



## **City of Lake Forest Park**

### **Planning Commission Regular Meeting**

**Tuesday, February 9, 2021**

### **PROPOSED MEETING AGENDA**

**Meeting to be Held Virtually**

See second page for information about how to participate virtually

**City Hall is Closed to the Public**

- 1. Call Meeting to Order—7:00 p.m.** (confirm recording start)
- 2. Land Acknowledgement**
- 3. Approval of Agenda**
- 4. Approval of Meeting Minutes** – November 10, 2020, December 8, 2020, January 14, 2021
- 5. Meeting Dates**
  - Next regular meeting is scheduled for March 9, 2021
- 6. Citizen Comments** (Each speaker has three minutes to comment)  
The Planning Commission accepts oral and written citizen comments during its regular meetings. Written comments are no longer being read during the meeting. Instructions for how to make oral Citizen Comments are available here: <https://www.cityoflfp.com/617/Virtual-Planning-Commission-Meetings>
- 7. Report from City Council Liaison**
- 8. Old Business**
- 9. New Business**
  - “NW Bungalows in the Park” Presentation on Accessory Dwelling Units by Don Fiene and Jack Tonkin with Cory Brewer, Adam Stoecker, and Brian Highberger available for questions
- 10. Reports and Announcements**
  - Report from Staff on Recent Residential Development Activity
- 11. Additional Citizen Comments**
- 12. Agenda for Next Meeting**
- 13. Adjournment**

*Planning Commission's Land Acknowledgement*

*We'd like to acknowledge we are on the traditional land of a rich and diverse group of Native Peoples who have called this area home for more than 10,000 years. We honor, with gratitude, the land itself and the descendants of these Native Peoples who are still here today. In doing this we aim to illuminate the longer history of this land we call home, our relationship to this history, and the heritage of those peoples whose ancestors lived here before the European-American immigration that began in the 1800s.*

**Instructions for participating in this meeting virtually:**

Topic: February 9 Planning Commission Meeting

Please click the link below to join the webinar:

<https://zoom.us/j/91469759003>

Or iPhone one-tap :

US: +12532158782,,91469759003# or +14086380968,,91469759003#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 408 638 0968 or +1 669 900 6833 or +1 346 248 7799 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592

Webinar ID: 914 6975 9003

International numbers available: <https://zoom.us/u/ay8f6qj4n>

City of Lake Forest Park - Planning Commission  
Regular Meeting Minutes: November 10, 2020  
Virtual/Zoom Meeting

**Planning Commissioners present:** Chair Maddy Larson, Vice Chair Rachael Katz, Steve Morris, Ira Gross, Jon Lebo, and Richard Saunders

**Staff and others present:** Steve Bennett, Planning Director; Nick Holland, Senior Planner; Councilmember Tom French; City Attorney Kim Adams-Pratt

**Members of the Public:** virtual sign-in

**Planning Commissioners absent:** T.J. Fudge, Joel Paisner

**Call to order:** Chair Larson called the meeting to order at 7:00PM

**Approval of Agenda:** Cmr. Gross made a motion to accept the agenda, and Cmr. Lebo seconded the motion. Chair Larson asked for any discussion Cmr. Katz asked a question regarding acceptance of written comments and if citizens could still submit written comments. Director Bennett said that written comments were not being read at the meeting but one could submit written comments to the Commission. Cmr. Katz suggested clarifying the language and putting it on future agendas. Councilmember French agreed. Chair Larson suggested moving the native land acknowledgement to the next meeting. She said that she would like more time to work on the language. All voted to approve the agenda as amended.

## Meeting Minutes from October 13, 2020

Mr. Lebo made a motion to approve the minutes, Mr. Katz seconded, all voted in favor and the meeting minutes were approved.

### **Meeting Dates:**

Chair Larson indicated that the next regular meeting was scheduled for December 8, 2020.

## Citizen Comments:

Don Fiene said that LFPMC 18.48.080 says that buildings shall not cover more than 45% of the parcel within town center. He said there isn't a maximum impervious surface percentage for the town center and suggested that the Commissioners may want to adopt a maximum.

## Report from City Council Liaison

40 Councilmember French said the Council met with Sound Transit. Sound Transit said that they were on the  
41 schedule for the high capacity transit project. Councilmember French said that Sound Transit is waiting for  
42 the realignment decisions from the Sound Transit design board. He said they presented a design for the  
43 garage to the Council. Councilmember French said he was surprised to see five stories at the ten percent  
44 design stage. He said that the LFP code provisions would influence the design. He expects changes to the  
45 program by July, and that the garage may be slightly smaller than 300 stalls. He asked for Director Bennett's  
46 input.

48 Director Bennett said there have been discussions regarding the possibility that the King County Library  
49 could be a potential partner in the garage project. Councilmember French mentioned that there was an  
50 expectation for community space. He talked about a separate pedestrian access in the design. He said that  
51 several members of the Council said that it is important that Sound Transit be forward thinking with regard

1 to environmental sustainability in the design. Councilmember French added that the project should be a  
2 model for environmental sustainability.

3  
4 Cmr. Saunders asked what the timeline for the project will be. Councilmember French said that the Council  
5 will consider the garage code prior to March with hearings before final consideration. He said that Sound  
6 Transit's re-alignment project schedule is still being re-evaluated. He said that the agency's priorities are being  
7 shifted to align with what voters wanted. He said the ballot measure approved a couple of years ago included  
8 the garage project and cost trimming cannot come from eliminating the garage project itself, but may show  
9 up in the aesthetics of the project.

10  
11 Chair Larson asked about the City's regulations for 522 improvements and construction on the highway.  
12 Director Bennett explained that standards from Kenmore could be used for development of 522 as well as  
13 provisions of the King County road standards. Director Bennett said that the design of improvements to 522  
14 for high capacity bus travel is ongoing. Chair Larson said she would like to see improvements done on both  
15 sides of 522. Councilmember French said the Kenmore code was drafted for commercial areas along 522.  
16 He said that he would like to see improvements that reflect the values of the LFP community. He indicated  
17 that Sound Transit will be looking for an expedited permitting process, but the City hasn't developed a  
18 response to implement that type of process. Director Bennett said that Sound Transit is probably just trying  
19 to get a feel for how the process works in LFP and the general permit timelines.

20  
21 **Old Business**

22 • Implementation of Town Center Vision

23       Review and recommendation of amendments to Commission's 4/14/2020 recommended Town  
24       Center Code Updates addressing request from Deputy Mayor and Council Vice Chair

25  
26       Review of revisions to 10/27 draft recommended code changes for consistency with  
27       Commission direction

28  
29  
30 Director Bennett presented the first set of revisions in the section on limitations on use and asked if there  
31 were any questions or comments. Hearing none, he presented the revisions for section .070 and the parking  
32 standards which described an exception for freestanding parking structures and went on to present proposed  
33 changes to section .130, general design standards. He noted the reference to the framework design guidelines  
34 and the clarification that the Commission's recommendation was that the larger open space provisions for  
35 20,000 square feet total with 10,000 square feet of contiguous interior open space be a requirement. He then  
36 presented the section on development agreements and discussed the trigger for such a process. He explained  
37 the trigger to be any requested variation from density, height, or setback provisions.

38  
39  
40 A discussion continued regarding development agreement triggers relative to other portions of the code. City  
41 Attorney Pratt provided her opinion of the amendment. Cmr. Katz said she doesn't believe it is necessary to  
42 add additional language regarding the trigger for development agreements. Cmr. Lebo  
43 asked about how a development agreement is implemented and talked about Cmr. Fudge's concerns from the  
44 last meeting. City Attorney Pratt explained her understanding of development agreements. Director Bennett  
45 clarified how development agreements are executed. Cmr. Morris said he would prefer to use the  
46 recommendation from the City Attorney. A discussion continued regarding how the recommendations the  
47 Commission makes should be organized and sent to Council. City Attorney Pratt suggested the edits  
48 surrounding development agreement triggers could be removed given the way in which development  
49 agreements are facilitated and how they are used to regulate development.

1 Councilmember French said that the more detail the Commissioners provides, the easier it will be for the  
2 Council to consider the code provisions. Director Bennett summarized what he understood about  
3 amendments to section .170 and the section concerning development agreements. Cmr. Saunders  
4 recommended putting a placeholder in for impervious surface regulations with the idea being for the Council  
5 to explore that issue.

6  
7 Director Bennett suggested that the Commission entertain a motion on the draft for recommendation to the  
8 Council. Chair Larson suggested deleting the year on the framework design guidelines and all agreed. Cmr.  
9 Katz made a motion to send the recommended edits to the town center code recommendations to the City  
10 Council for consideration. Cmr. Gross seconded the motion and the motion passed unanimously.

11  
12 Discuss potential addition of a statement on affordable housing in Commission recommendations  
13 memo to Council; Discuss the key messages to include as a memo to accompany recommendations  
14 to Council

15  
16 Chair Larson indicated that she would like to include a recommendation on affordable housing in a  
17 memorandum to Council. The Commissioners also discussed including items within their recommendation  
18 that were important to them such as landscaping, environmental sustainability, pedestrian circulation and  
19 other elements. Chair Larson summarized her understanding about the content of the memorandum to  
20 Council. Cmr. Saunders said that the discussion regarding the planning horizon was an effective tool and that  
21 defining what the community wanted was the most important rather than just any redevelopment of town  
22 center. Chair Larson discussed the potential of making a statement regarding the reasons behind further  
23 recommendations and the lack of time to explore them. Cmr. Katz said that she wasn't comfortable making  
24 such a statement. Cmr. Lebo said that an increase in density and height at town center wasn't supported by  
25 the citizens of the City. He said that the existing framework design guidelines had community input, and that  
26 density and height shouldn't be changed from what the previous standards indicated. City Attorney Pratt  
27 asked if the density provision in the current design guidelines is acceptable, and Cmr. Lebo said that it was.

28  
29 Chair Larson said that she would draft the memo along with Cmr. Katz and Director Bennett, asked if a  
30 meeting would be required for approval in the spirit of public process. Director Bennett summarized some  
31 options for approval of the content of the memo. Cmr. Gross and Cmr. Saunders indicated they approved of  
32 the Chair and Vice Chair authoring the memo. The other Commissioners agreed. Councilmember French  
33 indicated that the memo could be received by Council later in the year. Councilmember French asked if all  
34 references to 2020 could be deleted.

35  
36 City Attorney Pratt asked about development agreement triggers and how it should be recommended to  
37 Council. She suggested some ways to draft the provision. Cmr. Lebo asked why development agreement  
38 triggers would need to be included at all, given the decision to eliminate through the Planning Commission  
39 recommendation. Director Bennett reminded Commissioners what the Deputy Mayor's memorandum asked  
40 of the Commission. City Attorney Pratt indicated that the Council wanted to include a development  
41 agreement trigger. Councilmember French also clarified and said that consideration of size of a development  
42 and density were some of the triggers to getting Council involved. He explained the difference between the  
43 Council functioning as the decision making body and how a hearing examiner operates.

44  
45 **Reports and Announcements**

46 None from staff.

47  
48 **Additional Citizen Comments**

49 None.

1    **Agenda for Next Meeting:**

2    Chair Larson asked for input. Director Bennett indicated that he would like to brief the Commission on  
3    future work and mentioned the shoreline master program. Chair Larson suggested a presentation on  
4    accessory dwelling units (ADUs). Cmr. Lebo indicated he would like the Commission to carry on with all of  
5    their work in his absence. Cmr. Katz suggested talking about the native land acknowledgement, shoreline  
6    program, and the 2021 work program. She suggested reviewing ADUs in 2021. Chair Larson asked if staff  
7    could look at the items ahead and draft a 2021 work plan along with getting some direction from Council.  
8    Councilmember French indicated that housing strategy is something the Council is ready to work on getting  
9    done sooner than later.

10    **Adjournment:** Cmr. Katz made a motion to adjourn the meeting, Cmr. Gross seconded; all agreed; and the  
11    meeting was adjourned.

12    Adjournment at 8:41pm

13    APPROVED:

14    \_\_\_\_\_  
15    Maddy Larson, Chair  
16  
17  
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19

DRAFT

**City of Lake Forest Park - Planning Commission  
Regular Meeting Minutes: January 12, 2020  
Virtual/Zoom Meeting**

**Planning Commissioners present:** Chair Maddy Larson, Vice Chair Rachael Katz, Steve Morris, Richard Saunders, T.J. Fudge

**Staff and others present:** Nick Holland, Senior Planner; Lauren Hoerr, Assistant Planner; Councilmember Tom French (Commission Liaison), Councilmember Bodi

**Members of the Public:** Mike Dee, Lois Lee, Tom Hazlet, Tamara Erickson, Reid Templin, David Kleweno, Don Fiene

**Planning Commissioners absent:** Joel Paisner, Ira Gross

**Call to order:** Chair Larson called the meeting to order at 7:04PM

### Approval of Agenda:

Mr. Katz moved to approve the agenda, Mr. Fudge seconded the motion. Chair Larson asked for any discussion. There was none. All agreed to approve the agenda and the agenda was approved unanimously.

## Approval of Meeting Minutes

November 10, 2020

Chair Larson indicated that some Commission members did not receive the email containing the November meeting minutes. Chair Larson asked Mr. Holland to follow up with IT to prevent minutes and other City emails going to the spam folder for Cmr. Saunders and Chair Larson. Cmr. Katz noted that pg 2 lines 42-44 can be deleted as it does not adequately capture what she said. Chair Larson noted that pg 2 line 29 can be deleted as pg 3 line 16 seem to say the same thing. Commissioners agreed to both deletions. Cmr. Morris moved to approve minutes as amended. Cmr. Katz seconded. Cmr. Saunders wanted to abstain, but without his vote it would not be a quorum. Cmr. Katz moved to defer approval of minutes as amended at tonight's meeting to February's meeting. Cmr. Saunders seconded. The motion was approved unanimously. Cmr. Larson requested Mr. Holland to send out revised November minutes.

## Meeting Dates:

It was noted that the next regular meeting is scheduled for February 9<sup>th</sup>, 2021.

### **Citizen Comments:**

None.

## Report from City Council Liaison

Councilmember French welcomed any potential Planning Commission candidates that were in attendance. He said that Council has met 3 times in the last 5 days—Thursday, Saturday, Monday—and a lot of progress was made on many fronts. He indicated that people were able to come together and find common ground despite the volume of information presented. Council has been leaning towards incorporating a mandatory affordable housing component and offering additional units as a bonus incentive, and this will be subject to public comment. Councilmember French said that on

1 Thursday, they will discuss Design Guidelines and supplementary materials regarding Northwest  
2 architecture and other imagery that can influence the looks at Town Center. He said that Council  
3 discussed a maximum of 275 units no matter what bonus incentives are achieved beyond the 17  
4 units/acre, a 60-foot setback from Lyon Creek, and a maximum height of 55 or 58 for anything with  
5 a bonus level, and 38 feet in height would be the highest for anything without a bonus level. He said  
6 Council eliminated enhancements to Lyon Creek from list of bonus enhancements, as they felt that  
7 dedicated community spaces seem to be higher community priorities and Lyon Creek enhancements  
8 can be encouraged separately in different ways.  
9

10 Cmr. Saunders asked if Thursday's event was a public hearing. Councilmember French clarified the  
11 public hearing is next Thursday on the 21<sup>st</sup> and this Thursday is a normal Council meeting. Chair  
12 Larson praised the Council for the collaborative tone and the accomplishments of recent Council  
13 meetings. She noted the draft released to the public before the holidays is what will be discussed  
14 during the public hearing, but she wondered if there would be an introduction at the public hearing  
15 to clarify recent decisions made during the last few Council meetings. Councilmember French said  
16 there may be an updated version that will be made available prior to the public hearing, ideally by  
17 Monday depending on legal constraints. He said that Staff will give a presentation on the material  
18 without taking a position; they will present the material as it stands. He noted that not too many  
19 substantial changes can be made without going in front of the public again because the material is  
20 going through the Department of Commerce. Chair Larson pointed out the land coverage can be  
21 45% but current draft talks about 65% impervious surface, with bonuses allowing for 75%. She  
22 wondered if the site is currently already over 75% impervious surface and is wondering how this  
23 works if development occurs in phases. Councilmember French said that phasing is very much on  
24 the Council's mind and the topic of bonding also came up as a way to hold developers accountable.  
25

## 26 **Old Business**

### 27 Planning Commission Work Plan for 2021

28 Cmr. Katz said that some items in Director Bennett's work plan memo will require consultant  
29 assistance, and with budget constraints, there may be delays to when these consultants can be hired.  
30 Mr. Holland said that staff came up with the first three items, but he would need to check with Mr.  
31 Bennett as to what would be prioritized based on budget constraints. Councilmember French said  
32 that sign code edits came up during Town Center discussion, but it will be more efficient for sign  
33 code edits to be written for all zones so that it can be a stand-alone sign code chapter and the Town  
34 Center code can reference it. He also said that Accessory Dwelling Unit (ADU) has been a very  
35 compelling discussion. He indicated that he can't speak to the Shoreline Master Program (SMP) and  
36 Wireless Cell Facilities (WCF) code updates and those priorities.  
37

38 Cmr. Katz presented the edit that the sign code asterisk probably is only applicable to the WCF  
39 work, so the asterisk can be deleted. For item three, she would like to add "and other missing middle  
40 housing types" to the title, and in bullet "to consider other amendments in zoning code to increase  
41 affordable housing options." She would like redistribute percentages to item one as 15%, item two  
42 as 25%, and item three as 30%. She indicated that citizens have done a lot of work lately on ADU  
43 code and that will need to be reviewed and discussed. She noted the redistribution allows more time  
44 to be dedicated to low hanging fruit within existing footprint constraints, where can we potentially  
45 allow more flexibility in housing types.  
46

47 Cmr. Saunders suggested 20% for item two and 30% for item three. He commented that if item six  
48 is important to how we look at other work items, it may need to be integrated earlier into work plan.

1 Cmr. Fudge suggested making the sign code a priority, noting if current Town Center can be made  
2 more vibrant through a sign code update, it will be helpful for businesses in recovering from  
3 pandemic impacts. Councilmember French thanked Cmr. Fudge and noted that Council did pass an  
4 emergency sign code ordinance that is in effect indefinitely.

5  
6 Cmr. Fudge said we should not add to scope of ADU work, as it may make it about putting multi-  
7 family homes into single-family zoned areas, and this discussion may take away from progress to be  
8 made in ADU discussion. Cmr. Morris said that ADU should be first priority and that discussing  
9 other low-hanging fruit would be a good way to explore options. Cmr. Katz clarified that she is okay  
10 with ADU code updates happening first and then being able to address other missing middle  
11 housing—duplex, triplex, and fourplexes that may be the same size as single-family homes—later  
12 on. She noted she is not trying to diminish ADU efforts, but feels strongly the missing middle is an  
13 area where the City can help with efforts on sustainability, equity, and diversity as well.

