

SKHHP Executive Board
September 25, 2020, 1:00 – 3:00 PM
Virtual – Zoom Meeting

Video conference:

<https://zoom.us/j/93047579575?pwd=NmpqbHlZTElEVVluM09jYWkrTDcvQT09>

OR by phone: 253-215-8782

Meeting ID: 930 4757 9575 | Password: 807133

- I. Call to Order
 - a. Zoom meeting protocols
 - b. Roll Call
 - c. Introductions
- II. Review Agenda/Agenda Modifications
- III. Approval of August 28, 2020 Minutes – *Attachment A (action item)*
- IV. Old Business
- V. New Business
 - a. City of Auburn –rental housing policy update (*10 minutes*)
 - b. SKHHP position on city rental housing policies (*10 minutes*) – *Attachment B (possible action item)*
 - c. 2021 State legislative priority discussion (*20 minutes*) – *Attachment C*
 - d. Draft SHB 1406 Interlocal Agreement discussion (*20 minutes*) – *Attachment D*
- VI. Educational Item – SoKiHo, Subregional Housing Framework, (*50 minutes*)
- VII. Updates/Announcements (*as time allows*)
- VIII. Next Meeting – October 23, 2020 - Location TBD
- IX. Adjourn

RESOLUTION NO. 2020-05

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS, SUPPORTING LOCAL JURISDICTION ADOPTION OF TENANT PROTECTION AND DISPLACEMENT PROTECTION POLICIES

WHEREAS, earlier this year, the World Health Organization announced novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, the Washington Governor declared a State of Emergency due to new cases of COVID-19; and

WHEREAS, in addition to the COVID-19 challenges that can affect payment of residential rent, it is appropriate for local jurisdictions to establish regulations supporting the issues of increasing housing security and enforcement mechanism as they relate to rental housing; and

WHEREAS, it is a South King Housing and Homelessness Partners (SKHHP) priority to provide input on housing policy and programs in South King County and to complement the efforts of existing public and private organizations to address housing needs in South King County; and

WHEREAS, as a result of rising housing costs and housing cost burden rates in South King County, displacement was occurring prior to the current pandemic. Between 2012 and 2018 South King County saw a sharp reduction in the number of households with incomes under 30% of the Area Median Income. This trend was particularly acute for renter households; and

WHEREAS, local tenant protection and displacement protection policies such as just cause eviction ordinances, allowance for rental move-in fee installment payments, notice of proposed sale of low-income housing, and notice of rent increase requirements, are proactive policies that help keep people in place and mitigate displacement and other unintended consequences of regional growth; and

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The SKHHP Executive Board supports efforts of local governments to improve and implement tenant protection and displacement protection policies for those who live in manufactured housing communities and in traditional rental housing.

Section 2. SKHHP recognizes that in order to fully address displacement and other unintended negative consequences of regional growth the region needs a strategic set of comprehensive policies and programs that includes both tenant protection laws and housing production of both market-rate and subsidized housing.

Section 3. This Resolution will take effect and be in full force on passage and signature.

Dated and Signed this _____ day of _____, 2020.

SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS

NANCY BACKUS, CHAIR

DRAFT

Memorandum

South King Housing and Homelessness Partners

To: SKHHP Executive Board
From: Angela San Filippo, SKHHP Executive Manager
Date: September 25, 2020
RE: 2021 State and Local Legislative Priority Discussion

SUMMARY. The following is a list of Washington State and County legislative considerations for discussion by the SKHHP Executive Board. The intent is to begin discussions at the September Board meeting with possible adoption of 2021 SKHHP State Legislative Priorities at the October Board meeting.



KING COUNTY

The intent for the County legislative considerations is to discuss and consider whether the SKHHP Executive Board has a position on the following November ballot measure.

- 1. November Charter Amendment No. 2:** Section 230.10.10 of King County Charter. Shall King County amend charter restriction on County's authority to transfer, lease, or sell real property for less than fair market value when property will be used for affordable housing.

King County Charter Section 230.10.10 concerns the countywide metropolitan functions of wastewater treatment and transit that King County assumed when, in the mid-1990s, it merged with the Municipality of Metropolitan Seattle, then commonly referred to as "Metro." Charter Section 230.10.10 requires that each metropolitan function be operated as a distinct functional unit and it requires that all revenues or properties held in funds for each metropolitan function be used only to benefit that metropolitan function.

If adopted, Charter Amendment No. 2 would remove the charter restriction on the county's authority to transfer, lease, or sell real property held by metropolitan function funds at less than fair market value if conveyed for affordable housing purposes. State law and county code already allow the county to convey other county property for less than fair market value.

SKHHP Discussion: Does the SKHHP Board support this amendment, if so should a statement of support be issued?

