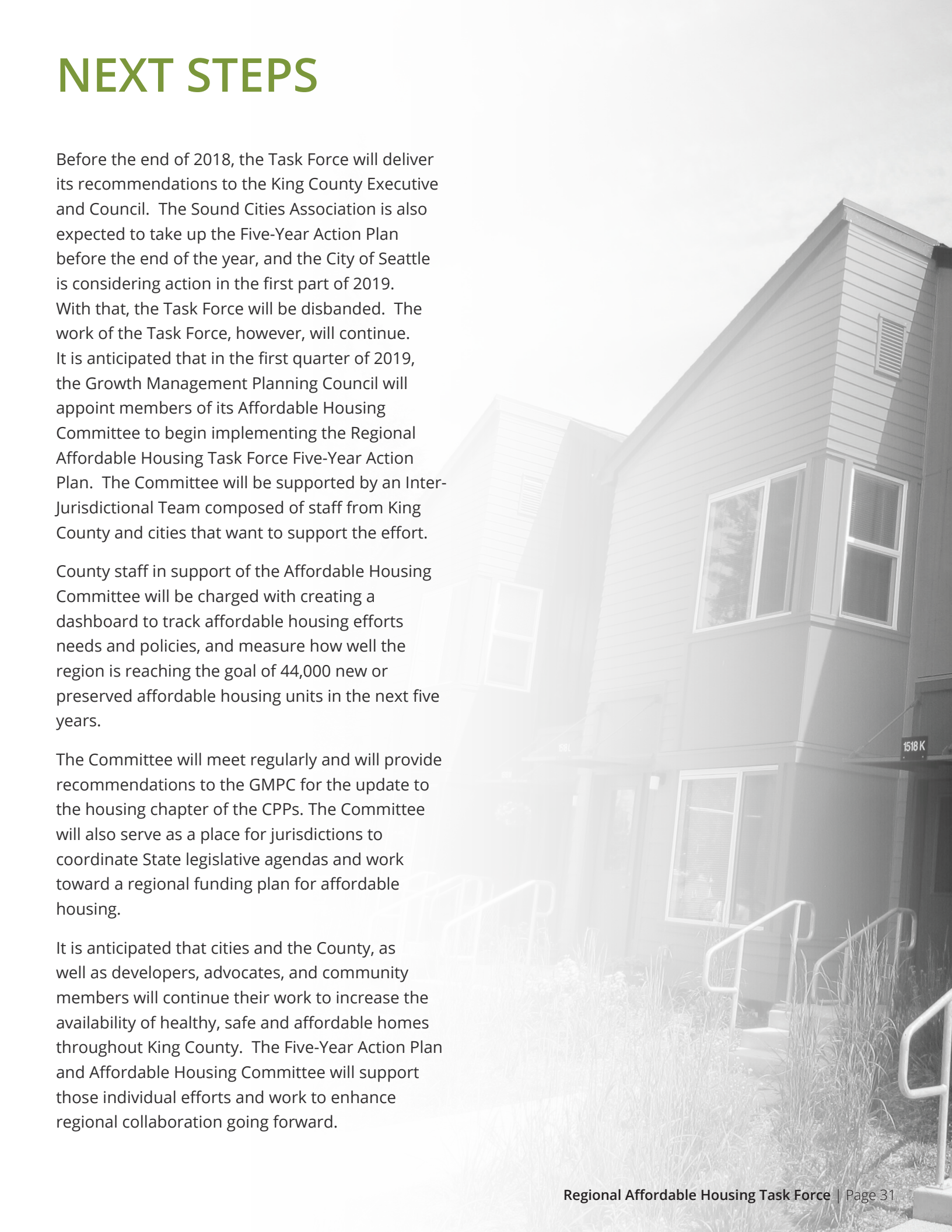
NEXT STEPS

Before the end of 2018, the Task Force will deliver its recommendations to the King County Executive and Council. The Sound Cities Association is also expected to take up the Five-Year Action Plan before the end of the year, and the City of Seattle is considering action in the first part of 2019. With that, the Task Force will be disbanded. The work of the Task Force, however, will continue. It is anticipated that in the first quarter of 2019, the Growth Management Planning Council will appoint members of its Affordable Housing Committee to begin implementing the Regional Affordable Housing Task Force Five-Year Action Plan. The Committee will be supported by an Inter-Jurisdictional Team composed of staff from King County and cities that want to support the effort.

County staff in support of the Affordable Housing Committee will be charged with creating a dashboard to track affordable housing efforts needs and policies, and measure how well the region is reaching the goal of 44,000 new or preserved affordable housing units in the next five years.

The Committee will meet regularly and will provide recommendations to the GMPC for the update to the housing chapter of the CPPs. The Committee will also serve as a place for jurisdictions to coordinate State legislative agendas and work toward a regional funding plan for affordable housing.

It is anticipated that cities and the County, as well as developers, advocates, and community members will continue their work to increase the availability of healthy, safe and affordable homes throughout King County. The Five-Year Action Plan and Affordable Housing Committee will support those individual efforts and work to enhance regional collaboration going forward.



Appendix A

Glossary

Glossary

Accessory Dwelling Unit (ADU): a small, self-contained residential unit attached to a single-family home. Sometimes called "mother-in-law apartment" or "granny flat."

Affirmative Marketing: advertising and community outreach designed to reach people who are least likely to apply for housing as a method to reduce housing discrimination.

Affordable Homes/Housing: households that spend less than 30% of their gross monthly income on housing costs.

Area Median Income (AMI): the household income for the median – or middle – household in a region. It is a criteria used by the U.S. Department of Housing and Urban Development (HUD) and other agencies to determine what kinds of services households may qualify for. HUD releases annual median income levels for different household sizes in King County. In King County, the 2018 AMI for a household of four is $103,400.

Communities of Opportunity (COO): a King County and Seattle Foundation partnership. COO has four priority areas: quality affordable housing; providing healthy, affordable food and safe places outside to be physically active, especially for youth; increased economic opportunity; and strong community connections. The County portion of COO is funded with 10 percent of the Best Starts for Kids Levy proceeds.

Community Land Trust: a nonprofit organization that develops and stewards affordable housing and other assets to maintain affordability, economic diversity and access to local services for a community.

Cooperative Housing: a shared ownership model for multifamily housing.