14  
15 Cmr. Fudge asked if Chair Larson could share the picture he sent to her. The picture was shared.  
16 Cmr. Fudge said he is worried about not learning from the early mistakes of the Town Center code  
17 process, where community support was lacking for the code changes being proposed. He wants to  
18 be sure there is buy-in from the community before discussing missing middle options. Chair Larson  
19 clarified she thought Cmr. Katz's suggestions seemed to be more aligned with general discussion  
20 than getting to potential code regulations. Councilmember French recommended topically  
21 considering the breadth of opportunity but focusing on what there seems to be good support for,  
22 noting that the City has to find a way to successfully incorporate the missing middle. More  
23 discussion was had. Cmr. Larson suggested that "Housing—The Missing Middle" first bullet can be  
24 "learning about housing options that address missing middle," second bullet can be "consider  
25 potential amendment..." and third bullet can be "recommendations for PC 2022 work plan". Cmr.  
26 Katz said item three can be 40% and then item six can be an overlay.

27  
28 Cmr. Fudge commented on keeping SMP at 20%, depending on the details of what is being  
29 proposed and asked if anything is going to be added regarding lighting or Civic Club dredging. Chair  
30 Larson asked Mr. Holland if he has a sense of what is being proposed in SMP. Mr. Holland said the  
31 changes are largely technical in nature as recommended by Ecology, but if other substantive changes  
32 like Cmr. Fudge discussed want to be considered, then it would take more time. Chair Larson said  
33 not to focus too much on getting the percentages accurately. Cmr. Morris said to focus on the intent  
34 of what the Commission wants to work on. Cmr. Saunders asked if the work plan is just considering  
35 staff time versus the budget needed for some items. Discussion was had and it was decided to make  
36 the percentages for item one as 15%, item two as 25%, item three as 40%, item four as 10%, and  
37 item five as 10%. Cmr. Katz suggested turning item six into a statement saying "the Planning  
38 Commission is committed to considering environmental and equity impacts of all  
39 recommendations." Cmr. Morris moved to accept the Work Plan as amended. Cmr. Katz seconded.  
40 The motion was approved by all except for Cmr. Fudge who abstained.

41  
42 2020 Annual Report

43 Cmr. Katz suggested moving Steve Morris note to Joel Paisner on page one, and Councilmember  
44 French has been formal liaison for a while, so no need to have (Interim). Cmr. Saunders moved to  
45 approve 2020 Annual Report as amended. Cmr. Fudge seconded. The motion was approved  
46 unanimously.

47  
48 Native Land Acknowledgement

1 Chair Larson provided a summary of her research on this topic. Cmr. Katz suggested adding it to  
2 the agenda as part of a regular way to start the meetings. Cmr. Morris said was opposed to it being  
3 read at every single meeting, but suggested reading it at the start of each new year. Cmr. Fudge said  
4 he was okay with it being monthly, but suggested just the first two sentences to keep it shorter and  
5 focus the intent. He noted he supports it in full, so he does not feel strongly. Cmr. Saunders agreed  
6 something shorter would be more appropriate for a monthly meeting, and agreed that the first two  
7 sentences would be appropriate. Chair Larson said maybe the last sentence is just information  
8 provided on the agenda, but not read aloud to serve as an explanation of the purpose. The full text  
9 would be a footnote on the agenda. Commissioners agreed. Councilmember French commended  
10 the Commission for doing this and strongly supports including it in the Design Guidelines for Town  
11 Center as well. Cmr. Fudge moved to adopt the land acknowledgement as amended. Cmr. Saunders  
12 seconded. The motion was approved unanimously.  
13

14 **New Business**

15 None.

16 **Reports and Announcements**

17 None.

18 **Additional Citizen Comments**

19 **Mike Dee**

20 Mr. Dee said that the sign code does need an asterisk as it is unconstitutional as there are currently  
21 different rules for signs depending on content. He gave his perspective on the history of ADU code,  
22 noting that the new ADU work would be to make it easier to implement and easier for staff. He  
23 gave his perspective on the cottage housing history, including the Carrie Lewith amendment and  
24 conservation cluster housing. He noted there are two cottage houses behind the Burke Gilman Trail  
25 across from City Hall. He noted that the proposed Land Acknowledgment has left out certain  
26 people, including the undocumented.

27 **Tamara Erickson**

28 Ms. Erickson thanked the Commission for the opportunity to listen in and noted she is one of the  
29 applicants for Planning Commission role. She said it was great to be a part of the meeting and to  
30 hear that the missing middle is a priority. She noted she works for a company that owns and  
31 manages wireless communication facilities, and one of the services the company offers is to review  
32 any draft ordinance and work with the City to make it robust and efficient and meeting City's needs  
33 and priorities. She offered to help the Commission in its efforts.

34 **Agenda for Next Meeting:**

35 Chair Larson noted that Don Fiene will likely be on February meeting agenda, otherwise she will  
36 work with Cmr. Katz and Mr. Bennett to confirm the agenda.

37 Cmr. Saunders moved to adjourn the meeting and Cmr. Morris seconded. The motion was  
38 unanimously approved and the meeting was adjourned.

39 **Adjournment: 8:52pm**

40 APPROVED:  
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DRAFT



## NW BUNGALOS IN THE PARK

ATTACHED DWELLING UNITS (ADU)

DETACHED BUNGALOS (DADU)

A gentle way to add Affordable  
Housing in Lake Forest Park

## Lake Forest Park NW Bungalow Document Index

Introduction “A Gentle Way to Add Density in Lake Forest Park

Potential for DADU’s and ADU’s in Lake Forest Park

Draft: Model DADU & ADU Draft Ordinance

Addendum to Draft Ordinance re: Environmental Issues

Four NW Bungalow Floor Plans and Renderings

Project Costs, Breakouts, Loan Origination, Total Loan & Loan Amortizations

NW Bungalow Construction Costs and Mortgage Financing

ADU Financing Options

Rental Demand & Feasibility

Rental Rates and Affordable Income

NW Bungalow’s Relationship to Affordable Housing

Why should the city of LFP encourage Affordable NW Bungalows and what could be the City’s role in doing so?

What is Lake Forest Park’s fare share?

## A GENTLE WAY TO ADD DENSITY IN LAKE FOREST PARK

(November 16, 2018)

Our City's aspirations to incorporate multiple housing (Cluster Housing) within Lake Forest Park failed on several counts. First and foremost, the neighbors impacted by the plans for Cluster Housing were adamantly opposed due to the multiple adverse impacts that would have been thrust upon them. Second, the City ignored the pleas of those neighbors and failed to show justification for allowing multiple housing developments on properties zoned single family.

In its pursuit to break up residential lots, the City did not anticipate citizens' reactions and did not fully understand the number of adverse impacts such projects could create. The provisions written were naïve, incomplete and too developer friendly. The shocking realization for the neighbors, impacted by the Cluster Housing plan, was in learning that the house next door would transform into up to ten houses, creating more noise, more traffic, more people, more cars, less trees and less privacy. This is opposite of why one chooses to live in LFP. The City underestimated how upsetting it was for homeowners to learn that their most valued and prized asset could be violated in so many ways by losing the privacy of their home and the enjoyment of their neighborhood.

Within the City Council and Administration there continues to be the pushing of an agenda to create multiple housing units by crowding these projects into existing areas zoned for single-family. It is admirable that this city is attempting to address land use changes, making homes more affordable and accommodations for existing seniors wishing to downsize while staying in the Lake Forest Park community.

The quest for greater density should not diminish the character and quality of life of the single-family neighborhoods in Lake Forest Park.

### **WHAT WOULD A BETTER PLAN BE?**

There is a development plan already on the books. It is the ADU provision allowing existing homeowners the options of either adding a "mother-in-law" apartment to their dwelling, or building a separate dwelling elsewhere on their property. Although it needs a new set of provisions in order to be more attractive and current with today's housing market, the concept offers a good compromise for City goals and an excellent opportunity for residents to enjoy a new income stream to offset rising costs, taxes and dwindling retirement funds.

For City purposes, it will bring new taxes, increase density, provide affordable housing and address the City goals of less traffic and on-street parking, improved neighborhood compatibility, accommodating seniors' downsizing and the conservation of canopy and open space.

A new, improved ADU program would also address the Council's concern about teardowns to build "McMansions". *See Seattle Times backyard housing article.*

### **NEW PROVISIONS**

ADU units will address affordable housing. Since there are no capital costs for the land and utility installations, these cost savings can be factored into a lower cost of construction, therefore a lower rent

structure. If the homeowner is renting the ADU to other than family, the rent structure should be required to be below the market average for this area.

In order to address neighborhood, canopy and conservation issues, the ADU unit must not exceed the percentage of impervious surface allowed for zoned lot size and with new 15' strategic set-backs which require landscaping, these set-backs would create new conservation areas which will serve to buffer noise, visual impacts and preserve privacy. The wider setbacks will also serve to create and preserve the required canopy requirements.

Parking on site must be part of the development plan. Modifying the existing driveway to accommodate one vehicle should not mean adding significant impervious surface, nor interrupt the existing home parking pattern.

The addition of a walkway for private entry of a remodel or separate cottage could require installation of "green" pavers, grids or gravel in order not to create more impervious surfaces.

#### **SHARED BENEFITS**

A rental income stream from an ADU, or the principal house, could make a home purchase possible for first-time buyers to meet mortgage loan payments. For example, outstanding student loans restrict younger couples' ability to obtain a mortgage loan. If the purchaser or owner lived in the ADU unit and rented the primary residence, an income stream would be created to support the ability to make the mortgage payments, making a purchase possible. In the future should the couple require a larger home and have acquired some wealth, they could reverse the process, reside in the primary residence and rent the ADU to retain the income stream.

For seniors currently residing in LFP, wanting to downsize but remain in Lake Forest Park, the ADU addition to their property provides the pathway for subsidizing their retirement. They may use the rental money from the ADU in their early years to help fund the expense of owning a home, paying taxes, etc., and in later years they could downsize to live in the ADU unit and rent their primary house which would increase their income stream to afford the many benefits retirees wish to enjoy.

The obvious benefits for the City would be an attempt to increase affordable housing, the fulfillment of growth goals, provide more revenue for City services, conserve open space, and create opportunity for citizens (whether they be first-time buyers or seniors in need of additional income) to reside in LFP while retaining the quality of life so unique to LFP.

Perhaps the greatest benefit of providing a renewed ADU program would be that it would not disrupt our citizens' existing neighborhoods with high density housing next door and would reduce the adverse impacts of parking, traffic, noise, site pollution and other issues which will always be contested.

Given the proper provisions, a revitalized ADU program will provide an alternate housing plan that pleases and benefits citizens and other parties of interest. The end result can be as stated by Seattle Mayor Durkan & Rival Moon, ADU's are "a gentle way to add density".

Respectfully,  
Don Fiene, Ned Lawson, Jack Tonkin

**The potential to add affordable housing units into LFP by encouraging ADU's based on the Comprehensive Plan Update Map of 2017**

Zone Lot Size	# of Lots	% of LFP Zoned Single Family
RS-20 Lots	535	15%
RS-15 Lots	491	13%
RS-10 Lots	445	8%
Totals	1,471	36%
50% of lots not available for ADU's	-515	Due to shape, CAO's, etc.
Potential Lots available for ADU's	956	
Less 50% for non interested owners	-478	
<b>Opportunity for adding affordable housing units into LFP</b>	<b>478</b>	

**NOTE:**

There are other lots, several of which could qualify for the addition of a DADU or an ADU. An individual lot in the RS zoning below would have to be reviewed for determining if it could support the addition of an ADU or DADU.

RS- 9.6 Lots	856
RS- 7.2 Lots	2,235
Total RS-9.6 & RS-7.2 Lots	3,091

Assumption: 5% of above Lots would be permittable for ADU or DADU's	155
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<b>Total potential ADU and DADU affordable units per a new Ordinance</b>	<b>633</b>
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## CITY OF LAKE FOREST PARK NW BUNGALO ORDINANCE

**Sec. 1. FINDINGS AND INTENT.** (1) The council makes the following findings:

- (a) King County and the City of Lake Forest Park are experiencing demands for housing affordability including options for seniors, young families and limited income professionals, such as teachers and first responders, who are in need of affordable housing and rentals.
- (b) Accessory dwelling units typically rent below market rate, providing additional affordable housing options for renters.
- (c) NW Bungalows are Accessory Detached Dwelling Units (DADU) and accessory Attached Dwelling Units (ADU) are constructed by property owners which typically rent below market rates as the cost of adding a DADU or ADU is reduced as there are no land costs, and utility services are shared avoiding hook-up fees and costs. Many Cities are updating DADU & ADU incentives, such as a streamlined non-complicated building application process, to create affordable houses and rentals.
- (d) Homeowners who add a DADU or ADU unit to her or his property may benefit from added income by an increased sense of financial security and the ability to continue to live in Lake Forest Park.
- (e) DADU's and ADU's can also benefit neighborhoods by expanding rental options near public amenities such as schools, parks, and transit without changing the character and quality of existing neighborhoods.
- (f) DADU and ADU units may reduce economic displacement in existing communities by expanding the range of available housing options and prices.
- (g) DADU's and ADU's are a housing choice that provides environmental benefits. They promote energy conservation compared with average size single-family homes. In addition, the siting of additional accessory dwelling units near transit hubs can help to reduce greenhouse gas emissions. Some homeowners might find that adding a DADU or an ADU vs subdividing the lot would lessen the impact of more impervious surfaces and decreases of tree canopy.
- (h) Removing certain regulatory barriers to the construction of DADU's and ADU's, such as siting restrictions, may substantially reduce construction costs, thereby enabling more homeowners to add a DADU to their properties. The increased availability of DADU's and ADU's will provide benefits to homeowners, renters, the community, and the environment.

(2) The council intends to promote and encourage the creation of DADU's and ADU's as a means to address the need for additional affordable housing options. The council also intends to increase the availability of affordable housing by streamlining and simplifying the building permit application for DADU's and ADU's.

**Sec. 2. DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "DADU" means a detached dwelling unit located on the same lot as a single-family housing unit.

(2) "ADU" means an accessory complete dwelling unit located within or attached to a single-family housing unit.

(3) "Dwelling unit" means a complete residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

(4) "Gross floor area," means the interior habitable area of a dwelling unit including basements and attics but not including a garage or accessory structure.

(5) "Affordable Housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for King County, as reported by the United States Department of Housing and Urban development (HUD).

(1) For rental housing:

- (A) Moderate-Income affordable housing is affordable at 70% of Area Median Income (AMI) adjusted for household size.
- (B) Low-Income affordable housing is affordable at 50% of AMI adjusted for household size.
- (C) Very Low-Income affordable housing is affordable at 35% of AMI adjusted for family size.

(2) For ownership housing:

- (A) Moderate-Income affordable housing is affordable at 80% of Area Median Income (AMI) adjusted for household size.
- (B) Low-Income affordable housing is affordable at 65% of AMI adjusted for household size.
- (C) Very Low-Income affordable housing is affordable at 50% of AMI adjusted for family size.

**Sec. 3. GENERAL REGULATORY REQUIREMENTS.** Ordinances, development regulations, and other official controls adopted or amended as required by this chapter:

(1) DADU's and ADU's are allowed on all lots located in single-family residential zoning districts RS-7.2, RS-9.6, RS-10, RS-15 and RS-20.

(2) A new or separate utility connection is not required between any DADU and a utility, thus saving "Hook-Up" fees.

(3) DADU's and ADU's shall not be considered to be new residential uses for the purpose of calculating connection fees or capacity charges for utilities but may charge fees for additional consumption by the accessory dwelling unit at a level that is proportionate to that additional consumption;

(4) Off-street parking for accessory dwelling units is required.

(5) The gross floor area of an accessory dwelling unit will not count against any floor area ratio limitations that apply to single-family housing units.

(6) A physical connection between the existing principal house and the DADU is not required.

(7) A DADU shall be separated from the primary dwelling unit by a minimum of ten (10) feet measured between the eves or other projections beyond the walls of the two structures.

**Sec. 4. DEVELOPMENT STANDARDS.** Ordinances, development regulations, and other official controls adopted or amended as required by this chapter:

(1) Roof height limitation on DADU units shall not exceed the height allowed of the principal house;

(2) Two Story ADU's and DADU's are permitted in RS-15 and RS-20 zones if the principal house is two storied;

(3) The design characteristics of the accessory dwelling unit shall be comparable and compatible with the existing principal house;

(4) The minimum gross floor area for an ADU and a DADU is one hundred forty (140) square feet;

(5) The maximum gross floor area for an ADU and a DADU is determined by the RS zoning classification:

RS-7.2 maximum gross floor area is 500 Square Feet

RS-9.6 maximum gross floor area is 670 Square Feet

RS-10 maximum gross floor area is 700 Square Feet

RS-15 maximum gross floor area is 1,000 Square Feet

RS-20 maximum gross floor area is 1,000 Square Feet

**Sec. 5.** To enable and encourage ADU's, DADU's, and to increase Affordable Housing in Lake Forest Park, Setback and Siting regulations are as follows:

(1) The majority of LFP's streets are not laid out in a grid pattern, ADU's may be sited in front yards, side yards or back yards if compatible with surrounding housing units;

(2) Front yards shall be determined by the part of the lot that the front door of the primary house faces.

(3) DADU's may be permitted in any front, back or side yard.

(4) DADU's may be permitted for any garage conversions including existing front yard garages

(5) Setback regulations for ADUs and DADU's shall not be more restrictive than regulations for single-family housing units and:

(a) RS -7.2, RS-9.6 and RS-10 Set Backs:

ADUs and DADU's can be sited five (5) feet from a side yard, 10 feet combined;

(b) ADUs and DADU's can be sited ten (10) feet from a rear setback;

(c) RS-15 and RS-20 requires 5 foot one side 15' combined yard setbacks and a 20 foot rear setback for a 1 story unit and a 25 foot rear setback for a 2 story unit;

(d) There shall be no restriction on the location of the entry doors of ADUs;

**Sec. 6.** To enable and encourage ADU's, DADU's and increase Affordable Housing and rentals in Lake Forest while preserving the environment of Lake Forest Park Environmental requirements are:

(1) Lot Coverage for adding an ADU or a DADU to an existing principal house shall be:

RS-7.2 shall increase from 35% to 40%  
RS-9.6 shall increase from 30% to 35%  
RS-10 shall increase from 30% to 35%  
RS-15 shall increase from 27.5% to 32.5%  
RS-20 shall increase from 25% to 30%

(2) Impervious Surfaces for adding ADU's and DADU's to an existing principal house shall be:

RS-10 shall increase from 45% to 50%  
RS-15 shall increase from 40% to 45%  
RS-20 shall increase from 35% to 40%

(3) Lots adding an ADU or a DADU shall meet the requirements of Chapter 16.14 Tree Canopy Preservation and Enhancement Ordinance;

**Sec. 7.** The property owner must occupy one of the units. No more than one (1) ADU shall be permitted per residential lot.