Cost Burden: households who pay more than 30% of their gross monthly income on housing costs.

Detached Accessory Dwelling Unit (DADU): a small, separate, and self-contained residential unit on the same property as a single-family home. Sometimes called "backyard cottage."

Displacement: a household moving due to factors beyond their control.

Environmental Impact Statement: a document required by federal and state law that describes the positive and negative environmental effects of a proposed action.

Extremely Low Income: households earning 30% or less of area median income. In King County, 30% of AMI for a household of four is $31,020.

Gentrification: an influx of capital and high-income, higher-educated residents into a neighborhood with historical segregation and/or disinvestment. Impacts commonly associated with gentrification are community-wide displacement and a loss of social fabric for low-income communities of color.

High-Capacity Transit: a transit mode that operates principally on exclusive rights-of-way which provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

Home & Hope: a project led by Enterprise Community Partners in conjunction with elected officials, public agencies, educators, nonprofits and developers that facilitates the development of affordable housing on underutilized, tax-exempt sites owned by public agencies and nonprofits in King County. See https://www.enterprisecommunity.org/where-we-work/pacific-northwest/home-hope for more information.

Impact Fee: a fee imposed by a local government on a new or proposed development project to pay for all or a portion of the costs of providing services to the new development.

Inclusionary Zoning: a wide range of policies that link the production of affordable housing to the production of market-rate housing. Most programs provide incentives, such as density bonuses, in exchange for a certain percentage of units to be affordable for low or moderate-income households.

Infill Development: construction on vacant or under-utilized properties in an urban area.

Just Cause Eviction: policies that limit property owners' ability to evict tenants to certain reasons. See SMC 22.206.160C for an example list of just causes for eviction.

Low Income: households earning 80% or less of area median income. In King County, 80% of AMI for a household of four is $82,720.

Micro Housing: a small, self-contained, single-occupancy apartment. A somewhat ambiguous term, it could include a small studio apartment or a single-room occupancy unit with communal kitchen and common room areas.

Multifamily Tax Exemption (MFTE): a program providing a term-limited property tax exemption for the construction of new affordable housing. See RCW 84.14 for more information.

Naturally Occurring Affordable Housing: housing that is affordable without direct government subsidy or investment.

Opportunity Zones: a community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. A low-income community is one with a poverty rate of at least 20 percent and low-income is a household earning up to 80 percent AMI. King County Opportunity Zones can be found on the state Department of Commerce website (commerce.wa.gov).

Puget Sound Regional Council (PSRC) Vision 2040: a regional growth strategy led by the PSRC for the four county region (King, Kitsap, Pierce, and Snohomish Counties.) See http://www.psrc.org/vision for more information.

Property Value Discount Legislation: policies that require a department of assessments' valuations to reflect the impact of affordability covenants and other restrictions on a property's assessed value as a method to reduce property taxes for affordable housing.

Regional Equitable Development Initiative (REDI) Fund: a public-private fund led by Enterprise Community Partners to help finance the acquisition of property along transit corridors to preserve the affordability of future housing and community facilities. See

https://www.enterprisecommunity.org/financing-and-development/community-loan-fund/redi-fund for more information.

Seattle Equitable Development Initiative: a program seeking to mitigate displacement and increase access to opportunity for Seattle's marginalized communities. See https://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative for more information.

Severe Cost Burden: households who pay more than 50% of their gross monthly income on housing costs.

Source of Income Discrimination Protection: policies that make it illegal for property owners to discriminate against tenants and would-be tenants based on their source of income (such as Federal Housing Choice Vouchers.) See RCW 59.18.255 for Washington State's law on source of income discrimination.

Tax Increment Financing: a public financing method of diverting future property tax revenue increases that result from a specific public improvement project to pay for the project.

Transfer of Development Rights: a voluntary, incentive-based program for controlling land use. Developers pay a fee to construct housing denser than what standard zoning would allow, which is then transferred to certain landowners in exchange for signing a contract limiting construction on their property.

Transit-Oriented Development (TOD): construction of new housing with convenient access to transit.

Urban Growth Area (UGA): where most future growth and development is to occur to limit sprawl, enhance open space, protect Rural Areas and Natural Resource Lands, and more efficiently use human services, transportation, and utilities. See RCW 36.70A.110 for more information.

Very Low Income: households earning 50% or less of area median income. In King County, 50% of AMI for a household of four is $51,700.

Appendix B

Five Year Action Plan

REGIONAL AFFORDABLE HOUSING TASK FORCE
FIVE-YEAR ACTION PLAN

PROBLEM STATEMENT:

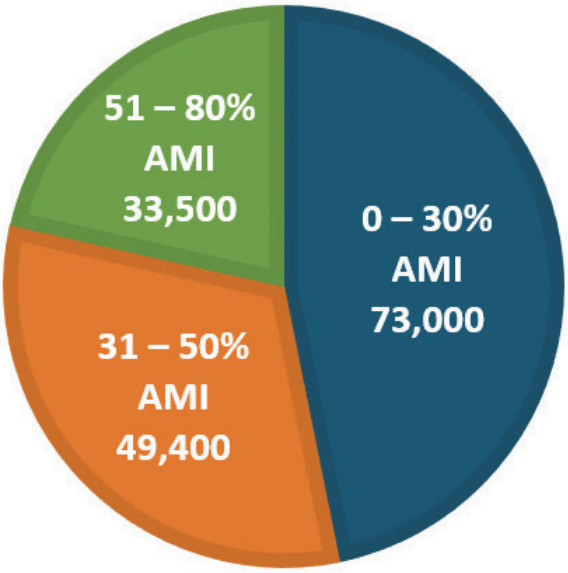
Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80% of Area Median Income (AMI) and below is cost- burdened. This includes 156,000 homes for households currently cost-burdened[1] and an additional 88,000 homes for growth in cost-burdened households between now and 2040. When low-income families spend more than 30% of their income for housing they are cost- burdened and struggle to afford other basic necessities like food, transportation, health care, and child care.

The need for new affordable homes is greatest for households earning 30% or less of AMI.