(1) Short term rentals such as Air B & B, VBRO type of rentals are not permitted.  
(2) Rental of either the principal housing unit or the ADU requires a minimum rental contract of three (3) months to be on file with the City.

**Sec. 8.** Compliance with development standards:

All buildings are subject to compliance with the development standards of the zoning classification. In the case of a conflict between the development standards and this section, this section shall take precedence over and supersede any conflicting provision of LFPMC Title 18, including provisions incorporated by reference into this title.

**ADDENDUM to DRAFT ADU & DADU ORDINANCE: Setbacks & Impervious Surfaces**  
**Permitted under current ADU & DADU Ordinance**

Lot Size	Lot Coverage	SQ Footage	Front Setback	Side Yard Setback	Rear Setback	Impervious Surfaces	Impervious SQ Footage
RS-20	25%	5,000	20'	5' one side 15' combined	20'	35%	7,000
RS-15	27.50%	4,125	20'	5' one side 15' combined	20'	40%	6,000
RS-10	30%	3,000	20'	5' one side 15' combined	15'	45%	4,500
RS-9.6	30%	2,880	20'	5' one side 15' combined	15'	45%	4,320
RS-7.2	35%	2,520	20'	5' one side 15' combined	15'	45%	3,240

**Proposed ADU & DADU Ordinance with Bonus Incentives for ADU's & DADU's**

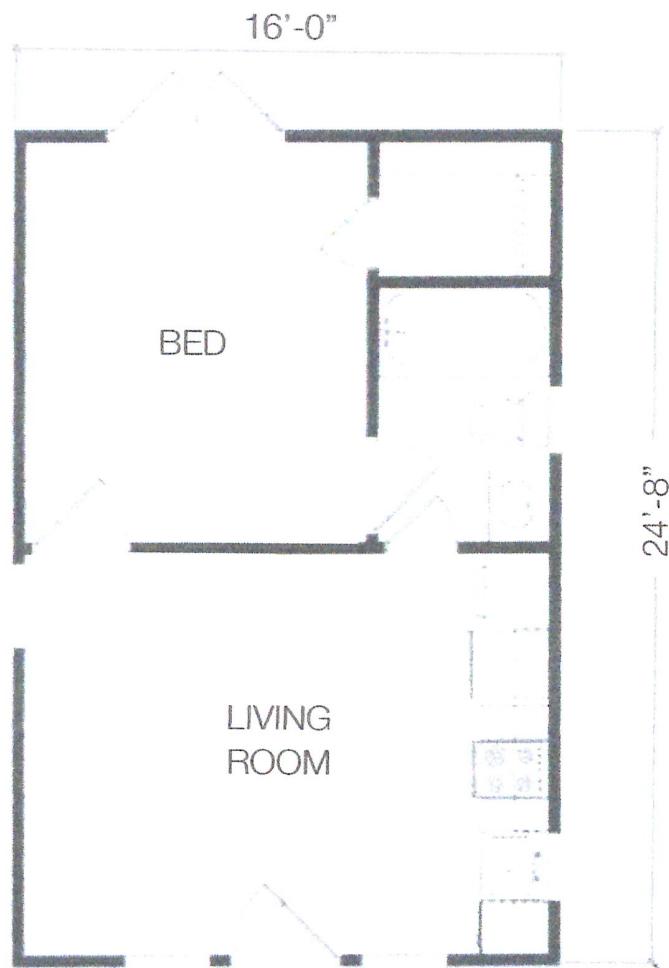
Lot Size	Lot Coverage	SQ Footage	Lot Coverage Sq. Ft. Bonus	Front Setback	Side Yard Setback	Rear Setback	Impervious Surfaces	Impervious SQ Footage	Impervious Sq. Ft. Bonus
RS-20	30%	6,000	1,000	20'	5' each side yard	10' Single Story	40%	8,000	1,000
RS-20	30%	6,000	1,000	20'	5' each side yard	ater	40%	8,000	1,000
RS-15	32.5%	4,875	750	20'	5' each side yard	10' single story	45%	6,750	750
RS-15	32.5%	4,875	750	20'	5' each side yard	25' Two Story	45%	6,750	750
RS-10	35%	3,500	500	20'	5' each side yard	10'	50%	5,000	500
RS-9.6	35%	3,360	480	20'	5' each side yard	10'	50%	4,800	480
RS-7.2	40%	2,880	360	20'	5' each side yard	10'	50%	3,600	360

**NOTES:**

Front Setback is for primary house. An existing garage application to be converted into and DADU is exempted from this front yard setback.  
 Lot square foot coverage and lot impervious square footage is based on zoning designation and actual total square footage of lot.

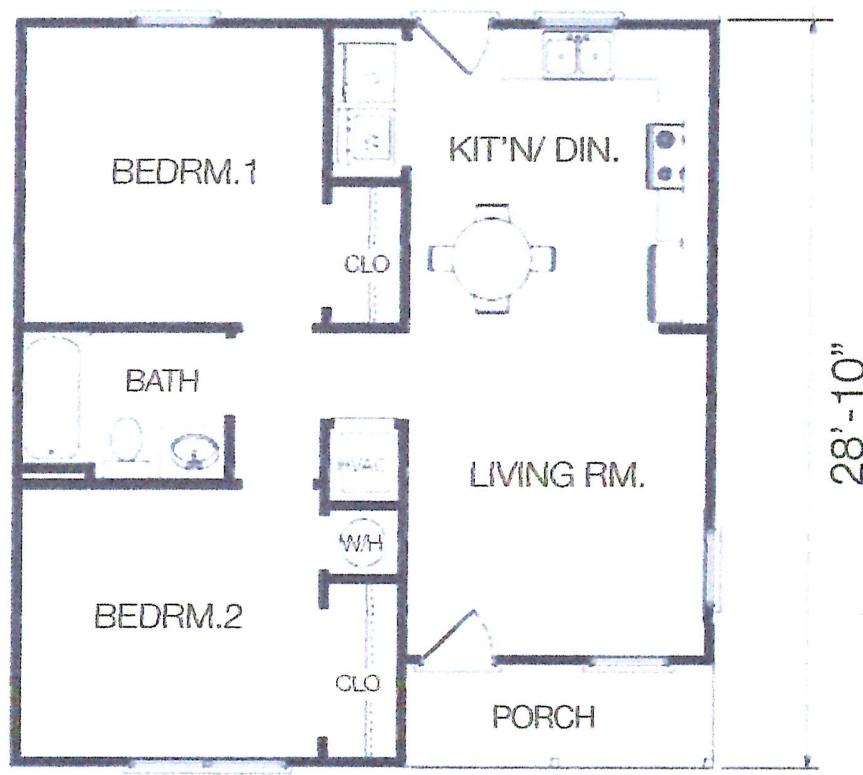
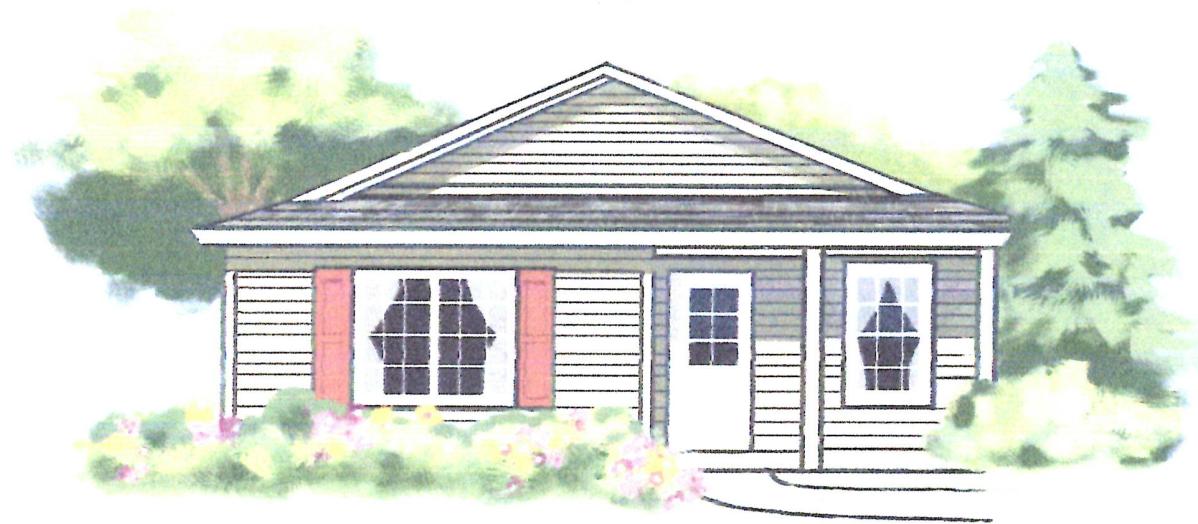
A 500 SF SINGLE STORY

395 SF
\$98,750



**B** 750 SF SINGLE STORY

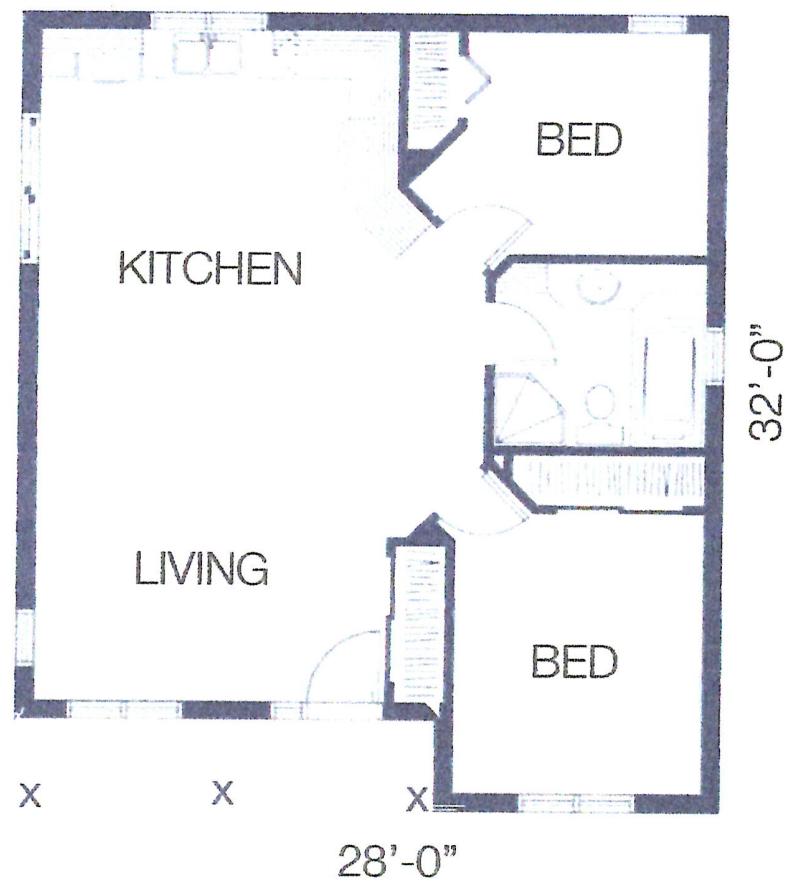
743 SF  
\$185,750



27'

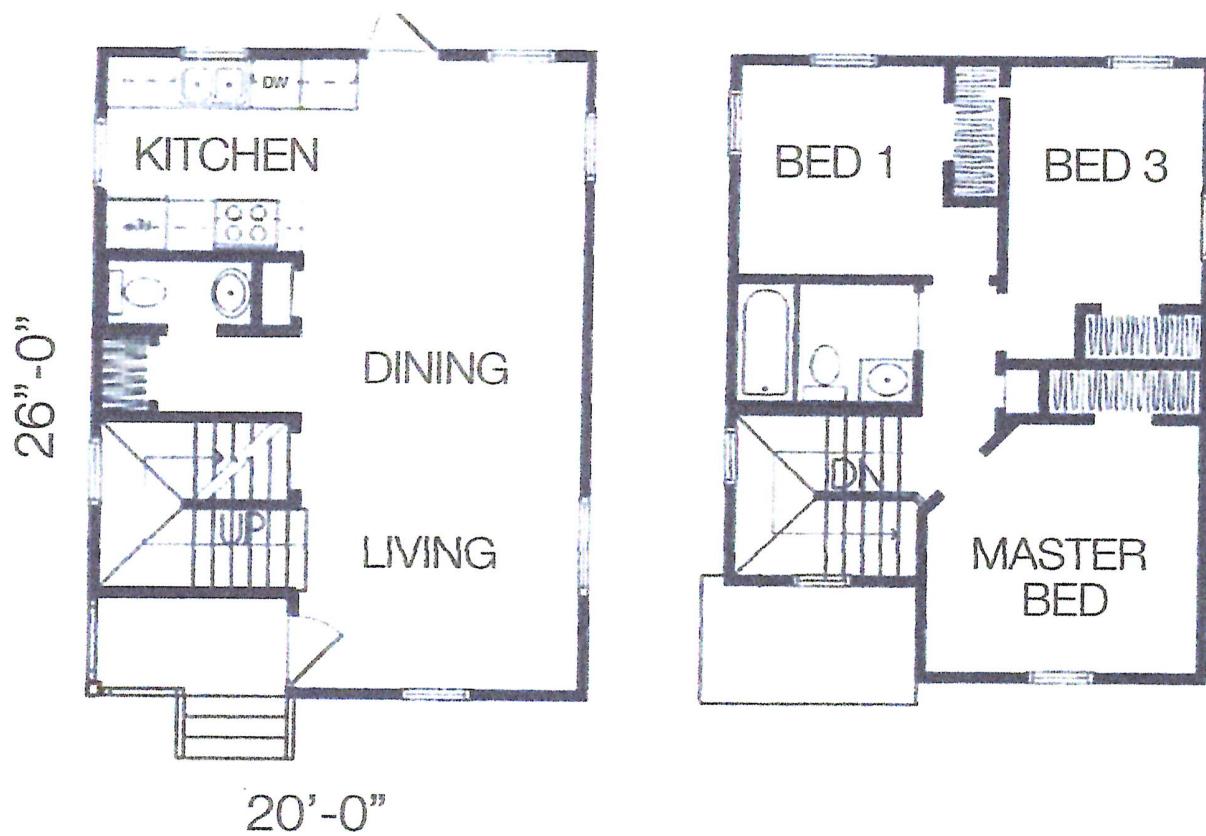
C 1000 SF SINGLE STORY

835 SF  
\$250,500



D 1000 SF TWO STORY

976 SF  
\$268,400



PROJECT COST, BREAK OUT OF SOFT COSTS, LOAN ORIGINATION, TOTAL LOAN AND LOAN AMORTIZATIONS

NW Bungalow	Building Construction Cost	UTILITY Installation Costs	Architect Services: Drawings	Architect Services: Permit Process	Architect Services: Environmental Consistency	Architect Services: Permit Prep City Standard EDU	Total Architect and Utility Costs	TOTAL PROJECT COSTS
A	98,750	10,000	18,000	5,000	7,000	5,000	45,000	143,750
B	185,750	10,000	18,000	5,000	7,000	5,000	45,000	230,750
C	250,500	10,000	18,000	5,000	7,000	5,000	45,000	295,500
D	268,400	10,000	18,000	5,000	7,000	5,000	45,000	313,400

LOAN ORIGINATION FEES and LOAN AMORTIZATIONS:

NW Bungalow	Project Cost	Principal House Mortgage	Loan Fee	Total Loan	30yr Term @ 3.5% = Mo. Payments	15yr Term @ 3.0% = Mo. Payments
A	143,750	0.00	3,000	146,750	658.97	1,013.43
B	230,750	0.00	3,000	233,750	1,049.64	1,614.23
C	295,500	0.00	3,000	298,500	1,340.40	2,061.39
D	313,400	0.00	3,000	316,400	1,420.78	2,185.00

NW Bungalow with a wrap of an existing mortgage of \$325,000 on the existing principal house

A	143,750	325,000	3,000	471,750	2,118.37	3,257.82
B	230,750	325,000	3,000	558,750	2,509.04	3,858.62
C	295,500	325,000	3,000	623,500	2,799.79	4,305.78
D	313,400	325,000	3,000	641,400	2,880.17	4,429.39

## LFP Residence ( No mortgage on Primary House )

NW Bungalow A		
Cost of Construction	\$98,750.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$146,750.00</b>	
30 yr. term @ 3.5%	\$658.97	
15 yr. term @ 3.0%	\$1,013.43	

NW Bungalow B		
Cost of Construction	\$185,750.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$233,750.00</b>	
30 yr. term @ 3.5%	\$1,049.64	
15 yr. term @ 3.0%	\$1,614.23	

NW Bungalow C		
Cost of Construction	\$250,500.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$298,500.00</b>	
30 yr. term @ 3.5%	\$1,340.40	
15 yr. term @ 3.0%	\$2,061.39	

NW Bungalow D		
Cost of Construction	\$268,400.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$316,400.00</b>	
30 yr. term @ 3.5%	\$1,420.78	
15 yr. term @ 3.0%	\$2,185.00	

\*\* illustrations reflect no "out-of-pocket" expense from homeowner

\*rates and fees estimated

## LFP Residence ( Including a \$325,000 Existing Mortgage )

NW Bungalow A		
Cost of Construction	\$98,750.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$146,750.00</b>	
30 yr. term @ 3.5%	\$658.97	
15 yr. term @ 3.0%	\$1,013.43	

NW Bungalow B		
Cost of Construction	\$185,750.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$558,750.00</b>	
30 yr. term @ 3.5%	\$2,509.04	
15 yr. term @ 3.0%	\$3,858.62	

NW Bungalow C		
Cost of Construction	\$250,500.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$623,500.00</b>	
30 yr. term @ 3.5%	\$2,799.79	
15 yr. term @ 3.0%	\$4,305.78	

NW Bungalow D		
Cost of Construction	\$268,400.00	Mo. Payment
Architect Services, Permit Fees & Utilities	\$45,000.00	
Existing Mortgage Balance	\$0.00	
Allowance for Loan Fees	\$3,000.00	
Loan Amount	<b>\$641,400.00</b>	
30 yr. term @ 3.5%	\$2,880.17	
15 yr. term @ 3.0%	\$4,429.39	



July 10, 2020

Mayor and City Council Members, City of Lake Forest Park

To whom it may concern,

As the General Manager of a large, local rental housing firm the concept of ADU leasing and management has always been one that we have struggled with because it's a bit of an "out of the box" housing solution, and frankly there is a complicated web of rules and restrictions governing them. I am impressed by the efforts of Mr. Tonkin and his team to recognize the need for more affordable housing options in the region, and the mission to incorporate a solution in the city of Lake Forest Park.