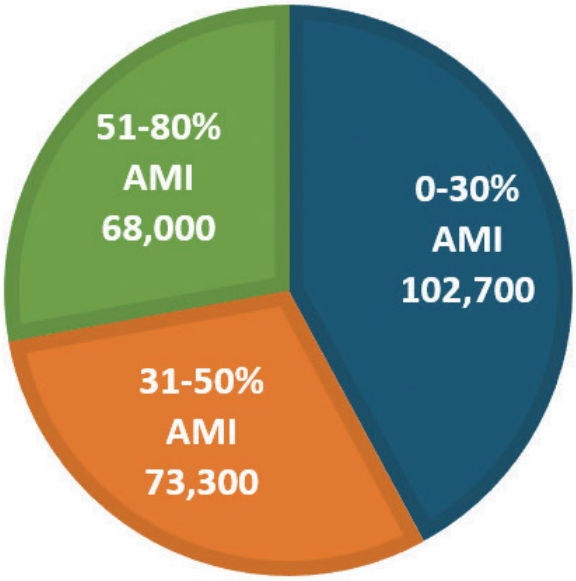
	0 – 30% AMI	31 – 50% AMI	51 – 80% AMI
EXISTING NEED	73,000	49,400	33,500
GROWTH TO 2040	29,700	23,900	34,500
SUBTOTAL	102,700	73,300	68,000
% TOTAL NEED IN 2040	**42%**	**30%**	**28%**

Over the last decade, King County's stock of housing affordable to households at or below 80% AMI decreased by a net average of 3,600 rental homes per year, due to demolition and rising rents. If current trends continue, by 2040, the county is set to lose all unsubsidized homes at less than 50% AMI and nearly half of units affordable to households earning 50 to 80% AMI.

AFFORDABLE HOMES NEEDED TODAY



HOMES NEEDED BY 2040



1 An individual or family that pays more than 30% of its income for housing costs is considered cost-burdened.

OVERALL GOAL: STRIVE TO ELIMINATE COST BURDEN FOR HOUSEHOLDS EARNING 80% AREA MEDIAN INCOME AND BELOW, WITH A PRIORITY FOR SERVING HOUSEHOLDS AT OR BELOW 50% AREA MEDIAN INCOME.

The region should adopt strategies to ensure an adequate housing supply countywide to meet the needs of low-income individuals and families who are cost-burdened. This includes constructing new housing, preserving the quality and affordability of existing housing, and providing subsidies when needed. Public resources should be prioritized for serving households earning 50% AMI and below, while also leveraging private investments to support affordability from 50% to 80% AMI. However, private market participation alone will be insufficient to address the full need at 80% AMI and below.[2] These recommendations are not mandates. They are not intended to place limits on local actions or override local control.

GOAL 1: CREATE AND SUPPORT AN ONGOING STRUCTURE FOR REGIONAL COLLABORATION.

In recognition of the need for significantly more affordable housing, individual cities and the County have been working to address affordability within their jurisdictions. There are strong examples of interjurisdictional coordination, however, these efforts to date have not collectively made sufficient progress to meet the full need of the community. The drivers and effects of the affordable housing challenge are regional.

Strategy A: Create an Affordable Housing Committee of the Growth Management Planning Council (GMPC)

The Committee will serve as a regional advisory body with the goal of advocating and assessing progress toward implementation of the Action Plan. It will function as a point of coordination and accountability for affordable housing efforts across King County.

Action Plan:

The GMPC will appoint members of the committee which shall be comprised of approximately twenty members representing an equal balance of both governmental and non-governmental organizations, including representation of communities impacted by displacement. The committee will:

- Hold regular meetings
- Maintain a website of information and/or release an annual report to accomplish the following:
    - Review qualitative and quantitative metrics regarding countywide and jurisdictional progress to implement the Action Plan and address the countywide need and/or cost-burden gap, including a measurement plan that will, at a minimum, track the percentage of housing supply at various levels of AMI and track the region's progress to meeting the overall goal identified by the Regional Affordable Housing Task Force
    - Review and make recommendations to other governing bodies regarding actions to implement the Action Plan, including:
        - Funding/pursuing new and innovative financing strategies to significantly address the affordable housing need in King County for adoption by jurisdictions and/or voters in 2020

2 With significant public support (reduced land costs and fees and significant density), some markets may be able to incorporate lower affordability into private market developments.

    - Land use policies
    - State legislative agenda items, such as increasing State funding for affordable housing, expanding options for local funding, supporting the creation and preservation of affordable housing, and creating uniform statewide laws for tenant protections

- Recommend policy positions for Puget Sound Regional Council's (PSRC) Growth Management Policy Board's consideration and approval
- Review and provide guidance regarding alignment between the Action Plan and comprehensive plans
- Recommend amendments to the Countywide Planning Policies including regional goals/metrics and land use policies
- Coordinate support for increased federal funding for affordable housing
- Work with existing and new sub-regional collaborations, such as A Regional Coalition for Housing (ARCH) and South King County Housing and Homelessness Partnership (SKHPP)
- Provide incentives for regional solutions which promote strategies that are broader than one jurisdiction at a time
- Provide technical assistance to the cities and the County on affordable housing policy, including identification and sharing of best practices and model legislation
- Review and evaluate existing committee and recommend alternative governance structures needed to accomplish the Action Plan
- Be supported by an Inter-Jurisdictional Team (IJT) that builds on but will meet separately from the GMPC IJT

NOTE: *The Regional Affordable Housing Task Force recognizes that the "One Table" effort to address the root causes of homelessness, which includes but is broader than affordability, is also engaged in discussions about governance. As One Table and the Task Force finalize their governance recommendations, they should work together to harmonize their recommendations.*

Strategy B: Support the creation and operation of sub-regional collaborations to increase and preserve affordable housing

Action Plan:

- Cities and the County to support the creation of sub-regional collaborations in all parts of King County, including North and South King County sub-regional collaborations as opportunities arise
- Cities and the County to fund operations of sub-regional collaborations
- Cities, the County, and the Affordable Housing Committee to encourage the growth and success of existing sub-regional collaborations, including ARCH in East King County and SKHHP in South King County

GOAL 2: INCREASE CONSTRUCTION AND PRESERVATION OF AFFORDABLE HOMES FOR HOUSEHOLDS EARNING LESS THAN 50% AREA MEDIAN INCOME.[3]

Currently, 236,000 King County households earn less than 50% AMI, and yet only 128,000 homes are affordable at this income level. Traditionally, the private housing market has not been positioned to address the housing needs at this income level and government bears this responsibility. The region must increase housing supply and other supports for the lowest-income households. This will both secure housing stability for these households and also reduce pressure on existing and future housing, improving housing access for all incomes across the region.