Ask 100 people about why we have a homelessness crisis in the Seattle area, and you're likely to get a wide array of answers. In the media we see coverage pointing the finger at any number of factors whether it be drug addiction, systemic racism, eviction-happy landlords, etc. Having gotten pretty well immersed into the topic myself, initially in the interest of debunking the "eviction-happy landlord" myth, I have come to the conclusion that there is NO SINGLE FACTOR responsible for homelessness. It is a complex and challenging problem to solve, and the solution for each unique individual will be just that – unique. But I am convinced of one thing; The underlying cause of homelessness is the lack of affordable housing options. When people don't have options, they get desperate.

The ADU ... when relatively free of restrictions ... is a fantastic housing option and a great tool (or weapon) in the battle for regional housing affordability. Not only is this an affordable housing option for low-income families as Mr. Tonkin's summary comments have highlighted, but it goes beyond low-income and reaches all the rungs of the housing ladder. One of the other problems that we have in the region is that empty-nesters living in large homes can't downsize because there is a lack of options for them to downsize into. This leaves growing families in search of larger homes with fewer options, because the empty-nesters can't move out, and ultimately housing expense continues to escalate.

Encouraging the construction of ADU's is good because it maintains neighborhood character (compared to other multifamily options). Empty nesters could downsize to the backyard cottage, free up their larger home as a rental for a growing family, and bolster their retirement income. They could even sell to the growing family and rent the ADU themselves, making the purchase of the home more affordable for said growing family due to the rental income to





offset the mortgage. And one other thing I have to add is that the demand for ADU housing is likely to swell significantly in reaction to the COVID-19 pandemic. We are already seeing in our housing market the “migrating demand” of people wanting to get out of dense in-city living and escape to neighborhoods that are a little further out and provide more breathing room. Whether it be due to health concerns over social distancing, the need for more square footage due to sheltering in place, or the lack of a commute because of the working-from-home trend, there are lots of reasons why ADU housing will be a successful asset type in Lake Forest Park.

I hope that you are able to see the benefits, and I encourage you to “grease the wheels” for the development of this much needed housing option.

Sincerely,

A handwritten signature in black ink, appearing to read "Cory Brewer".

Cory Brewer  
General Manager  
(425) 623-1330  
[coryb@windermere.com](mailto:coryb@windermere.com)

## ADU FINANCING

There are several finance options available to citizens involving the construction of either an attached ADU to existing home or detached (DADU) built within their property.

DADU lending options:

There are four “pre-approved” ADU model designs offered ranging from A) 500 square feet (one bedroom), B) 750 square feet (two bedroom), C) 1000 square feet (two bedroom) and D) 1000 square feet, two story (three bedroom).

To determine the total cost for each of the four, there are three cost elements involved to obtain a total cost estimate; Hard Cost (construction), Soft Cost (planning, fees, professional) and Utilities (sewer, water, electrical hook up).

Here are total cost estimates of all four models:

A) 500 sq. ft. Construction \$98,750

Soft Costs	35,000
Utilities	10,000
<u>Loan Fees</u>	<u>3,000</u>
Total	\$146,750

B) 750 sq. ft. Construction \$185,750

Soft Costs	35,000
Utilities	10,000
<u>Loan Fees</u>	<u>3,000</u>
Total	\$233,750

C) 1000 sq. ft. Construction \$250,500

Soft Costs	35,000
Utilities	10,000
<u>Loan Fees</u>	<u>3,000</u>
Total	\$298,500

D) 1000 sq. ft. Construction \$268,400 (two story)

Soft Costs	35,000
Utilities	15,000
<u>Loan Fees</u>	<u>3,000</u>
Total	\$316,400

Funding Options: DADU units & Attached ADUs

- 1) Cash. Owners with personal funds sufficient to meet budgetary requirements of the project.

- 2) New first mortgage financing either as conventional, FHA or VA with cash-back to homeowner for cost of construction.
- 3) Home Equity Line of Credit (HELOC). Second lien on residence providing homeowners with the ability to tap into the current equity in their homes. Flexible source of revolving credit that allows homeowner to use credit as needed during the construction process.
- 4) Construction/Renovation Loan. This type of loan would be utilized when the future completed value of the property is needed to support the credit request or fully fund the budget requirements of the homeowner. Project financing is rolled into a single permanent first mortgage loan with monthly draws disbursed to the contractor as work is completed. Project timeline would allow up to a 12 month term for construction.

*Finance information provided courtesy of HomeStreet Bank, Adam Stoecker  
contact phone: 206-465-5155 cell, or 206-389-4404 office*

## RENTAL RATES ADU INCOME

Average Median Income - King County (Seattle-Bellevue) for 2018.	113,300	Housing Cost @ 30%	Suggested Monthly Rental Rate
One must have Annual Household Income (AMI) at or below (Rates for 2019 will be announced Sept. 2020).	80%	Cost @ 30%	Affordable
Phil Hill stated that AMI for KC in 20? is	108,600	86,880	26,064
<b>Postmark 2 bedroom rental @ an AMI of</b>	<b>113,300</b>	<b>90,640</b>	<b>27,192</b>
Housing Cost @ House Hold Income of 30% of 70% AMI	70%	79,310	23,793
Housing Cost @ House Hold Income of 30% of 60% AMI	60%	67,980	20,394
Housing Cost @ House Hold Income of 30% of 50% AMI	50%	56,650	16,995
Housing Cost @ House Hold Income of 30% of 40% AMI	40%	45,320	13,596
Housing Cost @ House Hold Income of 30% of 30% AMI	30%	33,990	10,197
			850

	Amount	Rate	Years	Monthly Payment
<b>Mortgage</b>	298,500.00	3.5%	30.00	1,340.40
<b>NW Bungalow Model C - (2 Bedroom 835 sf) Rental per month</b>				<b>2,266.00</b>
<b>Less: Mortgage Payment</b>				-1,340.40
<b>Monthly income from rental</b>				925.60
<b>Annual Rental Income</b>				<b>11,107.20</b>
		<b>1 year</b>	<b>30 years</b>	
Mortgage Cost	16,085			482,544
Rental Income	27,192			815,760
Net Income	11,107			333,216

THIS IS ONE OF SEVERAL DOCUMENTS ADDRESSING "AFFORDABLE HOUSING"  
 IT APPEARS THAT THE INFORMATION CAN BE CONFLICTING. THIS ANALYSIS DEPICTS  
 FAIR MARKET MONTHLY RENT FOR A 2 BEDROOM UNIT @ \$2,099. SHORELINE'S  
 POSTMARK BUILDING 2 BEDROOM AFFORDABLE MONTHLY RENT AS \$2,266.  
 THIS RENTAL RATE MATCHES OUR INCOME PROJECTION FOR NW BUNGALOW MODEL C

The analysis below is based on information available from HUD's FY 2020 Income Limits Documentation System and HUD's FY2020 Fair Market Rent Documentation System, both for King County, Washington

Income Category (HUD 2020 KC Medium Income \$113,300 )	Persons in Family				
	1	2	3	4	5
Very Low (50% income limit)	41,800	47,800	53,750	59,700	64,500
Extreme Low	25,100	28,650	32,250	35,800	39,700
<b>Low (80% Income Limit)</b>	<b>66,700</b>	<b>76,200</b>	<b>85,750</b>	<b>95,250</b>	<b>102,900</b>
<b>LOW Income Maximum Housing Costs per year at 30%</b>	20,010	22,860	25,725	28,575	30,870
<b>Maximum Housing Costs per month</b>	<b>1,668</b>	<b>1,905</b>	<b>2,144</b>	<b>2,381</b>	<b>2,573</b>
<b>Unit Size</b>	<b>Efficiency</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
<b>HUD 2020 KC Fair Market Rental</b>	<b>1,627</b>	<b>1,741</b>	<b>2,099</b>	<b>2,993</b>	<b>3,524</b>
KC Fair Market Rental exceeds monthly 30% Housing Costs				612	952

Notes:

A single person earning \$50,000 per year with a 30% monthly housing cost would equal 1,250  
 King County HUD 2020 fair market rental for an efficiency unit monthly cost 1,688  
 Monthly cost exceeding 30% housing costs in Dollars 438

A couple earning \$50,000 per year with a 30% housing cost would equal 1,250  
 King County HUD 2020 fair market rental for a one bedroom unit monthly cost 1,741  
 Monthly cost exceeding 30% housing costs in Dollars 491

A three person household earning \$50,000 per year with a 30% housing cost would equal 1,250  
 King County HUD 2020 fair market rental for a two bedroom unit monthly cost 2,099  
 Monthly cost exceeding 30% housing costs in Dollars 849

## Why should the City of Lake Forest Park encourage NW Bungalows?

The Pacific Northwest and especially the greater Seattle area is experiencing a demand for a variety of housing beyond what is being supplied. Recent emphasis has been on adding apartments. Recent health events and couples wanting to start families are increasing the demand for living in high density areas. The monthly cost of renting an apartment is approaching the cost of a monthly mortgage payment.

Lake Forest Park is basically a built out city, unique in its character and its livability. For the past decades there has been a strong demand from its senior residents for the ability to downsize their living unit, to afford their senior lifestyle, and remain in this community they know and love. At the same time young couples want to move out of the high density Seattle, Bellevue, Kirkland cores and into the suburbs and inhabit an affordable home with a yard and good school systems to start and raise their families.

How could this city respond to these housing desires?

There are a few ways a built out city can address increase numbers and variety of housing needs.

- Change areas of the city that are zoned single family to areas zoned multi-family
- Allow residential units in areas of the city zoned commercial
- Reduce lot sizes allowing for more subdivision of the larger lots
- Develop a code that encourages the development ADUs and DADUs in areas zoned single family

The option for developing a code that promotes the development of ADUs and DADUs will address the needs of the city's seniors while providing more affordable housing units for younger families. This approach will not change the character or livability of Lake Forest Park.

One of the ways the city could achieve an increase in housing would be to develop a friendly, streamlined application process based on preapproved building plans such as outlined in this document. The pre-approved approach is designed to minimize development time and building costs permit costs. For example, the elimination of permit costs is among the various incentives' cities are offering to encourage ADU and DADU development.

The elimination or reduction of permit costs will be more than recaptured by the increased property values established by new construction to the city's base appraised value. This raises the floor upon which the 1% annual increase in property tax revenue is determined. The new tax revenue created by the ADU & DADU development provides a unique source of permanent revenue for the city that cannot otherwise be achieved.

# REGIONAL AFFORDABLE HOUSING TASK FORCE

## FIVE-YEAR ACTION PLAN (March 2019)

### 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 Medium Income (AMI) and below is cost-burden. This includes 156,000 homes for households currently cost burdened and an additional 88,000 homes for growth in cost-burdened households between March, 2019 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." (Current AMI for King County is \$113,300)

The five-year Action Plan Contains the following goals:

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

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

**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.

**Strategy A:**

- (c) Reduce Permit Fees
- (d) Exempt Impact Fees

**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.

**Strategy A: Increase diversity of housing choices, including but not limited to**

- (a) Accessory Dwelling Units and Detached Accessory Dwelling Units

**Action Plan:**

Cities and the County to review and update zoning and land use code to Increase density.

Cities and the County to update building codes to promote more housing growth and innovative, low-cost development.

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

**Action Plan:**

**Cities to reduce utility, impact and other fees for affordable housing developments and ADUs and DADUs**

**Jurisdictions to streamline permitting process for affordable housing development and ADUs and DADUs**

Current estimated housing units for King County are 970,301, for Snohomish County the estimated housing units is 318,057 and for Pierce County estimated housing units is 356,273. Totals for the three county area are 1,644,631. The number of estimated housing units in LFP is 5,306.

The estimated population of King County is 2,252,782, for Snohomish County it is 822,083, for Pierce County it is 904,980 for a 3 county total of 3,979,845. Lake Forest Parks population estimate is 13,504.

QUESTION: Of the estimated 244,000 additional affordable homes in King County by 2040 what is Lake Forest Park's appropriate share (how many affordable homes) should this city be planning for?

Until LFP can determine what it's fair share of the 244,000 additional affordable homes is, how can we have thoughtful processes as to land use changes such as upzoning or other land use changes?

An incentivized ADU and DADU ordinance update, as soon as possible, is the opportunity to create more affordable housing in Lake Forest Park in 2020-2021 and beyond.



# Affordable Housing Desk

## Reference for Local Governments

### What is Affordable Housing?

Affordable housing is commonly defined in terms of housing costs as a percentage of household income. Housing is considered unaffordable when a household's monthly housing costs exceed a certain threshold — most commonly 30 percent of gross income — thereby reducing the budget available for other basic necessities and amenities. For households with lower incomes, high housing costs often mean they must make a choice between paying for housing or getting other life necessities like food or medications.

### Where is Housing Affordability a Problem?

Housing in Washington state is more unaffordable than almost anywhere else in the nation.<sup>1</sup> Although much of the media coverage surrounding housing unaffordability focuses on the Puget Sound region, households across the state are experiencing affordability challenges.

In some areas, housing unaffordability is driven primarily by population growth without similar growth in housing unit production. In others, housing affordability is affected more by dilapidation and underinvestment in the housing stock or the curtailment of federal subsidies.

Household incomes are a factor in housing affordability for all communities. Although incomes in Washington state are growing faster than the national average, they are not keeping pace with growing rents, and fixed incomes such as retirement or disability income have grown well below the rate of rent inflation.<sup>2</sup>

### Washington State's Housing Policy Act

*It is the goal of the state of Washington to coordinate, encourage, and direct, when necessary, the efforts of the public and private sectors of the state and to cooperate and participate, when necessary, in the attainment of a decent home in a healthy, safe environment for every resident of the state.*

**RCW 43.185B.007**

<sup>1</sup> U.S. News and World Report 2018 Best States Rankings, <https://www.usnews.com/news/best-states/rankings>.

<sup>2</sup> U.S. Census Bureau American Community Survey one-year estimates for Washington state, B25058, B25057, B19081; inflation adjusted using the Bureau of Labor Statistics CPI-U.

## Terminology

**Affordable Housing:** Commerce uses the U.S. Department of Housing and Urban Development's standard definition for housing affordability, which states that affordable housing is housing for which the occupants are paying no more than 30 percent of their income on housing costs, including utilities.

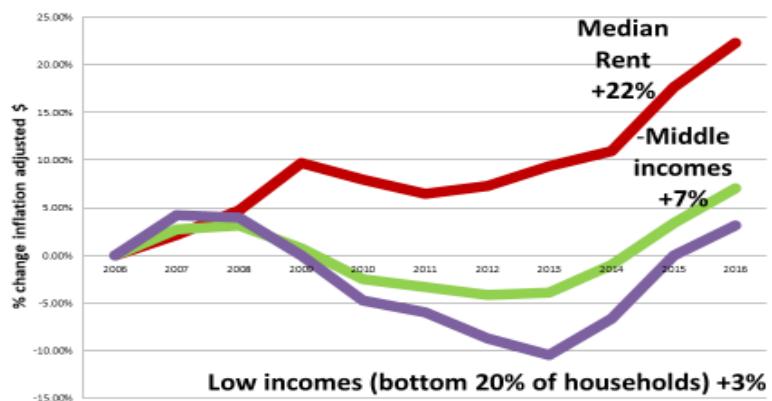
**Area Median Income:** The midpoint of a region's income distribution; half of households earn more than the median, and half earn less than the median. For housing policy and planning purposes, income thresholds are used to define the affordability of housing units to households.

**Low-Income Housing:** Housing that is affordable to occupants making 80 percent or less of the area median income. Housing elements are required to address housing needs relating to this population.<sup>3</sup>

**Subsidized Housing:** Subsidized housing is a government system that includes direct payments to eligible recipients, as well as public or non-profit housing. It is usually targeted to low-income, extremely low-income and formerly homeless households.

**Preservation:** Affordable housing preservation is the act of extending the affordability of either subsidized or unsubsidized rental homes that are, for one reason or another, at risk of no longer being affordable to low or middle-income households.

## Rent Inflation Outpaces Middle & Low Income Growth



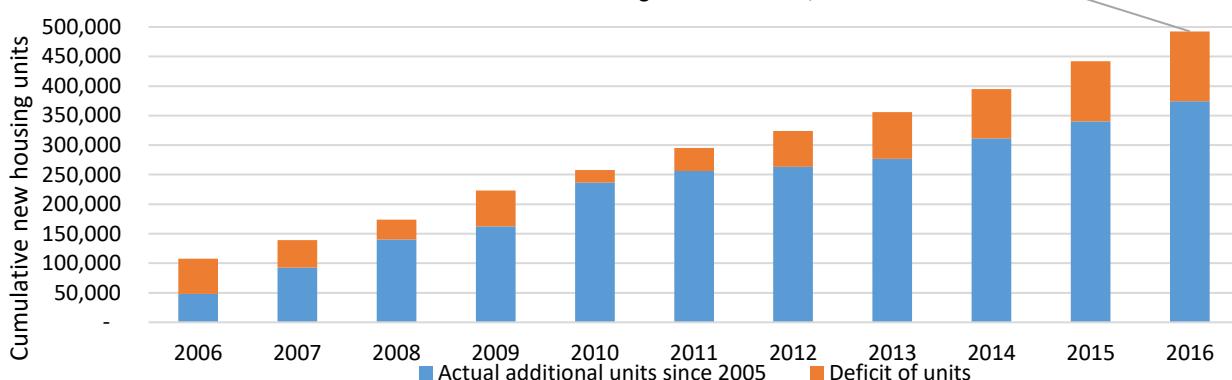
Between 2000 and 2016, rent (red line) has increased faster than low and middle incomes (green and purple lines).

Types of Subsidized Housing			
<b>Housing Subsidies</b> Government financial assistance to income-qualified renters and homeowners.	<b>Non-Profit Housing</b> Housing that is owned and operated by private non-profit groups. They use private funding and government subsidies to support reduced rents for income-qualified tenants.	<b>Public Housing</b> Housing that is owned and operated by the government for income-qualified tenants.	<b>Rent Supplements</b> Subsidies paid, usually by the government, to private landlords who accept income-qualified tenants.

<sup>3</sup> Washington Administrative Code (WAC) 365-196-410

## Deficit of new housing units in Washington\*

Housing unit deficit: 118,377



Deficit of new housing units necessary to maintain 2005 ratio of people to housing units in WA. Meaning the number of housing units per person has decreased over time as more people have moved to Washington, and sufficient units are not being built to meet the demand for housing.

## Housing Policy Framework

### State Requirements for Housing Planning

The Growth Management Act (GMA) includes specific requirements for how cities and counties should plan for housing, including housing affordable to lower-income households. The requirements apply in the 29 “fully planning” counties that are required to plan under the GMA. Implementation of the GMA is guided by 14 overlapping goals. The GMA housing goal is *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.*<sup>4</sup>

### Countywide Planning Policies

All 29 GMA counties and the cities within them must agree on how they will address issues of a countywide nature, such as transportation, siting of public facilities, growth, and affordable housing, including *policies that consider the need for affordable housing, such as housing for all economic*



<sup>4</sup> RCW 36.70A.030 includes other goals that relate to affordable housing: (1) Encourage development in urban areas where adequate public facilities and services exist, or can be provided in an efficient manner. (2) Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development. (12) Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

segments of the population and parameters for its distribution.<sup>5</sup> These countywide planning policies may include targets for affordable housing.