The Task Force recognizes that local government revenue streams are limited and not structured to sustainably keep up with rising costs to maintain existing services. Identifying and implementing new revenues for affordable housing at the local level will require careful consideration of the impact to other critical services and the capacity for communities to accept additional tax burden without further contributing to the affordability crisis. The Task Force recommends that each jurisdiction consider the suitability of options available to them under current law, and work collaboratively to increase funding available to support affordable housing preservation and development.

While implementing the land use and policy changes identified in the Five-Year Action Plan will help meet the need, the Regional Affordable Housing Task Force's work has clearly pointed to a need for significant new resources if the region is to meet the goal of reducing the number of cost-burdened households at 80% of AMI and below, with a particular focus on the distinct needs of households who earn at or below 50% AMI.

On average in the last five years, roughly $384 million a year is invested in affordable housing in King County from Federal, State and Local sources (see Attachment A on page 52).

In recent years, the cost to purchase or build of affordable housing has increased, just like the cost of all housing types. That means that public dollars have been able to purchase fewer units over time and that going forward it is reasonable to assume that affordable units will cost, on average, $350,000 to preserve or build.

In this context, the Regional Affordable Housing Task Force has set the goal of building or preserving 44,000 units of affordable housing to serve people earning less than 50% AMI over the next five years.

Achieving this production goal will require the region to employ all the tools it has available, including land use and zoning changes. It is also important to note that not all of the funding for those units must or will be raised locally. The Federal government will and should play a significant role in funding affordable housing, primarily through the Low Income Housing Tax Credit Program (LIHTC). Assuming that the Federal government continues to make contributions on a par with the last five years, 58% of the need will be met with Federal resources.

3 "Low-income" is defined as a person or family earning at or below 80% of AMI ($82,700 for a family of four or $57,900 for an individual).

Strategy A: The Affordable Housing Committee will work with cities and the County to identify and prioritize new resources to build or preserve 44,000 units in the next five years and track progress toward the goal

Throughout the Task Force process, Task Force members, Standing Advisory Committee members and members of the public cited the need to expand the types of funding available to fund affordable housing, particularly given the regressive nature of Washington State's tax code. Examples of more progressive funding sources include a capital gains tax and an income tax.

Action Plan:

- Cities and the County should identify revenue sources available to them sufficient to support the local share of funding 44,000 units over five years

Examples of Potential Local Government Fund Sources for Consideration

- Inclusionary Housing In-Lieu Fee
- Proceeds from Land Sales
- Property Tax
- .01% Sales Tax
- Sales Tax Credit
- Real Estate Excise Tax
- Capital Gains Tax

- Cities and the County should collectively advocate to maintain and increase Federal resources directed toward affordable housing in King County, which might include increasing expanding the 9% LIHTC or maximizing the bonding capacity of the 4% LIHTC
- Cities and the County should collectively advocate for increased State resources to support affordable housing in King County, which might include increasing contributions to the Housing Trust Fund, a sales tax credit, or allowing cities to collect up to a 0.25% Real Estate Excise Tax
- Cities and the County should explore unused authority to raise revenue to support the goal of building or preserving 44,000 units over five years. Unused authority might include a countywide property tax, a countywide sales tax, free or discounted publicly owned land
- Cities and the County should work with business and philanthropy to increase and effectively leverage private investments in affordable housing
- Cities and the County should pursue strategies to reduce the cost of developing affordable units, which might include the reduction or elimination of impact or connection fees, or a sales tax fee exemption on affordable developments
- The Affordable Housing Committee will monitor County and city progress toward raising funds necessary to produce 44,000 units in the next five years

Strategy B: Make available at no cost, at deep discount, or for long term lease, under-utilized property from State, County, cities, and non-profit/faith communities

Action Plan:

- State, the County, and cities to expand coordination to identify, acquire and develop property for affordable housing.
- The Affordable Housing Committee will track and report progress on the Regional Equitable Development Initiative fund and Home & Hope.
- Jurisdictions to identify one or more parcels in their boundaries to prioritize for affordable housing (for-profit or non-profit, new or preserved)
- The County to develop policies for the sale of County-owned property at reduced or no cost when used for affordable housing, which may be used as a model ordinance by cities

Strategy C: Develop a short-term acquisition loan fund to enable rapid response to preserve affordable housing developments when they are put on the market for sale

Action Plan:

- Cities, the County and the Affordable Housing Committee to identify entity to inventory all large (50+ unit) privately owned affordable multifamily properties at risk of redevelopment or rapid rent escalation
- The Affordable Housing Committee will measure and monitor progress in preserving privately owned, including those that are subsidized or naturally occurring, affordable housing through nonprofit or public housing authority acquisition or other means
- Cities and the County to partner with existing efforts and organizations and support additional funding to fill gaps in current preservation efforts
- Cities and the County to consider dedicating a portion of new funding streams to this strategy

GOAL 3: PRIORITIZE AFFORDABILITY ACCESSIBLE WITHIN A HALF MILE WALKSHED OF EXISTING AND PLANNED FREQUENT TRANSIT SERVICE, WITH A PARTICULAR PRIORITY FOR HIGH-CAPACITY TRANSIT STATIONS

Progress in meeting this goal will be measured, using the following region wide metrics:[4] [5]

- 25% of existing housing remains affordable at 80% AMI and below
- 50% of new housing is affordable at 80% AMI and below
- 80% of available public land suitable for housing is prioritized for housing affordable at or below 50% AMI

The region's continuing expansion of high capacity transit, including light rail and bus rapid transit, provide one of the best opportunities to expand housing options available to a wide range of incomes. Such housing will be particularly valuable to low-income households, who are the most dependent on transit and yet often the least able to benefit from these neighborhood amenities due to increasing costs nearby. This recommendation recognizes that the region must promote or require affordable housing near high-capacity transit stations and along transit corridors, as well as in regional growth centers. Additionally, an emphasis should be placed on developing and preserving units that meets the needs of the lowest income households, including families and a balanced mix of unit sizes (studio through three-bedroom units).

Strategy A: 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, which may include:

a. Increased density
b. Reduced parking requirements
c. Reduced permit fees
d. Exempted impact fees
e. Multi-family property tax exemptions
f. Programmatic Environmental Impact Statements

Action Plan:

- County or Affordable Housing Committee to provide technical assistance in designing inclusionary/ incentive housing programs
- County or Affordable Housing Committee to provide website of example ordinances
- All parties propose and apply for State planning dollars

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4 PSRC anticipates that more than 50% of housing growth will occur in TOD.

5 Background: Between 2010-2015:
- 20% of population growth occurred in station areas
- 45% of population in station areas are people of color v. 34% in the region
- 1/3 of housing permits issued were in station areas
- 34,000 homes were added in station areas
- Currently, approximately 25% of housing in station areas is affordable at less than 80% AMI (19% in SEA, 4% in EKC, 80% in SKC)

- City and the County to evaluate and update zoning in transit areas in advance of transit infrastructure investments
- Cities and the County to evaluate the impact of development fee reductions in transit areas and implement reductions if positive impact
- Affordable Housing Committee to regularly measure implementation against goal
- As one strategy, cities and the County to coordinate with local housing authorities to increase the use of project-based rental subsidies in buildings with incentive/inclusionary housing units in order to achieve deeper affordability

Strategy B: Maximize resources available for Transit Oriented Development in the near term

Action Plan:

- The County to consider bonding against future Lodging Tax revenues for Transit Oriented Development (TOD) and use a portion of the funds to incentivize cities to support more affordable housing in their jurisdictions
- The County to evaluate potential for the current Transfer of Development Rights program, which preserves rural and resource lands, to incentivize affordability outcomes if a receiving site is within a transit walkshed, among other places

Strategy C: Create and implement regional land acquisition and development strategy

Action Plan:

- Cities and the County to identify priority "pipeline" of property for acquisition and development
- The County to adopt and implement property value discount legislation/guidance as needed, including updated valuation guidance
- Cities and the County to fund land acquisition, aligned with Goal 2, Strategy B
- Cities and the County to adopt increased zoning to maximize affordable housing on acquired parcels
- Cities, the County, and Affordable Housing Committee to identify entity to purchase and hold land prior to construction
- Cities and the County to fund capital construction and preservation, including private sector investments

Strategy D: Reduce transportation impacts from suburban communities and recognize the need for communities without bus or light rail stations to compete for affordable housing funding

Action Plan:

- Subject to performance standards for achieving affordable housing, provide equitable footing with TOD housing projects for suburban communities to receive competitive affordable housing funding

GOAL 4: PRESERVE ACCESS TO AFFORDABLE HOMES FOR RENTERS BY SUPPORTING TENANT PROTECTIONS TO INCREASE HOUSING STABILITY AND REDUCE RISK OF HOMELESSNESS.

In 2017, approximately 4,000 renters were evicted from their housing. Evictions create barriers to future housing for those households, increase risk of homelessness, and are costly and time-consuming for property owners and tenants. In addition, particularly at a time of low vacancies, tenants have few opportunities to quickly secure housing stability when their incomes can't keep up with rising rents. The region should support a comprehensive approach for increasing education, support and eviction prevention to increase stability for renters and predictability for property owners.

Strategy A: Propose and support legislation and statewide policies related to tenant protection to ease implementation and provide consistency for landlords

a. Just Cause Eviction

b. Notice of rent increase

c. Increase protections for renters facing relocation or displacement

d. Expand eviction prevention, relocation and other services and assistance

e. Prohibit discrimination in housing against tenants and potential tenants with arrest records, conviction records, or criminal history

Action Plan:

- Cities, the County and the Affordable Housing Committee to support the development and adoption of statewide legislation and policy related to tenant protections
- County or Affordable Housing Committee to review proposed statewide policies and legislation
- Cities, the County and the Affordable Housing Committee to develop tools landlords can use to help low-income renters, such as a fund landlords can access to make repairs so costs are not passed on to low-income renters

Strategy B: Strive to more widely adopt model, expanded tenant protection ordinances countywide and provide implementation support for:

a. Source of Income discrimination protection

b. Just Cause Eviction

c. Notice of rent increase

d. Tenant relocation assistance

e. Rental inspection programs

f. Prohibiting discrimination in housing against tenants and potential tenants with arrest records, conviction records, or criminal history

Action Plan:

- County or Affordable Housing Committee to provide model ordinances
- Cities and the County to pursue a signed inter-local agreement for enforcement support

- County or Affordable Housing Committee to identify resources to conduct work
- County or Affordable Housing Committee to increase education for tenants and property owners regarding their respective rights and responsibilities
- Cities and County to adopt ordinances as appropriate

Strategy C: Expand supports for low-income renters and people with disabilities

Action Plan:

- County to utilize funds from the Veterans, Seniors and Human Services Levy for shallow rent subsidies to help keep people in their homes
- Cities and the County to increase funding for emergency rental assistance
- Cities and the County to increase deep subsidies (in addition to shallow)
- Cities and the County to fund services to address barriers to housing, including tenant screening reports
- Cities and the County to expand civil legal aid support
- Cities and the County to expand education of tenant and property owner rights and responsibilities
- Cities and the County to increase funding for services that help people with disabilities stay in their homes and/or age in place

Strategy D: Adopt programs and policies to improve the quality of housing in conjunction with necessary tenant protections

Action Plan:

- Cities and the County to adopt and implement proactive rental inspection policies
- Cities and the County to implement robust, proactive code enforcement programs, in partnership with marginalized communities to avoid inequitable impacts
- Cities and the County to invest in community health workers to promote healthy housing education and housing maintenance for highest risk of adverse health outcomes
- Cities and the County to partner with Aging & Disability organizations to integrate accessibility services

GOAL 5: PROTECT EXISTING COMMUNITIES OF COLOR AND LOW-INCOME COMMUNITIES FROM DISPLACEMENT IN GENTRIFYING COMMUNITIES.

Communities throughout the region are experiencing dramatically increasing housing costs and a growing demand for housing especially, but not exclusively, within urban areas. This places communities with a high population of low-income renters and people of color at an increasing risk of displacement, further compounding the historic injustice of exclusion these communities have experienced as a result of laws and policies on the local and federal level. The same communities that were once limited by law to living in specific geographic areas are now being pushed out of those areas when the neighborhood is gentrified and becomes more desirable to higher-income households. The region should support community-led preservation strategies that enable existing residents to remain in their communities and allow them to benefit from the opportunities of growth of redevelopment.