## City and County Comprehensive Plans

GMA cities and counties must include five mandatory elements in their comprehensive plans: land use, transportation, housing, utilities and capital facilities.<sup>6</sup> Counties must also include a rural element. Each county receives 20-year population projection from the state Office of Financial Management.<sup>7</sup> The county, cities, and towns work together to allocate the countywide population to individual jurisdictions based on local land capacity, availability of capital facilities, and local vision. The land use element is where population densities, building intensities, and estimates of future population growth are located. The majority of new growth should be planned inside designated urban growth areas, but the intensity and distribution of uses is left to local decision makers, consistent with countywide planning policies and GMA goal.

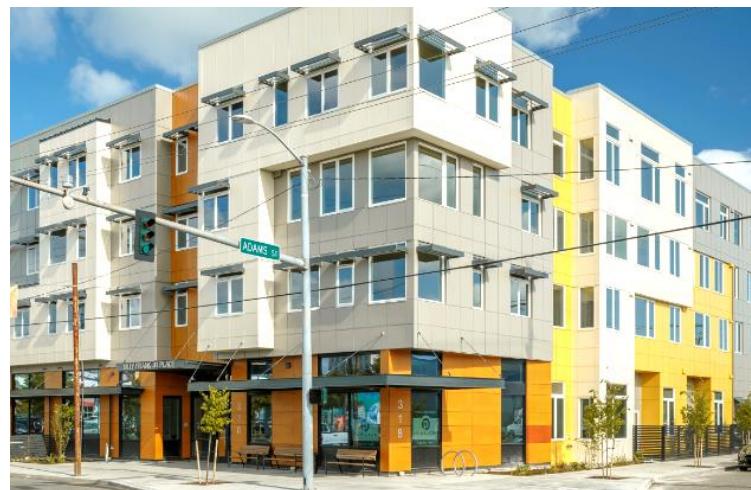
## The Housing Element

The housing element should *ensure the vitality and character of established residential neighborhoods.*<sup>8</sup> It should:

- *Include an inventory and analysis of existing and projected housing needs that identify the number of housing units necessary to manage projected growth.* Cities should consider both the new households inside the city limits and those in any unincorporated areas intended to annex to that jurisdiction within the 20-year planning period.
- *Include a statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences.*
- *Identify sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes, and foster care facilities.*
- *Make adequate provisions for existing and projected housing needs of all economic segments of the community.*<sup>9</sup>

### I. Assess Community Housing Needs

A housing needs assessment creates a data profile of the community, and identifies recent and projected trends in household size, composition, income, and demographics. The housing profile should review the condition and affordability of existing housing, and it should identify the number and types of new housing units needed to serve the projected growth and the income ranges within it. This information is important to designate land zoned for the needed housing types over the planning period.<sup>10</sup>



<sup>5</sup> RCW 36.70A.210 (3)(e).

<sup>6</sup> Required by RCW 36.70A.070.

<sup>7</sup> Washington State Office of Financial Management, *Population and Demographics*, [www.ofm.wa.gov/pop/default.asp](http://www.ofm.wa.gov/pop/default.asp)

<sup>8</sup> RCW 36.70A.070(2)

<sup>9</sup> WAC 365-196-410 provides advisory guidance on how to develop the housing element.

<sup>10</sup> See county profiles in the Affordable Housing Needs Study: [www.commerce.wa.gov/housing-needs-assessment/](http://www.commerce.wa.gov/housing-needs-assessment/)

## II. Evaluate Policy Options

Housing goals and policies within the housing element should be consistent with countywide planning policies (and multicounty policies where applicable), address a variety of residential densities and housing types, promote affordable housing for all economic segments, and support preservation of existing housing stock. A plan that includes a broad variety of housing types, compact development and protections for the existing affordable housing stock will yield the best variety of options for middle- and low-income community members.

### AFFORDABLE HOUSING TYPES

- ACCESSORY DWELLING UNITS
- MOBILE/MANUFACTURED HOMES
- SMALL LOT DEVELOPMENT
- MICRO HOUSING
- COTTAGE HOUSING
- INFILL DEVELOPMENT
- MULTIFAMILY / MIXED USE DEVELOPMENT
- CLUSTER DEVELOPMENT

Smaller lots and smaller units are generally most affordable because this is the most efficient way to use land and provide public facilities and services.

Each housing element should include provisions to monitor the performance of its housing strategy, such as targets and benchmarks. The seven most populous counties and their cities that are subject to “buildable lands” requirements (RCW 36.70A.215) must employ “reasonable measures” to ensure that comprehensive plan goals and targets are being achieved. *Reasonable measures are those actions necessary to reduce the differences between growth and development assumptions and targets in the countywide planning policies and the county and city comprehensive plans with actual development patterns.*

## III. Don't Forget Preservation

One of the greatest threats to the long-term availability of affordable units, especially those affordable to households with incomes less than 80 percent of the area median, is the loss of existing units. For subsidized rental housing, preservation usually means renewing an expiring subsidy or investing in the physical condition of the property through capital improvements.

With unsubsidized rental housing, preservation can refer to mission-oriented buyers purchasing rentals that are at risk of becoming unaffordable (either because of rising rents or because of the building falling into obsolescence). Affordable housing is also preserved when low-income renters are able to stay in their homes due to weatherization and rehabilitation services and loans that keep property conditions viable. Affordable housing preservation is a critical step toward meeting two GMA requirements for local and regional policy development: providing sufficient affordable housing and preserving neighborhood character.

### Addressing Opposition to Growth

*A sufficient supply of affordable housing offers benefits to the entire community and is necessary for a healthy local economy. Yet, when communities oppose affordable housing development, it means much of the housing stock needed to ease the cost -burden that so many households experience never gets built.*

*While existing homeowners can, and do, have legitimate concerns about new development, oftentimes the problem is one of perception which can be addressed through engagement and messaging aimed at helping community members see why housing matters. Also consider whether the opposing voices are representative of the broader population in your community. Capturing a broader array of input during the process could help balance the public discourse.*

## Cities Can Address Housing Affordability

To achieve housing affordability, a broad variety of housing types must be made available to community members. Townhomes, cottage housing, accessory dwelling units and duplexes can all be integrated into neighborhoods without changing the existing character. A municipal code that promotes varied forms of housing and small lot development will allow for production of housing affordable to all incomes.

Counties and cities also have broad authority to implement the comprehensive plan through land use controls that regulate housing density, height, setbacks, lot coverage, parking requirements, landscaping, and other aspects of development. They also have the authority to develop their own permit-processing systems, consistent with state law,<sup>11</sup> and to adopt a variety of tools to encourage the development of a variety of housing types, including affordable housing.

## Local Tools for Affordable Housing Development

**There are a number of planning tools that cities can use to encourage the development of affordable housing.**

- **Minimum densities** can assure that land is developed efficiently and that future urban densities are not precluded by current development. “Shadow platting” is a tool that can be used in areas where sewer is not yet available, so that land can be platted in a way that allows urban development when sewer become available. Some cities may not put a cap on the number of dwelling units per acre, and instead, or may use floor area ratios (which limit the total floor area of development) or form-based codes (which regulate only the size and shape of the building envelope) to control the scale of development.
- **Multifamily housing:** Mid-rise and high-rise multifamily development can be a source of affordable and diverse housing at a scale appropriate in designated “centers” or in transit-oriented development areas. Multifamily development of any scale can be appropriate in expensive housing markets where developers can maximize the number of dwellings on high-cost land.
- **Density bonuses** can be an incentive for desired housing types, such as affordable or senior housing. An alternate strategy is “inclusionary zoning”, which requires that any proposed development include a certain component of affordable housing.<sup>12</sup>
- **Flexible development standards:** Local governments can choose to allow lot size averaging or reduced setbacks. Zero lot line development, eliminating or reducing off-street parking requirements in certain areas, or relaxing other standards to reduce overall costs for developers can balance the intent of the regulations with the need for affordable housing. Flexibility related to the size of ADUs can also help add density in existing development.

### TOOLS FOR AFFORDABILITY

- **MINIMUM DENSITIES**
- **DENSITY BONUSES**
- **NO MAXIMUM DENSITIES**
- **TRANSIT-ORIENTED DEVELOPMENT**
- **INCLUSIONARY ZONING**
- **PERMITTING PRIORITY**
- **PARKING REDUCTIONS**
- **PLANNED ACTION EIS**
- **SEPA INFILL AND CATEGORICAL EXEMPTIONS**
- **MULTIFAMILY TAX EXEMPTION**
- **FEW WAIVERS OR REDUCTIONS**
- **LINKAGE FEES**
- **SURPLUS LAND**
- **EXPEDITED PERMITTING**

<sup>11</sup> RCW 36.70B Local Project Review Act, which governs permit processing.

<sup>12</sup> Examples of city codes that promote bonus density at MRSC.org

- **State Environmental Policy Act (SEPA) Tools:** Planned actions assess environmental impacts within a defined sub-area, and reduce a layer of regulation for developments proposed within the area that meet the planned uses.<sup>13</sup> SEPA also allows an infill exemption from SEPA review for development proposed to “fill in” an urban growth area, consistent with a GMA comprehensive plan.<sup>14</sup> SEPA Categorical Exemptions allow a certain threshold of development before SEPA must be applied. (WAC 187-11-800).
- **Permit processing** for certain types of desired development can be expedited as an incentive. Tools include centralized counter services, pre-application conferences, permit checklists, reducing the number of residential zoning districts, reducing complicated administrative procedures, or fast-tracking applications.
- **Short subdivisions** are defined as plats with up to four lots, but any city or town can increase the maximum number of lots to nine. Counties planning under the GMA may also do the same within the urban growth area (RCW 58.17.020 (6)). Increasing the number of lots allowed in a short plat can help streamline the permit process.
- **Impact fee deferral** RCW 82.02.050(3) requires jurisdictions that use impact fees set up a system to defer the collection of impact fees until as late as occupancy, or first sale of the property.

## Some Special Types of Housing

- **Accessory dwelling units:** the Growth Management Act requires any city with a population of over 20,000, to allow accessory dwelling units (ADUs) in single-family residential areas.<sup>15</sup> Commerce recommends that all local codes allow and encourage the development of ADUs in urban areas, especially in areas close to transit, shopping, and institutions of higher education. They provide an affordable place to live, and provide income to property owners. Relaxing local codes for size, parking, and owner occupation can help encourage ADUs.
- **Manufactured housing:** All jurisdictions must ensure that manufactured housing is not treated differently than site-built housing. Municipalities can impose requirements for a permanent foundation, skirting, or compliance with design codes, but they must allow a manufactured home to be sited on a single family lot<sup>16</sup>. Manufactured units can also be a cost-effective way to add detached ADUs in existing development. Manufactured homes parks are often one of the few ways non-subsidized affordable housing exists in communities. Preservation of such parks and consideration of new parks can provide affordable housing.



<sup>13</sup> See RCW 43.21C.440 for the definition of a planned action.

<sup>14</sup> See RCW 43.21C.229 for more detail.

<sup>15</sup> RCW 36.70A.400, RCW 43.63A.215(3)).

\* Number of units needed to maintain 2005 ratio of people to housing units.

<sup>16</sup> RCW 35.21.684, 35.63.160, 35A.21.312, and 36.01.225, Amended in 2004.)

## There are a number of state-authorized tools that cities can use to encourage, facilitate, or require the development of more affordable housing.

- **Multifamily tax exemptions** (MFTE), authorized by RCW 84.14, can be applied in GMA cities with at least 15,000 people, in certain locally designated “urban centers” where more multifamily housing is desired. Multifamily construction within the designated area may defer taxes on the value-added portion of new or rehabilitated property investment for eight years, if adding multifamily housing units, and up to 12 years, if 20 percent of housing units are affordable to low- and moderate -income households.<sup>17</sup>
- **Affordable housing incentive programs** may be enacted by counties and cities for the development of low-income housing through development regulations, conditions on rezoning or permit decisions, or both, on residential, commercial, industrial or mixed-use development. Jurisdictions must identify land use designations within a geographic area where housing would meet the requirements of RCW 36.70A.540, such as 50-year affordability.
- **Impact fees** are one-time charges imposed by a local government on new development to pay for a reasonable portion of the costs of providing public services to the development. Impact fees may be reduced by up to 80 percent for housing units that are designated as affordable by covenant.<sup>18</sup> The other 20 percent may also be waived but must be paid from public funds.
- **Utility Fees waivers:** A city or town may waive or delay collection of tap-in charges, connection fees, or hookup fees for low-income persons connecting to water, sanitary or storm sewer service, electricity, gas, and other means of power and heat.<sup>19</sup>
- **Publicly owned land for affordable housing:** The state constitution allows local governments that want to support the development of affordable housing<sup>20</sup> to provide gifts to the “poor and infirm.” They can choose to provide underused publicly owned land or infrastructure to help affordable housing. RCW 39.33.015 (laws of 2018) sets out procedures for the transfer of public property for a public benefit, specifically affordable housing. The state is also required to inventory state-owned surplus property to consider for affordable housing (RCW 43.63A.510). Suspected brownfields are also being reviewed for potential use for affordable housing. Locally-owned public property should also be inventoried and considered. Public projects can be catalysts for additional private development.

### Gifts to the “Poor and Infirm”

The state constitution prohibits local governments from the gifting of public funds “**except for the necessary support of the poor and infirm.**” This gives jurisdictions the flexibility to provide for affordable housing development through waivers of permit fees, reduced or waived utility connection fees, offering density bonuses to incentivize the development of affordable housing, or by directly financing affordable housing.

**Washington State Constitution:**  
**ARTICLE 8, SECTION 7**

<sup>17</sup> See RCW 84.14 for more detail.

<sup>18</sup> See RCW 82.02.060(3)

<sup>19</sup> RCW 35.92.380, RCW 35.92.020(5)

<sup>20</sup> Article 8, Section 7 of the State Constitution provides: No county, city, town or other municipal corporation shall hereafter give any money, property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm.

- **Affordable housing property tax levy:** RCW 84.52.105 allows for a vote for up to \$0.50 per \$1,000 assessed value for up to 10 years to finance affordable housing. The county, city or town must declare an emergency with respect to the availability of housing that is affordable to very low-income households (less than 50 percent area median income (AMI)) in the taxing district. The governing body must adopt an affordable housing financing plan. Seattle, Bellingham, Olympia, Vancouver, and Jefferson County have voted for such levies.
- **Sales and use tax for housing and related services:** RCW 82.14.530 allows a county to vote to impose a sales and use tax of up to 0.01 percent for constructing affordable housing, mental or behavioral health facilities. People served must be at less than 60 percent of the median income of the county, and must be seniors, homeless, veterans, have mental illness, or meet other criteria.<sup>21</sup> Olympia and Ellensburg have such sales taxes.



## Funding and Finance for Low-Income Housing

Addressing affordability across the full continuum of income levels requires the participation of many different entities. Generally speaking, the public sector targets funding toward the needs of very and extremely low-income households, such as providing permanent supportive housing for the homeless, households with disabilities, and rental vouchers for households with incomes at 30 percent or below the Area Median Income (AMI). Tax incentives and other market devices address affordability at the higher income levels, such as home mortgage interest deductions<sup>22</sup> on federal tax returns.

### Who is Building Affordable Housing?

Affordable housing is built by many actors. Some examples of affordable housing are below:

- Homeowners may choose to develop an accessory dwelling unit, or rent out a room in their house.
- Non-profit developers, such as housing authorities, develop housing units which may meet special needs such as senior housing, homeless, low income families, or housing that includes services to help people stay in housing. They may choose to buy and rehabilitate existing apartments or hotels.
- For-profit developers may choose to build housing that is affordable due to its design as apartments, townhomes, condos, micro-housing, or single room occupancy units, or may rehab existing units.
- Community Land Trusts may hold land and offer housing for sale, or a place to site a manufactured home.

### Federal Funding for Housing

The federal government supports affordable homes through the U.S. Department of Housing and Urban Development (HUD) funding programs, the U.S. Department of Agriculture (USDA) Rural Development assistance, and the Low-Income Housing Tax Credit programs (LIHTC). The LIHTC program works through a subsidy mechanism: the Internal Revenue Service allocates funds on a per capita basis to each state. In Washington, the Washington State Housing Finance Commission (WSHFC) allocates credits to developers as an incentive to create or preserve affordable housing. Investors buy income tax credits in qualified properties that

<sup>21</sup> RCW 82.14.530(2)(b) (2015)

<sup>22</sup> Deduction limits and definitions changed in 2018 <https://www.irs.gov/newsroom/interest-on-home-equity-loans-often-still-deductible-under-new-law>

have received state allocation, creating cash equity for owners that reduces project development debt burden. In exchange, the owner agrees to rent a specific number of units to qualified tenants at specified rents, usually below-market.

## State Funding for Housing Construction and Renovation

At the state level, two agencies have primary responsibility for low-income housing and services and fund a variety of activities:

- **The Washington State Department of Commerce** manages the Washington State Housing Trust Fund, a state capital fund dedicated to the provision of low-income and special-needs housing. The Housing Trust Fund is the largest investment the state makes in affordable housing. Every dollar invested in the Housing Trust Fund leverages nearly six additional dollars from other sources. For 2018-2019, \$107 million is available to build and preserve affordable housing, providing approximately 3,500 housing units.<sup>23</sup> Commerce also manages the state's funds from the National Housing Trust Fund. In addition, Commerce administers the state's portion of real estate document recording fees, which are collected during real estate transactions, and allocated to fund implementation of the Homeless Housing and Assistance Act.<sup>24</sup>
- **The Washington State Housing Finance Commission (WSHFC)** issues “private activity” tax-exempt bonds to finance affordable housing. It participates in federal, state, and local housing programs and makes additional funds available at affordable rates to help provide housing throughout the state. The WSHFC has several programs for first-time homebuyers, buyers from qualified census tracts, and current homeowners who meet income and eligibility requirements. These programs partner with private lenders to make homeownership possible for those who may not be served through traditional financing products.

The WSHFC also administers a revolving loan program for land acquisition. This program helps eligible organizations (including local governments) in Washington State to purchase land suited for either multifamily or single family affordable housing development. Unlike traditional programs, this fund allows suitable land to be purchased and held for an extended period of time, thus allowing communities to respond quickly when sites become available in markets where there is an urgent need for affordable housing and/or high competition for limited developable land.

## Local Funding for Housing

An increasing number of communities are investing in affordable housing, including Vancouver, Bellingham, and Seattle, whose voters have approved local housing levies. Additionally, East King County cities contribute to a regional housing trust fund called ARCH (A Regional Coalition for Housing).<sup>25</sup> There are a number of other tools that are authorized at the state level, including community revitalization financing, historic tax credits, commercial linkage fees and community land trusts. The following image shows the key sources of funding for housing and the income segments they serve.