Strategy A: Authentically engage communities of color and low-income communities in affordable housing development and policy decisions

Action Plan:

- County to provide capacity grants to small organizations representing communities of color or low-income communities to support their engagement in affordable housing development
- County to contract for a toolkit/checklist on community engagement in planning discussions
- All jurisdictions to utilize the toolkit and intentionally include and solicit engagement from members of communities of color or low-income households in policy decision-making and committees

Strategy B: Increase investments in communities of color and low-income communities by developing programs and policies that serve individuals and families at risk of displacement

Action Plan:

- Cities and the County to use Seattle's Equitable Development Initiative as a model for how government can invest in under-represented communities to promote community-driven development
- Cities and the County to build upon the work of the Communities of Opportunity[6]
- Include cities, investors, and community-based organizations in development of certification process and matching dollars for socially responsible, equitable Opportunity Zone[7] investments that prevent displacement
- Cities and the County to expand requirements to affirmatively market housing programs and enhance

6 Communities of Opportunity, a King County and Seattle Foundation partnership, is an inclusive table where community members and leaders, organizations, and institutions share power, voice, and resources. COO has four priority areas: quality affordable housing; providing healthy, affordable food and safe places outside to be physically active, especially for youth; increased economic opportunity; and strong community connections. The County portion of COO is funded with 10% of the Best Starts for Kids Levy proceeds.

7 Opportunity Zones are a community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. A low-income community is one with a poverty rate of at least 20% and low-income is a household earning up to 80% AMI. King County Opportunity Zones can be found on the Washington State Department of Commerce website (commerce.wa.gov).

work to align affordable housing strategies with federal requirements to Affirmatively Further Fair Housing

- Cities and the County to encourage homeownership opportunities as a way to prevent displacement within communities of color while also promoting the growth of intergenerational wealth
- Where appropriate, cities and the County to acquire and preserve manufactured housing communities to prevent displacement

GOAL 6: PROMOTE GREATER HOUSING GROWTH AND DIVERSITY TO ACHIEVE A VARIETY OF HOUSING TYPES AT A RANGE OF AFFORDABILITY AND IMPROVE JOBS/HOUSING CONNECTIONS THROUGHOUT KING COUNTY.

From 2011 through 2017, more than 96,200 new households came into King County, but only 64,600 new units were built. Despite a building boom, the private market is not keeping pace with population growth in recent years, which contributes to rapid increases in home purchase costs and rents, as well as low vacancy rates. In addition, much of the new production is at the high end of the market and does not meet the needs of all household types. The region should adopt policies that streamline regulations and provide greater zoning flexibility in order to increase and diversify market-rate housing production to better keep pace with population growth. In addition, greater land use and regulatory support is needed to address the needs of older adults, larger households, and people with disabilities. Cities should intentionally plan for and promote affordable housing in the same locations where they are accommodating future growth and density.

Strategy A: Update zoning and land use regulations (including in single-family low-rise zones) to increase and diversify housing choices, including but not limited to:

a. Accessory Dwelling Units (ADU) and Detached Accessory Dwelling Units (DADUs)
b. Duplex, Triplex, Four-plex
c. Zero lot line town homes, row houses, and stacked flats
d. Micro/efficiency units

Action Plan:

- County or Affordable Housing Committee to provide model ordinances
- County to incentivize cities adopting and implementing strategies that will result in the highest impact towards addressing the affordable housing gap, specifically at the lowest income levels
- Cities and the County to review and update zoning and land use code to increase density
- Cities and the County to explore opportunities to pilot innovative housing in industrial zones, with a focus on TOD and industrial buffer zones
- Cities and the County to update building codes to promote more housing growth and innovative, low-cost development
- As part of any updated zoning, cities and the County to evaluate feasibility of incorporating affordable housing provisions
- Cities and the County to promote units that accommodate large households and/or multiple bedrooms

Strategy B: Decrease costs to build and operate housing affordable to low-income households

Action Plan:

- Cities and the County to maximize and expand use of Multi-Family Tax Exemption
- County to reduce sewer fees
- Cities to reduce utility, impact and other fees for affordable housing developments and ADUs

- Jurisdictions to streamline permitting process for affordable housing development and ADUs
- Cities, the County, and the Affordable Housing Committee to support condominium liability reform that better balances homeowner protections and developer risk to increase access to affordable homeownership options
- State legislature to exempt affordable housing from sales tax
- County or Affordable Housing Committee to explore incentives similar to the Multi-Family Tax Exemption for the development of ADUs for low-income households

Strategy C: Incentivize growth and affordability goals by expanding tools for investments in local infrastructure

Action Plan:

- Cities and the County to advocate for a strong, equitable financing tool that captures value from development to fund infrastructure and affordable housing investments (aka: value-capture or tax-increment financing tools)
- Cities and the County to advocate for state public works trust fund investments—connect to local affordable housing outcomes

Strategy D: Expand and preserve homeownership opportunities for low-income households

Action Plan:

- Cities and the County to increase educational efforts to ensure maximum use of property tax relief programs to help sustain homeownership for low-income individuals
- Cities and the County to support alternative homeownership models that lower barriers to ownership and provide long-term affordability, such as community land trusts, co-ops, and rent to own models
- Cities and the County to expand targeted foreclosure prevention
- Where appropriate, cities and the County to preserve existing manufactured housing communities through use-specific zoning or transfer of development rights
- Cities and the County to encourage programs to help homeowners, particularly low-income homeowners, access financing, technical support or other tools needed to participate in and benefit from infill development opportunities

GOAL 7: BETTER ENGAGE LOCAL COMMUNITIES AND OTHER PARTNERS IN ADDRESSING THE URGENT NEED FOR AND BENEFITS OF AFFORDABLE HOUSING.

Most decisions regarding land use and planning for affordable housing happen at the city and neighborhood level. Therefore, the region should better support engagement of local communities and city governments to create informed communities and implement strategies to meet the full range of housing needs. This includes using new, creative strategies to better engage residents around the benefits of having affordable housing in all parts of the County and in their neighborhoods. It also includes providing greater transparency and accountability on actions taken and results delivered. Given the significant countywide need for affordable housing, the region needs more urgent and scalable action to be taken at the neighborhood, city, and regional level.

Strategy A: Support engagement of local communities and residents in planning efforts to achieve more affordable housing

Action Plan:

- County or Affordable Housing Committee to develop toolkits and strategies to better engage neighborhoods and residents in affordable housing development
- County or Affordable Housing Committee use existing data and tools to greatest extent possible, i.e. PSRC Vision 2050 work
- Jurisdictions to use community engagement techniques, which may include providing evening meetings, translation services, food, and child care, or travel stipends for low-income individuals and historically marginalized communities to participate, that promote more equitable engagement in zoning and siting decisions

Strategy B: Expand engagement of non-governmental partners (philanthropy, employers, investors, private developers and faith communities) to support efforts to build and site more affordable housing

Action Plan:

- Cities, the County, and Affordable Housing Committee to create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations, the health care sector, and others to encourage investments in affordable housing
- Cities, the County, and Affordable Housing Committee to encourage business, organized labor, and philanthropy to support public dialogue on affordable housing

Attachment A

Current Capital Investments Annual averaged based on 2012-2017			
			Annual Amount
Federal			
	9% LIHTC		$61,500,000
	4% LIHTC		$163,500,000
		Subtotal	**$225,000,000**
State			
	Housing Trust Fund		$12,000,000
		Subtotal	**$12,000,000**
King County			
	Lodging Tax		$7,500,000
	Document Recording Fee		$2,300,000
	VSHSL Property Tax		$2,500,000
	MIDD Sales Tax		$2,000,000
	HOME Funds		$2,000,000
		Subtotal	**$16,300,000**
Cities*			
	Cities*		$49,000,000
	ARCH		$4,700,000
		Subtotal	**$53,700,000**
Private			
	Fundraising		$19,000,000
	Debt Financing		$58,000,000
		Subtotal	**$77,000,000**
		Total	**$384,000,000**

**This list may not be inclusive all of cities' capital contributions from 2012-2017.*
Jurisdictions that have provided incentives or contributions in-lieu of capital funding (land donations, fee waivers, etc.) may not be reflected in this chart.

Appendix C

Public Comment

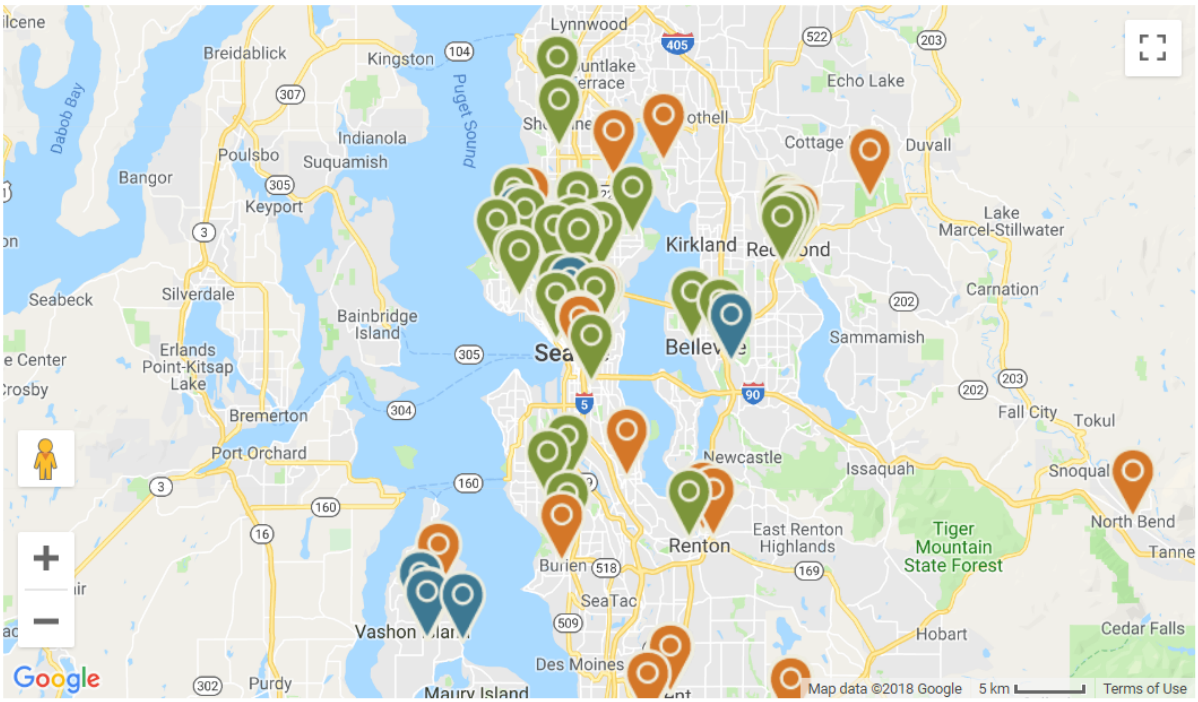
REGIONAL AFFORDABLE HOUSING TASK FORCE

Public Comment Tool

The Task Force wants to hear from people representing as many of King County's communities as possible, as well as experts in the housing field.

Project Background and Purpose

The King County Regional Affordable Housing Task Force is working to develop a countywide affordable housing strategy. This strategy must address a broad range of housing needs across King County's residents. It will be informed by data, but must also be informed through direct input by the residents facing housing challenges today in King County. This comment tool is one way to provide direct feedback to the Task Force.