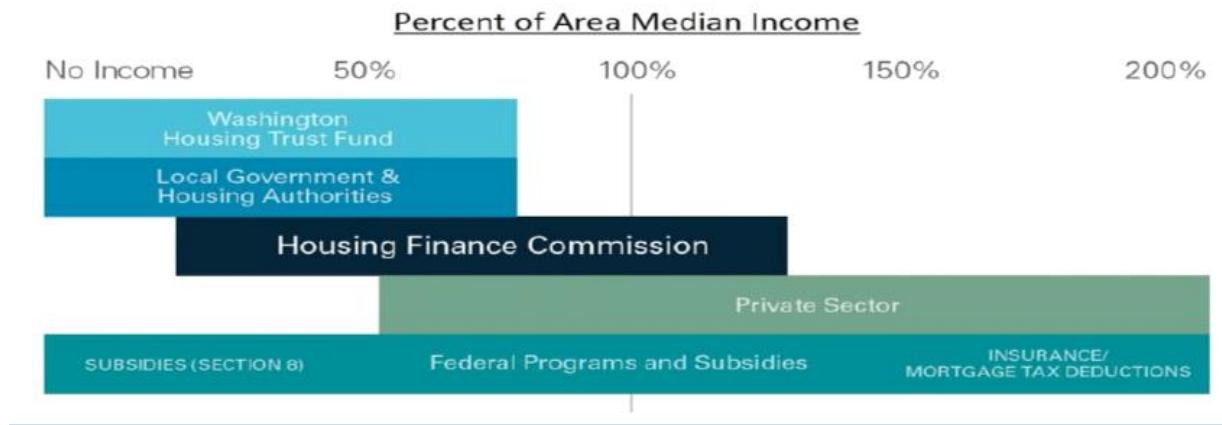
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<sup>23</sup> [www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/](http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/)

<sup>24</sup> RCW 43.185c

<sup>25</sup> Bringing Washington Home, 2016 Affordable Housing Report. Washington Low Income Housing, Washington Department of Commerce and Washington State Housing Finance Commission

## Funders of Affordable Housing Development



Credit: WSHFC

## Private Sector Financing

In addition to public sources, the private sector is a critical source of market rate and affordable housing. This takes the form of construction financing, permanent loans, and equity. In addition to traditional loans, the private sector provides capital through tools such as the purchase of tax-exempt bonds or low income housing tax credits.

## Affordable Housing Preservation

One of the most critical issues Washington communities face is how to maintain the physical condition of affordable housing properties so that they continue to provide safe, decent housing for low-income renters. Due to restricted revenues, owners and operators of affordable housing properties face unique challenges when those properties need capital improvements or other investment.

Owners are often unable to take out loans to finance rehabilitation because revenues are insufficient to service the debt, and replacement reserves are typically not adequate to cover all costs.<sup>26</sup> If the existing subsidized and market-rate affordable housing inventory is not maintained and preserved, Washington will be further behind the mark in meeting the needs of low-income households. A number of federal and state programs help make housing preservation possible:

- The **Community Development Block Grant**<sup>27</sup> can be used to fund a number of housing preservation activities, such as rehabilitation and essential repairs on qualified low-income housing properties.



<sup>26</sup> Housing Trust Fund Portfolio Needs Study, 2015

<sup>27</sup> <http://www.commerce.wa.gov/serving-communities/current-opportunities-2/community-development-block-grants/>

- The U.S. Dept. of Agriculture Rural Development's (USDA RD) **Multifamily Preservation and Rehabilitation program**<sup>28</sup> can help existing USDA borrowers make renovations and major repairs by deferring loan payments.
- HUD's 20 percent **Historic Tax Credit** is a financial incentive that supports private investment in historic buildings. It encourages private property owners to rehabilitate historic properties for an income-producing use, such as rental housing, office, retail, manufacturing and entertainment space. It can be an effective tool to create affordable housing, including mixed-use developments that have commercial space on the first floor and residences on the upper floors.<sup>29</sup>
- Commerce's **Housing Preservation Program**<sup>30</sup> makes funds available for major building improvements, preservation, and system replacements necessary for existing Housing Trust Fund (HTF) multi-family rental projects. Also, in 2017, the Washington State Legislature authorized a new program, the **Low-Income Home Rehabilitation Revolving Loan Program**, which is currently being developed.<sup>31</sup>
- **Manufactured home communities** provide critical affordable housing to people with lower incomes, especially in rural areas. The Washington State Housing Finance Commission, in partnership with Resident Owned Communities (ROC) Northwest, and ROC USA, offers financial tools and guidance for manufactured housing communities to become self-owned cooperatives.<sup>32</sup> Loan funds can be used to purchase the land on which the manufactured community is sited and may also be used to fund critical improvements.

Programs, eligibility rules and funded activities change periodically. Thus, the above information should not be construed as an exhaustive list of resources, but as a sampling of programs that are currently in service. Partnering with local non-profits and community services agencies can help planners and local government officials stay apprised of new developments and program offerings.

## Need Help?

For more information on the information in this publication, or on planning, or policy please contact the following Commerce staff:

**Growth Management Services Unit**  
[Anne.Fritzel@commerce.wa.gov](mailto:Anne.Fritzel@commerce.wa.gov)  
 360-725-3064

**Community Services and Housing Division**  
[Emily.Grossman@commerce.wa.gov](mailto:Emily.Grossman@commerce.wa.gov)  
 360-725-2798

*The Department of Commerce provides local governments, nonprofits, and community action agencies with tools to ensure that everyone is housed in their communities. Our support ranges from guidance on implementing Growth Management Act provisions for housing, to capital funding to build and preserve affordable housing stock, and to programs that prevent families from becoming homeless.*

<sup>28</sup> <https://www.rd.usda.gov/programs-services/all-programs/multi-family-housing-programs>

<sup>29</sup> <https://www.hudexchange.info/programs/environmental-review/historic-preservation/tax-credit/>

<sup>30</sup> <http://www.commerce.wa.gov/building-infrastructure/housing/housing-preservation-program/>

<sup>31</sup> <http://www.commerce.wa.gov/energy-blog/low-income-home-rehabilitation-revolving-loan-program-2/>

<sup>32</sup> <http://www.wshfc.org/>

# Affordable Housing Checklist for Counties, Cities, and Towns

	Yes/No	Ideas for implementation
Does your <b>comprehensive plan</b> include policies supporting a wide variety of housing choices, such as duplexes, townhomes, row houses, cottage and courtyard housing?		
Does your <b>zoning</b> plan for higher intensities of residential development around public amenities, such as parks or bodies of water, or along transit corridors? Seven units per acre is generally considered a minimum for viable transit service.		
If eligible, have you <b>designated “centers”</b> , where multifamily tax credits can be offered to developers to reduce taxes on new development?		
Does your municipal code offer <b>bonus densities</b> for affordable, senior, or other desired types of housing?		
For subdivisions, do you require <b>minimum densities</b> so that land is used most efficiently? If no sewer is available, does your code require development in a way that future urban development is not precluded?		
Does your municipal code allow <b>accessory dwelling units</b> ? This is required if population is greater than 20,000 people. Recommended for all communities, the fewer restrictions in size, parking, etc., the better.		
Has your jurisdiction enacted <b>affordable housing incentive programs</b> under RCW 36.70A.540? (Special provisions for a defined area.)		
Have you adopted <b>SEPA tools</b> , such as larger SEPA thresholds, planned actions, or infill programs to remove a layer of review?		
Do you use <b>fee waivers</b> for hookup fees for affordable housing projects? Have you considered <b>adjusting the fee structure</b> so that multifamily projects cost less per unit to connect?		
Do you provide a <b>waiver of up to 80 percent of impact fees</b> for affordable housing projects? Do you have a fund that can cover the last 20 percent of the fees?		
Have you considered <b>partnering with public agencies</b> to add housing above public projects such as libraries, community centers?		
Do you have a housing authority, and if so, do you work with them to plan for affordable housing? Have you considered a <b>sales tax or property tax levy</b> to raise funds for affordable housing?		
Have you considered using <b>surplus city or county land</b> for affordable housing? Or have you worked with other public or non-profit agencies, to identify suitable land, or a community land trust to manage the land?		
Do you have <b>manufactured home parks</b> that need protection? Or have you considered developing manufactured home parks as a way to provide affordable housing sites?		
Have you <b>inventoried existing affordable housing</b> and considered ways to protect its affordability, and ensure maintenance of the property?		
Does your code allow nine lots in a <b>short plat</b> to reduce barriers to development?		
Have you reviewed how <b>short-term rentals</b> , such as Air B&B, may be impacting your affordable housing availability?		
Have you <b>met with local lenders</b> to compare their ability to lend on a project with the requirements of your code?		

# Affordable Housing Resources

## Resources from Commerce (May not be available in all localities)

**NSP and GMA Housing Planning Guidebook: Lessons for Future Housing Plans, 2014 (PDF)**  
[www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/](http://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/)

**Community Development Block Grants**  
The CDBG program can fund planning, housing rehabilitation and infrastructure in support of affordable housing.  
[www.commerce.wa.gov/serving-communities/current-opportunities/community-development-block-grants/](http://www.commerce.wa.gov/serving-communities/current-opportunities/community-development-block-grants/)

**Washington State Foreclosure Fairness Program** provides homeowner foreclosure assistance for offering free housing counseling, civic legal aid, and foreclosure mediation.  
[www.commerce.wa.gov/building-infrastructure/housing/foreclosure-fairness/](http://www.commerce.wa.gov/building-infrastructure/housing/foreclosure-fairness/)

**Mobile and Manufacture Home Relocation Assistance** is available for mobile and manufactured home owners.  
[www.commerce.wa.gov/building-infrastructure/housing/mobile-home-relocation-assistance/](http://www.commerce.wa.gov/building-infrastructure/housing/mobile-home-relocation-assistance/)

**The Emergency Solutions Grant (ESG) Program** grants federal funds in certain counties to provide street outreach, emergency shelter, rental assistance, and related services for adults and families with children experiencing or at risk of homelessness.  
[www.commerce.wa.gov/serving-communities/homelessness/emergency-solutions-grant](http://www.commerce.wa.gov/serving-communities/homelessness/emergency-solutions-grant)

**The Low-Income Home Energy Assistance Program (LIHEAP)** makes energy assistance available to citizens of Washington through a network of community action agencies and local municipalities. [www.commerce.wa.gov/growing-the-economy/energy/low-income-home-energy-assistance/](http://www.commerce.wa.gov/growing-the-economy/energy/low-income-home-energy-assistance/)

**Tenant-Based Rental Assistance (TBRA)** uses federal funds to support communities providing utility, deposit and ongoing rental assistance to very low-income households (at or below 50 percent area median income (AMI)). [www.commerce.wa.gov/serving-communities/homelessness/tenant-based-rental-assistance-tbra/](http://www.commerce.wa.gov/serving-communities/homelessness/tenant-based-rental-assistance-tbra/)

**Housing Opportunities for Persons with Aids (HOPWA)** is a federally funded program providing housing assistance and supportive services for low-income people with HIV/AIDS and related diseases, and their families.  
[www.commerce.wa.gov/building-infrastructure/housing/housing-opportunities-for-persons-with-aids-overview/](http://www.commerce.wa.gov/building-infrastructure/housing/housing-opportunities-for-persons-with-aids-overview/)

**Section 811 Project Rental Assistance Demonstration (811 PRA)** will provide project-based rental assistance to extremely low-income, non-elderly disabled households.  
[www.commerce.wa.gov/serving-communities/homelessness/hud-section-811-rental-assistance/](http://www.commerce.wa.gov/serving-communities/homelessness/hud-section-811-rental-assistance/)

**Homeless Assistance** [www.commerce.wa.gov/serving-communities/homelessness/](http://www.commerce.wa.gov/serving-communities/homelessness/)

**Housing Services for Farmworkers**  
[www.worksourcewa.com/Resources/Farmworkers](http://www.worksourcewa.com/Resources/Farmworkers)

**HOME Investment and Partnership Program**  
HOME funds are awarded to non-profit organizations, housing authorities, and local and tribal governments through the state Housing Trust Fund (HTF) application process. [www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/home-program/](http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/home-program/)

**Housing Trust Fund** provides state and federal funds for affordable housing construction and preservation.  
[www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/](http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/)

## Other Programs and Resources

**Homelessness and Housing Toolkit for Cities** (2017)  
MRSC/AWC.

**Puget Sound Regional Council (PSRC) Housing Innovations Program** – Complete toolkit includes a listing of development types, regulatory tools, incentives, project level tools, renter-homeowner assistance, partnerships, education and outreach. [www.psrc.org/housing-innovations-program-hip](http://www.psrc.org/housing-innovations-program-hip)

**Municipal Research and Services Center.** [www.mrsc.org/Affordable-Housing](http://www.mrsc.org/Affordable-Housing):  
**Accessory Dwelling Units**  
**Mobile Home Parks: The Newest Front for Housing Affordability**

**Creating Affordability Locally: A guide for Cities, Counties and Advocates in Washington State**, Housing Development Consortium Seattle-King County (2016)

**US Department of Agriculture Housing Assistance** for homeownership, housing repair, housing preservation and loan guarantees. [www.usda.gov/topics/rural/housing-assistance](http://www.usda.gov/topics/rural/housing-assistance)

**Washington State Housing Finance Commission** for homeownership, multifamily tax credits, and other programs. [www.wshfc.org/](http://www.wshfc.org/)



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 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.

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 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.**

**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

**Dow Constantine**, Executive  
**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  
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**Marty Kooistra**, Housing Development Consortium  
**MA Leonard**, Enterprise Community Partners  
**Andrew Lofton**, Seattle Housing Authority  
**Mónica Mendoza-Castrejón**, Community Member  
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**Chris Szala**, Community House Mental Health/Vashon Household  
**Tony To**, Homesight  
**Brett Waller**, Washington Multi-Family Association  
**Bryce Yadon**, Futurewise

## Staff Working Group

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**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  
**Mark Santos-Johnson**, City of Renton  
**Joy Scott**, City of Auburn  
**Mike Stanger**, A Regional Coalition for Housing  
**Sarah Stiteler**, City of Redmond  
**Arthur Sullivan**, A Regional Coalition for Housing  
**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

**Create and support an ongoing structure for regional collaboration**

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

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

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

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

**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**

**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.*)

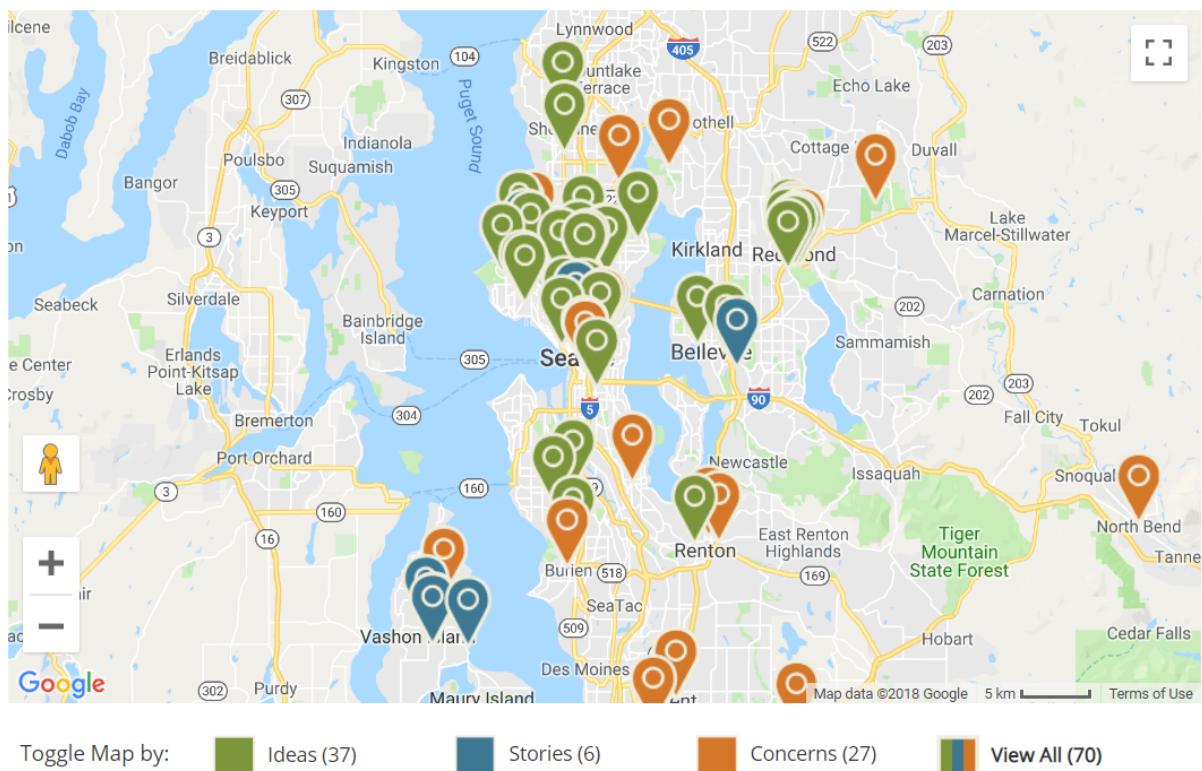
In February 2018, the Task Force began to identify potential solutions, and generated a list of draft policy recommendations in June 2018 in the form of a Five-Year Draft Action Plan. The Draft Action Plan was refined through the summer, and plans began for the Task Force's future governance. In September 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)



# 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.<sup>1</sup>

As the housing market has skyrocketed, many residents in King County have been left behind. Low-income households (those making 80 percent

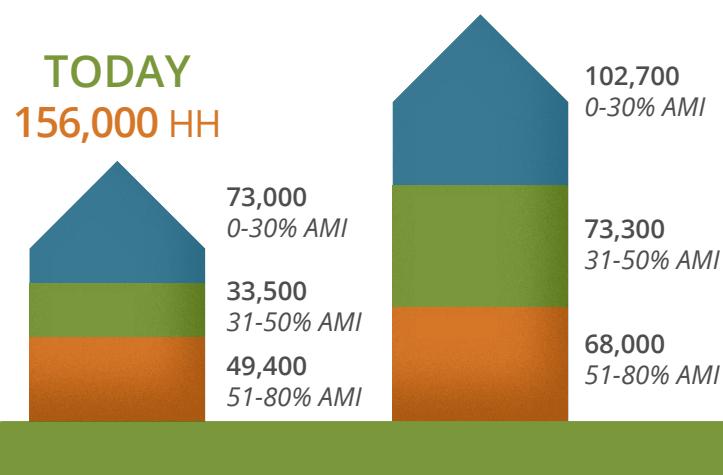
or less of Area Median Income), in particular, struggle to find and keep a home they can afford.

## Rising Prices

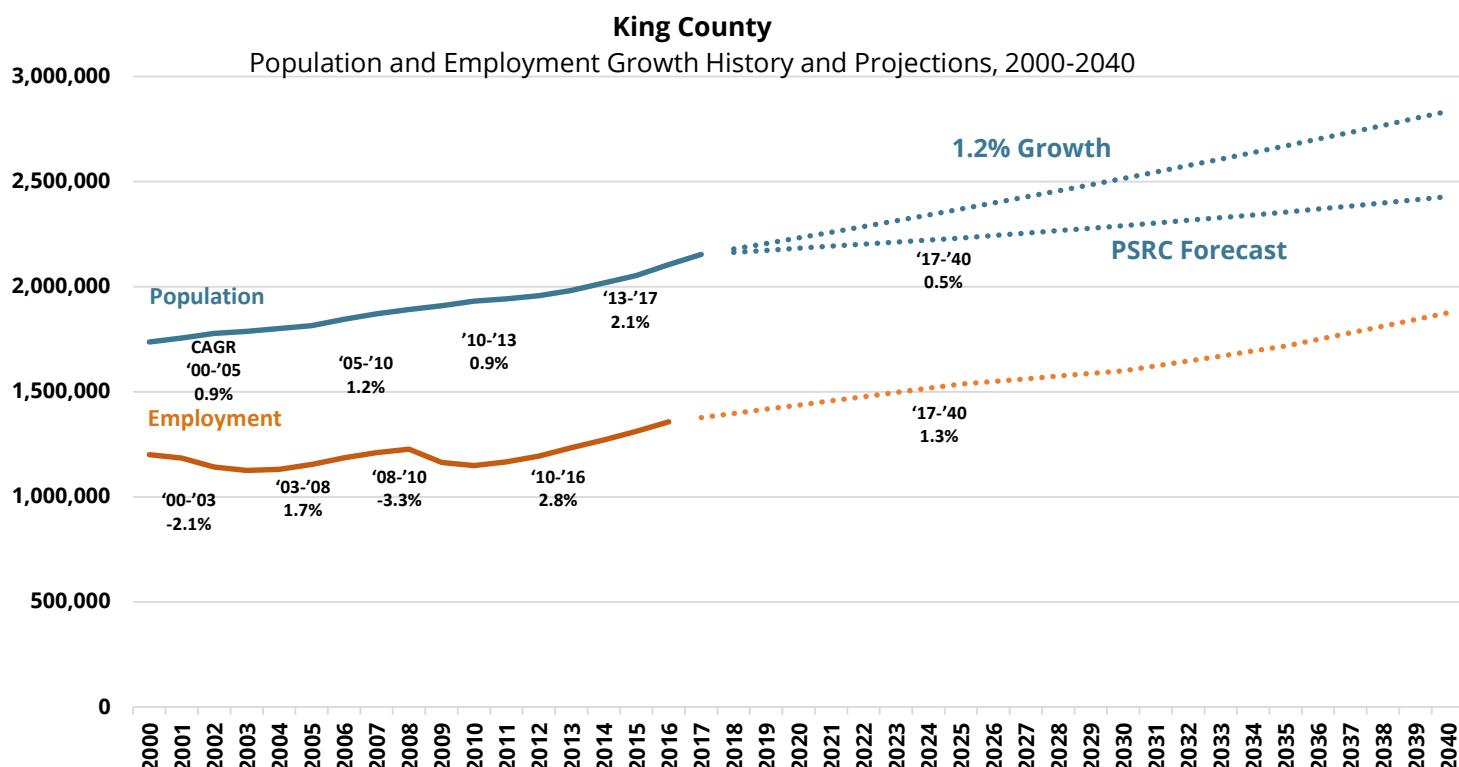
In 2018, the Federal Department of Housing and Urban Development (HUD) defined Area Median Income (AMI) for a family of four in King and Snohomish counties as earning an annual income of \$103,400. A family of four earning 80 percent AMI has an annual income of \$82,720 and could pay monthly housing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

## COST BURDENED HOUSEHOLDS

**2040**  
**244,000 HH**



<sup>1</sup> 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.<sup>2</sup> (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

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

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

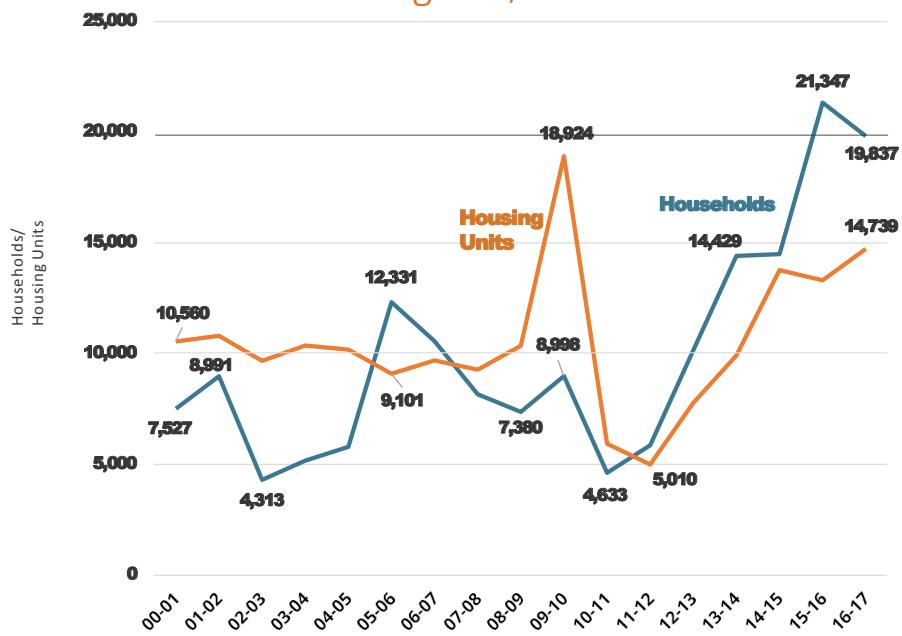
## HUD 2017 Household Income Limits

	1 Person	2 People	4 People
<b>30% Area Median Income</b>			
Household Income	\$22,500	\$25,700	\$32,100
Corresponding Monthly Rent	\$563	\$643	\$803
<b>50% Area Median Income</b>			
Household Income	\$34,450	\$42,800	\$53,500
Corresponding Monthly Rent	\$936	\$1,070	\$1,338
<b>80% Area Median Income</b>			
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
<b>125% Area Median Income</b>			
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

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

## 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.**

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

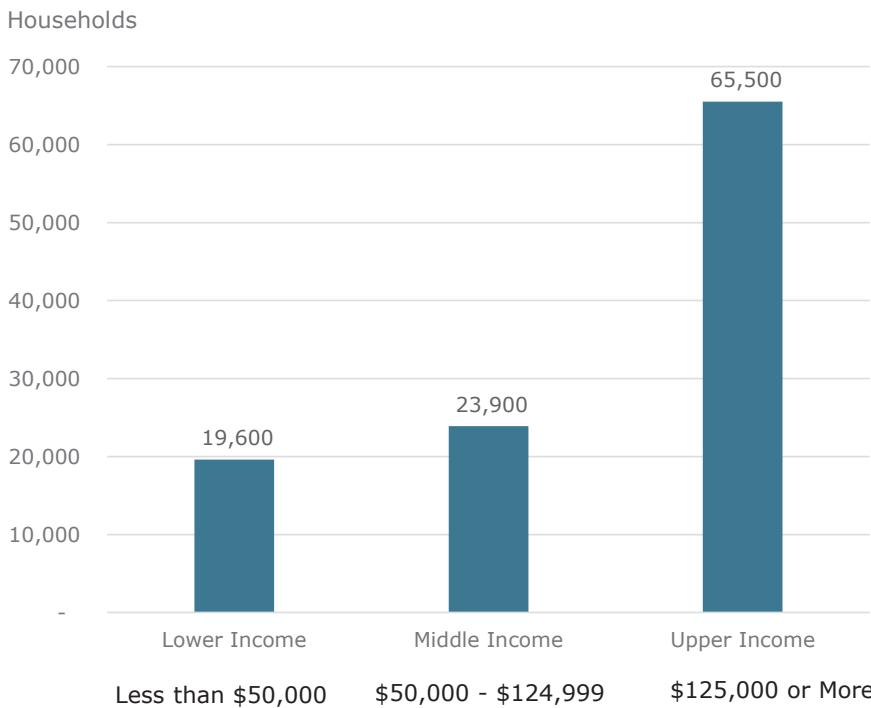
In response to demand for housing by high-earner households, housing developers have focused new projects to serve the upper end of the market and many of what were once existing affordable units have increased in price beyond what many middle- and low-income working families can afford.

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

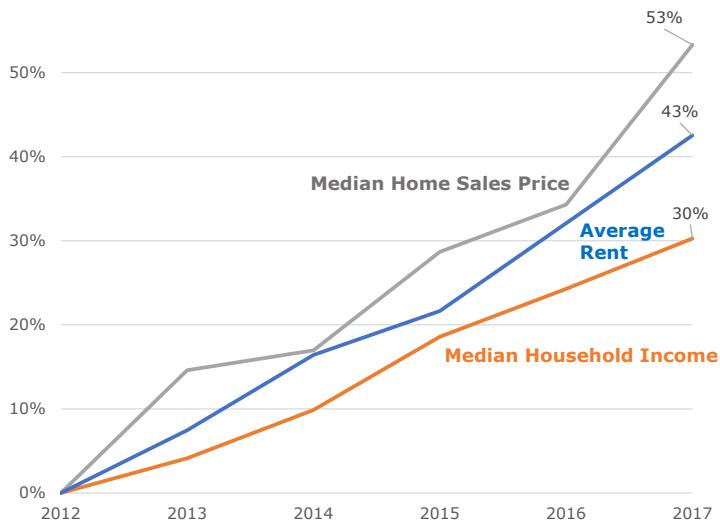
## Change in King County Households by Income Range, 2006-2016



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

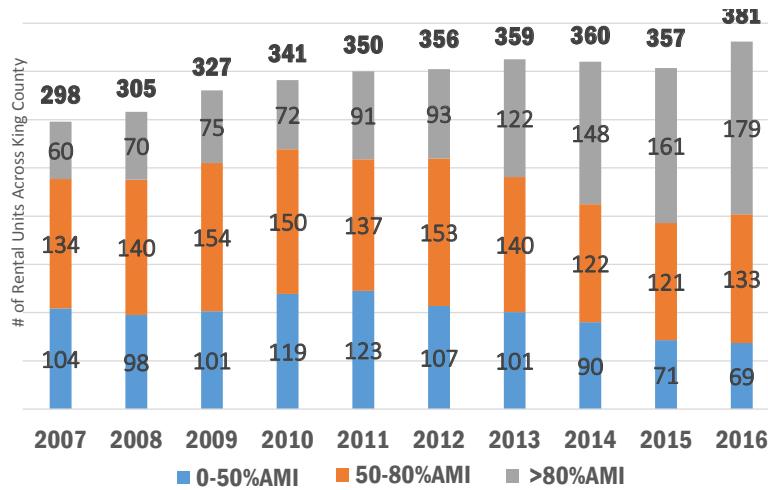
**STOCK OF RENTAL HOMES AFFORDABLE TO HOUSEHOLDS AT OR BELOW 80% AMI DECREASED BY 36,470 UNITS OVER 10 YEARS**

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



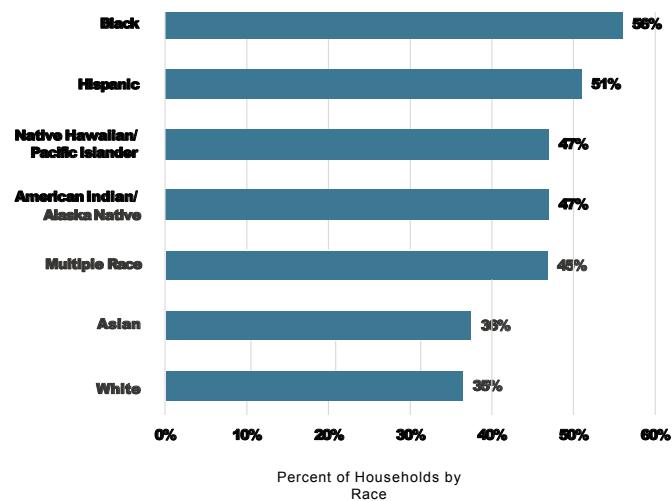
Sources: Zillow, OFM, Dupre+Scott, CAI 2017

## 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.

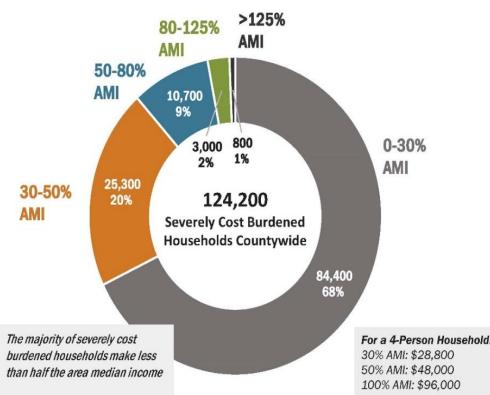
People of color are disproportionately over represented among households that are severely cost burdened. While 35 percent of white households are severely cost burdened, 56 percent of black households are severely cost burdened. Just over half of Hispanic households are severely cost burdened.

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

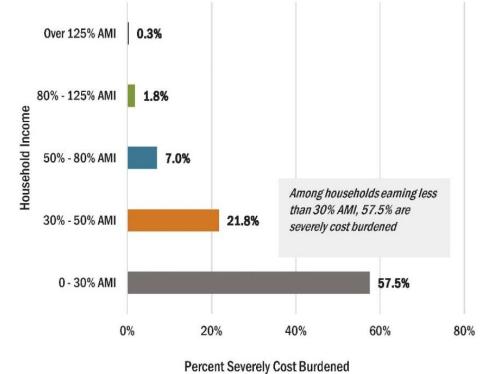
## Severe Cost Burden: By Income and Age

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

Severe Cost Burden by Area Median Income (AMI)



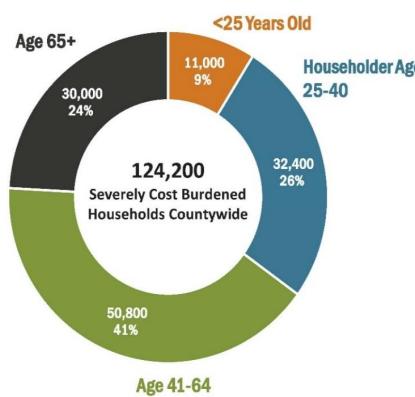
Severe Cost Burden Within Income Levels



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

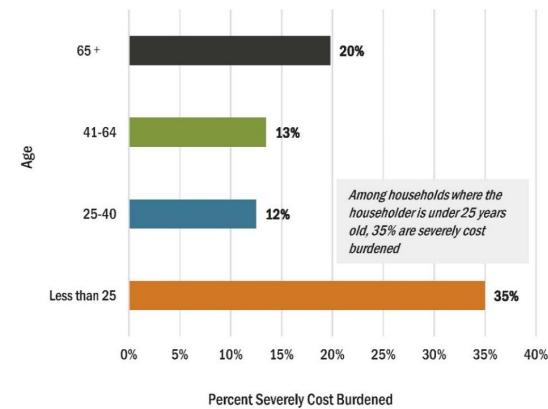
**The youngest and oldest residents are most likely to be severely cost burdened.**

Severe Cost Burden by Age



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

Severe Cost Burden Within Age Groups



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.

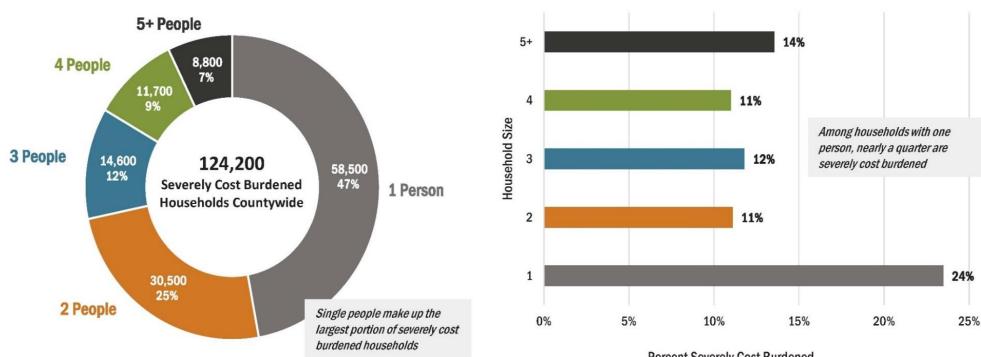
Large families can have difficulty with finding homes that have enough bedrooms to comfortably accommodate all of their members. In addition, 14 percent of households with five or more members are severely cost burdened.

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 Household Size and Type

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

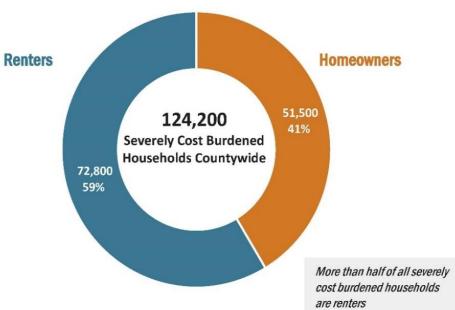
Severe Cost Burden by Household Size % of All Households that are Severely Cost Burdened, by Household Size



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

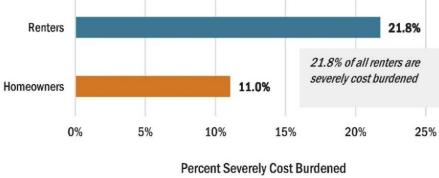
Renters are twice as likely to be severely cost burdened compared to homeowners. Over 70,000 renters are severely cost burdened.

Severe Cost Burden by Renters & Homeowners



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

% of Renters and Homeowners that are Severely Cost Burdened



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.<sup>3</sup>

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](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.<sup>4</sup>

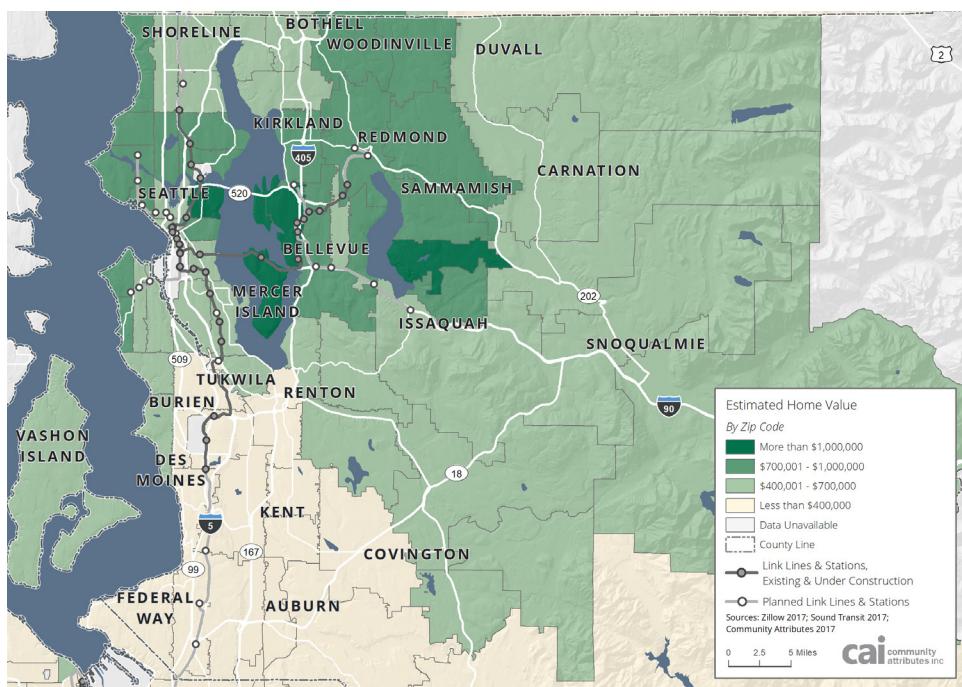
## Geographic Differences

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.<sup>5</sup>

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.<sup>6</sup>

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.<sup>7</sup> 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.