Toggle Map by: Ideas (37) Stories (6) Concerns (27) **View All (70)**

To read feedback received through the Public Comment Tool, please visit:
https://kingcounty.gov/initiatives/affordablehousing/public-comments.aspx

Appendix D

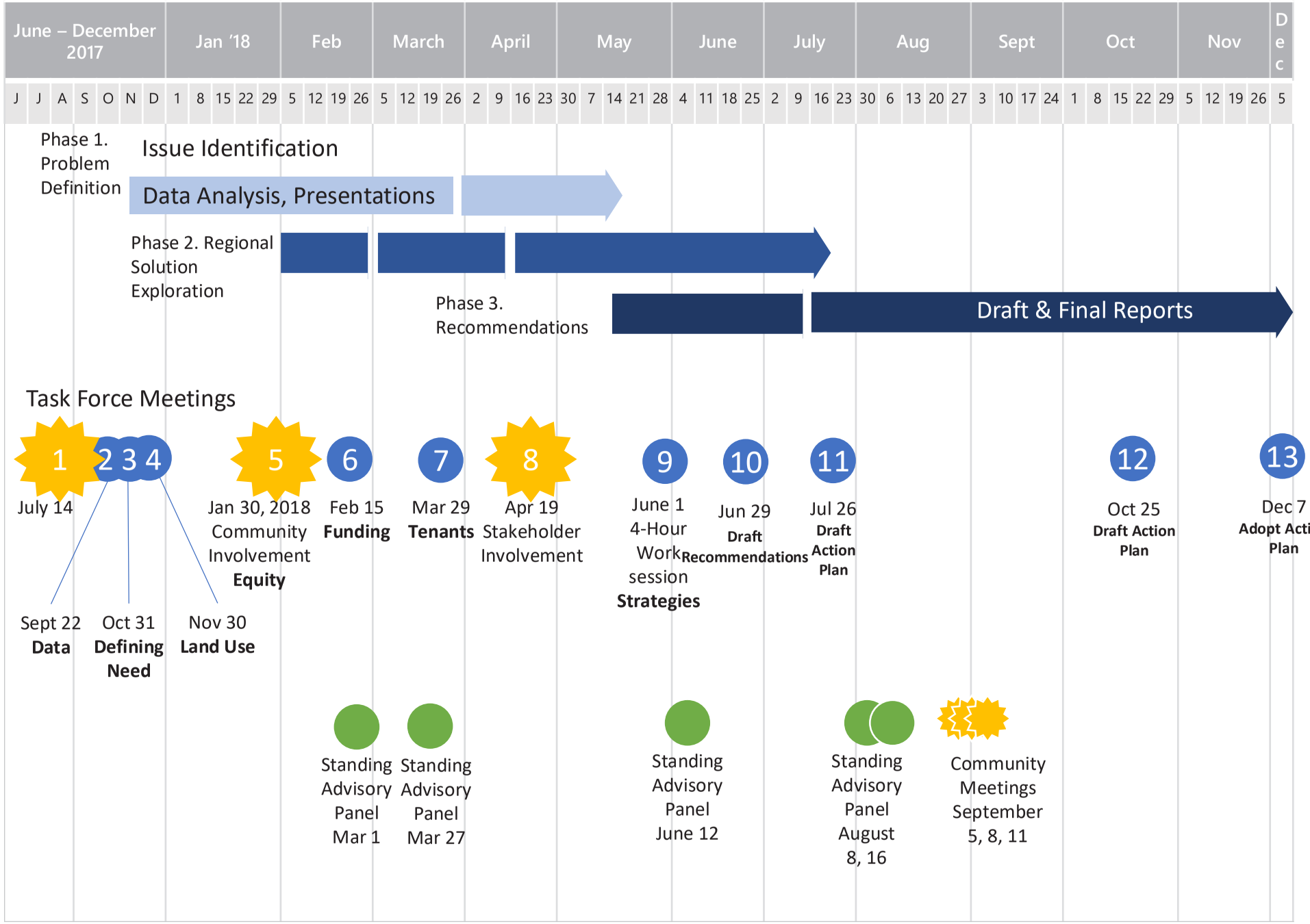
Task Force Schedule

REGIONAL AFFORDABLE HOUSING TASK FORCE

King County Regional Affordable Housing Task Force

Working Project Schedule

King County



Updated November 21, 2018

**Dates may change subject to Task Force member and venue availability*

Appendix E

2018 Income and Rent Limits

King County

2018 Income and Rent Limits - Multifamily Rental Housing

Published by HUD on March 30th, 2018, effective April 1st, 2018

Maximum 2018 Household Income for Multifamily Rental Properties

Family Size	30%	35%	40%	45%	50%	60%	65%	70%	HOME* 80%	80%
1 Person	$22,500	$26,215	$29,960	$33,705	$37,450	$44,940	$47,050	$50,650	$56,200	$57,900
2 Persons	$25,700	$29,960	$34,240	$38,520	$42,800	$51,360	$53,750	$57,900	$64,200	$66,200
3 Persons	$28,900	$33,705	$38,520	$43,335	$48,150	$57,780	$60,500	$65,150	$72,250	$74,450
4 Persons	$32,100	$37,450	$42,800	$48,150	$53,500	$64,200	$67,210	$72,380	$80,250	$82,700
5 Persons	$34,700	$40,460	$46,240	$52,020	$57,800	$69,360	$72,600	$78,150	$86,700	$89,350
6 Persons	$37,250	$43,470	$49,680	$55,890	$62,100	$74,520	$77,950	$83,950	$93,100	$95,950
7 Persons	$39,850	$46,445	$53,080	$59,715	$66,350	$79,620	$83,350	$89,750	$99,550	$102,550
8 Persons	$42,400	$49,455	$56,520	$63,585	$70,650	$84,780	$88,700	$95,550	$105,950	$109,200

Maximum RENTS for Projects Based on UNIT SIZE**

Unit Size	30%	35%	40%	45%	Low HOME	50%	60%	65%	High HOME	70%	80%
0 Bedrooms	$562	$655	$749	$842	$936	$936	$1,123	$1,176	$1,198	$1,266	$1,447
1 Bedroom	$602	$702	$802	$902	$1,003	$1,003	$1,203	$1,260	$1,284	$1,356	$1,551
2 Bedrooms	$722	$842	$963	$1,083	$1,203	$1,203	$1,444	$1,512	$1,543	$1,628	$1,861
3 Bedrooms	$835	$973	$1,113	$1,252	$1,391	$1,391	$1,669	$1,747	$1,775	$1,881	$2,150
4 Bedrooms	$931	$1,086	$1,242	$1,397	$1,552	$1,552	$1,863	$1,948	$1,960	$2,098	$2,398
5 Bedrooms	$1,028	$1,198	$1,370	$1,541	$1,712	$1,712	$2,055	$2,150	$2,144	$2,316	$2,646

* 2018 HOME Program Income and Rents Limits - effective June 1, 2018.

** King County uses 1.5 persons per bedroom to determine the household size and corresponding rent limits.

REGIONAL
AFFORDABLE HOUSING
TASK FORCE

King County, WA

December 2018