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<sup>7</sup> Inrix: <http://inrix.com/scorecard-city/?city=Seattle%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.”<sup>8</sup> 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.”<sup>9</sup> 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.

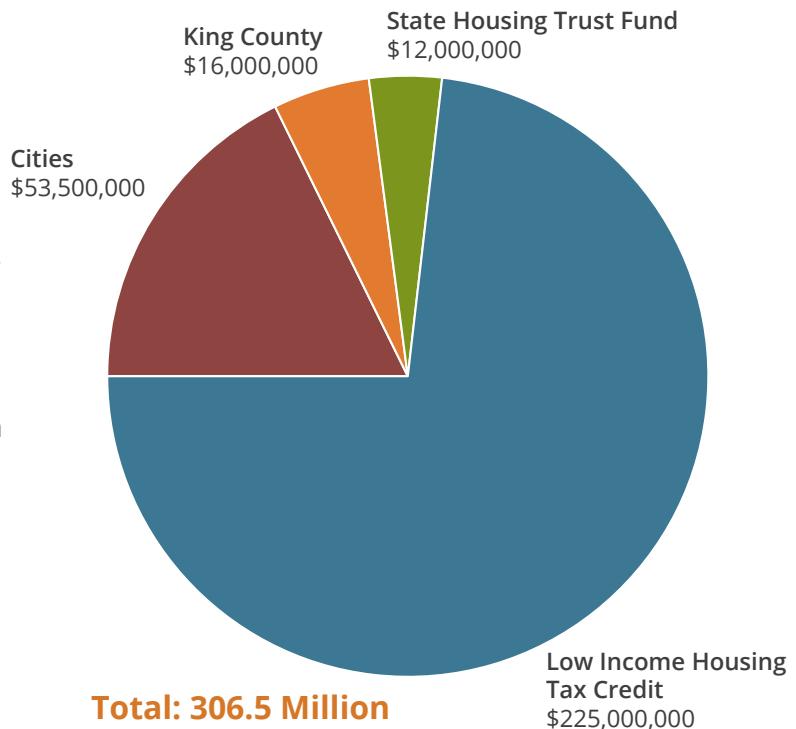
<sup>8</sup> Revised Code of Washington 36.70A.020(4)

<sup>9</sup> 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

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



*See Appendix B, Attachment A on page 52.*

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.

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.<sup>10</sup> These recommendations are not mandates. They are not intended to place limits on local actions or override local control.

GOALS

STRATEGIES

ACTIONS

<sup>10</sup> 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.



## 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.



### Create and support an ongoing structure for regional collaboration

1

STRATEGY A: Create an Affordable Housing Committee of the Growth Management Planning Council (GMPC)	County	Cities	Housing Committee	State
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	County	Cities	Housing Committee	State
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

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	County	Cities	Housing Committee	State
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

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	County	Cities	Housing Committee	State
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

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

County	Cities	Housing Committee	State
--------	--------	-------------------	-------

i. Support the development and adoption of statewide legislation and policy related to tenant protections

✓	✓	✓	✓
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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

✓		
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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

STRATEGY A: Update zoning and land use regulations (including in single-family low-rise zones) to increase and diversify housing choices	County	Cities	Housing Committee	State
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)

✓	✓	✓
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ii. Advocate for state public works trust fund investments

✓	✓	✓	✓
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### 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

✓	✓		
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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

✓	✓		
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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

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

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

County	Cities	Housing Committee	State
--------	--------	-------------------	-------

i. Develop toolkits and strategies to better engage neighborhoods and residents in affordable housing development

✓		✓	
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ii. Use existing data and tools to greatest extent possible, i.e. PSRC Vision 2050 work

✓		✓	
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iii. Use community engagement techniques that promote more equitable community engagement in zoning and siting decisions

✓	✓		
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### 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

County	Cities	Housing Committee	State
--------	--------	-------------------	-------

i. Create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations, the health care sector, and others to encourage investments in affordable housing

✓	✓	✓	
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ii. Encourage business, organized labor, and philanthropy to support public dialogue on affordable housing

✓	✓	✓	
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# 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:

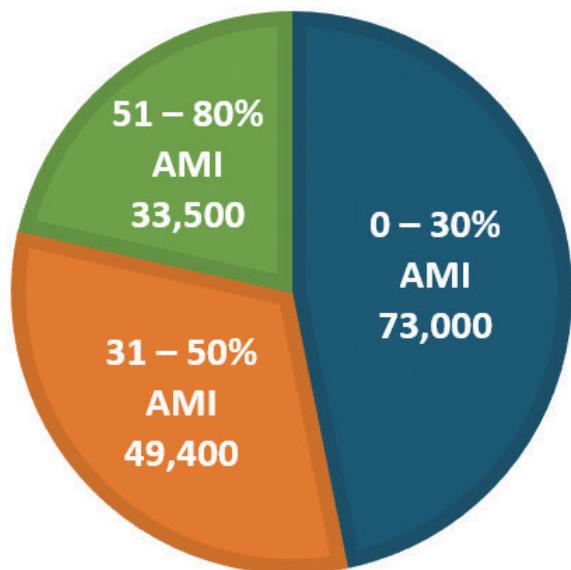
Current estimates show a need for 244,000 additional, affordable homes in King County by 2040 so that no household earning 80% of Area Median Income (AMI) and below is cost- burdened. This includes 156,000 homes for households currently cost-burdened<sup>1</sup> and an additional 88,000 homes for growth 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.

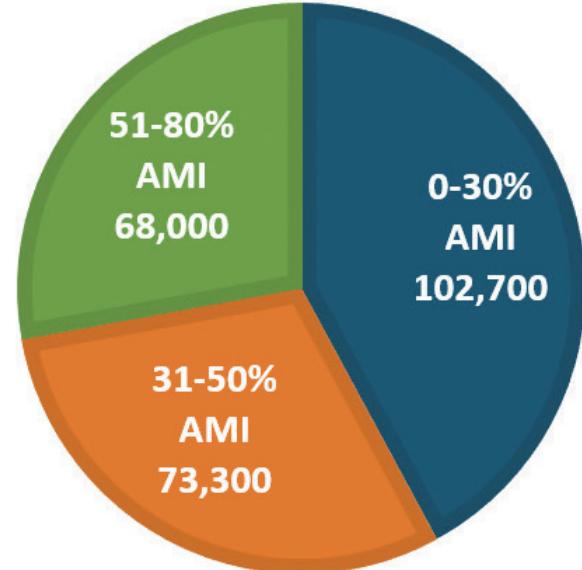
	0 – 30% AMI	31 – 50% AMI	51 – 80% AMI
EXISTING NEED	73,000	49,400	33,500
GROWTH TO 2040	29,700	23,900	34,500
SUBTOTAL	102,700	73,300	68,000
<b>% TOTAL NEED IN 2040</b>	<b>42%</b>	<b>30%</b>	<b>28%</b>

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



<sup>1</sup> 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.<sup>2</sup> 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

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<sup>2</sup> 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.<sup>3</sup>

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.

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<sup>3</sup> "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:<sup>4 5</sup>

- 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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<sup>4</sup> PSRC anticipates that more than 50% of housing growth will occur in TOD.

<sup>5</sup> 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<sup>6</sup>
- Include cities, investors, and community-based organizations in development of certification process and matching dollars for socially responsible, equitable Opportunity Zone<sup>7</sup> investments that prevent displacement
- Cities and the County to expand requirements to affirmatively market housing programs and enhance

<sup>6</sup> 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.

<sup>7</sup> 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](http://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

<b>Current Capital Investments</b> <b>Annual averaged based on 2012-2017</b>			
			<b>Annual Amount</b>
<b>Federal</b>			
	9% LIHTC		\$61,500,000
	4% LIHTC		\$163,500,000
		<b>Subtotal</b>	<b>\$225,000,000</b>
<b>State</b>			
	Housing Trust Fund		\$12,000,000
		<b>Subtotal</b>	<b>\$12,000,000</b>
<b>King County</b>			
	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
		<b>Subtotal</b>	<b>\$16,300,000</b>
<b>Cities*</b>			
	Cities*		\$49,000,000
	ARCH		\$4,700,000
		<b>Subtotal</b>	<b>\$53,700,000</b>
<b>Private</b>			
	Fundraising		\$19,000,000
	Debt Financing		\$58,000,000
		<b>Subtotal</b>	<b>\$77,000,000</b>
		<b>Total</b>	<b>\$384,000,000</b>

*\*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

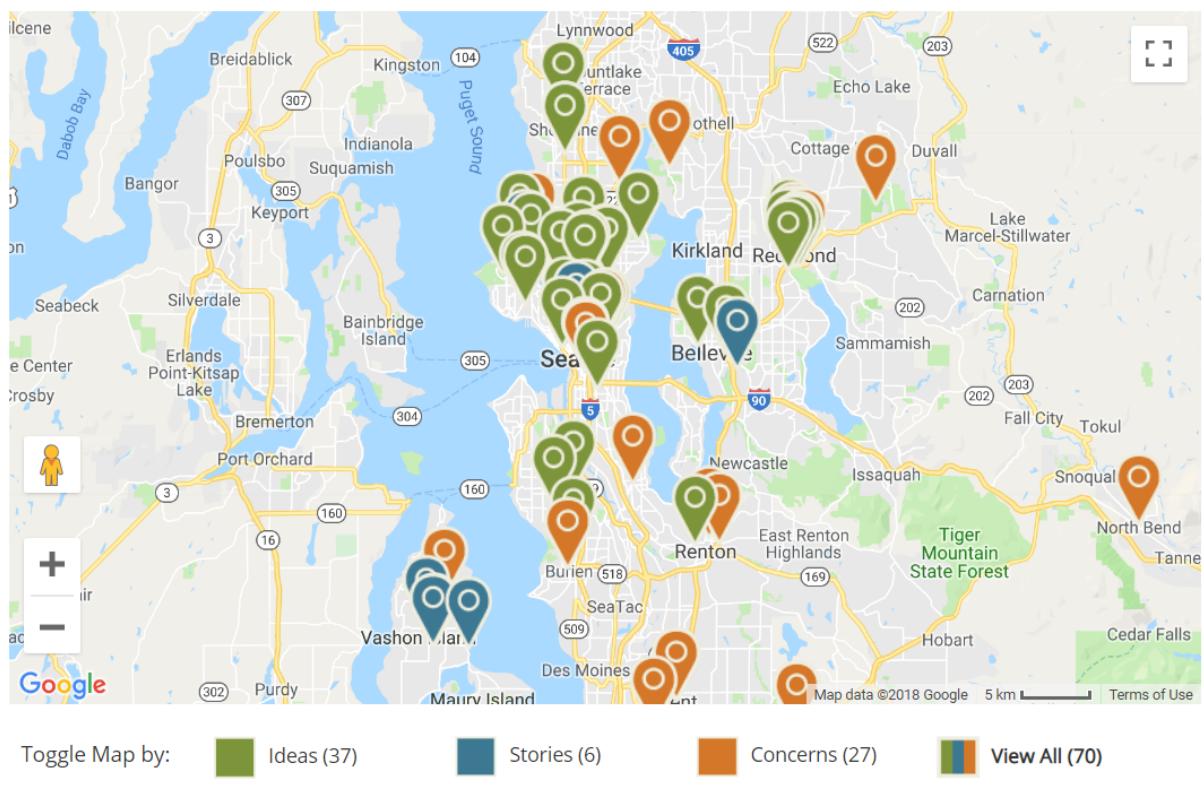
## Public Comment

## 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.



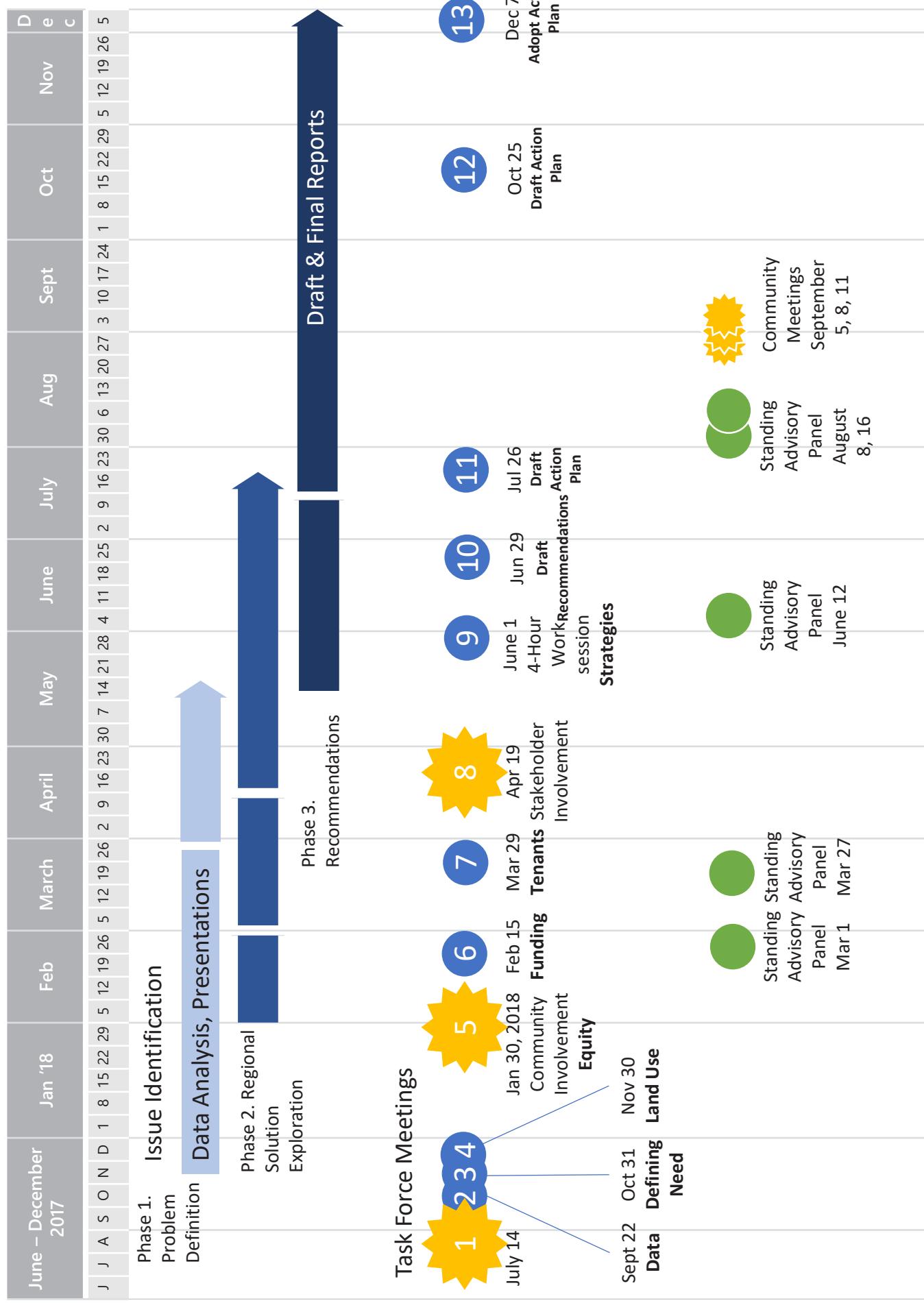
To read feedback received through the Public Comment Tool, please visit:  
<https://kingcounty.gov/initiatives/affordablehousing/public-comments.aspx>

# Appendix D

## Task Force Schedule

# King County Regional Affordable Housing Task Force

## Working Project Schedule



# 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% 80% HOME*
<b>1 Person</b>	\$22,500	\$26,215	\$29,960	\$33,705	\$37,450	\$44,940	\$47,050 \$50,650 \$56,200 \$57,900
<b>2 Persons</b>	\$25,700	\$29,960	\$34,240	\$38,520	\$42,800	\$51,360	\$53,750 \$57,900 \$64,200 \$66,200
<b>3 Persons</b>	\$28,900	\$33,705	\$38,520	\$43,335	\$48,150	\$57,780	\$60,500 \$65,150 \$72,250 \$74,450
<b>4 Persons</b>	\$32,100	\$37,450	\$42,800	\$48,150	\$53,500	\$64,200	\$67,210 \$72,380 \$80,250 \$82,700
<b>5 Persons</b>	\$34,700	\$40,460	\$46,240	\$52,020	\$57,800	\$69,360	\$72,600 \$78,150 \$86,700 \$89,350
<b>6 Persons</b>	\$37,250	\$43,470	\$49,680	\$55,890	\$62,100	\$74,520	\$77,950 \$83,950 \$93,100 \$95,950
<b>7 Persons</b>	\$39,850	\$46,445	\$53,080	\$59,715	\$66,350	\$79,620	\$83,350 \$89,750 \$99,550 \$102,550
<b>8 Persons</b>	\$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%	50%	60%	65% HOME High HOME 70% 80%
<b>0 Bedrooms</b>	\$562	\$655	\$749	\$842	\$936	\$936	\$1,123 \$1,176 \$1,198
<b>1 Bedroom</b>	\$602	\$702	\$802	\$902	\$1,003	\$1,003	\$1,203 \$1,260 \$1,284
<b>2 Bedrooms</b>	\$722	\$842	\$963	\$1,083	\$1,203	\$1,203	\$1,444 \$1,512 \$1,543
<b>3 Bedrooms</b>	\$835	\$973	\$1,113	\$1,252	\$1,391	\$1,391	\$1,669 \$1,747 \$1,775
<b>4 Bedrooms</b>	\$931	\$1,086	\$1,242	\$1,397	\$1,552	\$1,863	\$1,948 \$1,960 \$2,098
<b>5 Bedrooms</b>	\$1,028	\$1,198	\$1,370	\$1,541	\$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.





King County, WA

December 2018