WASHINGTON STATE

The intent for this discussion is to consider possible State Legislative priorities, which of the following policies and funding considerations have the potential for the greatest impact on SKHHP's mission, and

which should be researched in further detail to inform possible adoption of a 2021 SKHHP State Legislative Agenda at the October Board meeting.

SKHHP Discussion:

- Which policy and funding considerations have the potential for greatest impact on SKHHP's mission to increase available options and preserve existing affordable housing in South King County?
- Are there policy and funding considerations listed below that can be eliminated from consideration for the 2021 SKHHP State Legislative Priorities?
- Are there policy and/or funding considerations that are not listed below that SKHHP should be considering?
- What other information is needed to inform SKHHP Board decisions on legislative priorities and prioritization of State Legislative agenda items?

Policy considerations – Listed alphabetically, not in priority order.

1. **Affirmatively Furthering Fair Housing (AFFH)** – Advocate for adoption of AFFH through a State Growth Management Act Housing Element change. US Department of Housing and Urban Development (HUD) terminated the federal AFFH Rule.
2. **Displacement protections** – Support implementation of statewide legislation that seeks to reverse historic and current patterns of racial and socioeconomic segregation and prevent displacement to include just cause eviction and allowance for rental move-in fee installment plans.
3. **Housing Benefit District** – Advocate for giving authority to counties and cities to establish a housing benefit district for affordable low-income and middle-income housing developments.
4. **Multifamily Tax Exemption (MFTE) Program** – Expansion of MFTE to include all cities and towns in the state, currently limited to . Authorize local option for extended tax abatement to continue to preserve affordable units or to create new affordability set-asides within buildings that have previously benefited from the program.

HB 2590 in 2020 legislative session – extends MFTE for two years for buildings that have income-restricted units that would have expired out of the program. Due to pandemic the proposed work group to attempt to find common ground on expanding the scope of the program was vetoed.

5. **Property Tax Cap** – Lift the current 1% limit on annual increases. Proposal in 2020 legislative session for increase to 3% did not pass. Current revenues are not enough for many cities to support community expectations and priorities and city tax structures are not keeping up with traditional rate of inflation and growing costs. Lift will increase funding flexibility and preserve critical city services. However, Washington state needs structural property tax reform to truly address budget deficits and threatened city services.

6. **Single family zoning reform** – increase housing availability and diversity of housing choice by advocating for policies, like single family zoning reform, that have direct and deep impact on historic, structural, and systemic racism.
7. **Tax Increment Financing** – TIF can help cities build public infrastructure to spur economic development and job growth throughout the state. Constitutional amendment allowing for property-tax-based approach would allow cities to access critically needed funding for local economic development projects. This approach doesn't raise property taxes on residents but allows development to pay for the public infrastructure needed.

Funding Considerations – Listed alphabetically, not in priority order.

1. **Housing and Essential Needs (HEN)** – Advocate for HEN to be fully funded. Department of Commerce submitted a \$16 million budget reduction to the HEN rental assistance program for low-income, disabled adults. First increase to HEN was secured in the last biennial budget, rental assistance through HEN needed before COVID, and it is needed now more than ever.
2. **Housing Trust Fund** – Fund the State Housing Trust Fund at a historically high level in the biennial Capital Budget and establish a permanent funding source for the HTF.
3. **Local Revitalization Financing (LRF)** – Incentivize economic growth by reinvesting in LRF, created in 2009 to award local jurisdictions sales tax credits to fund local infrastructure improvement projects to encourage economic development. State contribution limit has been reached, current program is not accepting new applications.
4. **Progressive revenue** – Pursue and take action toward progressive revenue and tax reform that will ease the burden on low-income and working households, adequately fund affordable housing and homelessness programs, and make our economy more resilient in the long-run. Progressive revenue considerations include: capital gains tax, income tax, payroll tax.

Payroll tax – HB 2907 in 2020 would have authorized counties with a population over 2 million to impose an excise tax on business to fund affordable housing and homelessness programs and services. Jump Start Seattle is projected to generate \$86/million/year in 2020 and 2021 and over \$200 million/year in 2022. Countywide payroll tax would need to be able to generate significantly more than JumpStart Seattle.

5. **SKHHP Housing Capital Fund** – Provide direct funding to SKHHP for the establishment of a South King County housing capital fund. SKHHP partner cities are actively working to establish a mechanism to pool sales tax credit revenues authorized by SHB 1406. State matching funds will provide much needed investment in affordable housing in South King County.

NEXT STEPS. SKHHP Executive Manager and staff work group will revise the 2021 Washington State Legislative priorities and perform additional research based on direction from the Board at the September 25 meeting.

A draft of 2021 SKHHP Washington State Legislative Priorities will be considered by the Executive Board for possible adoption at the October Board meeting.

Memorandum



South King Housing and Homelessness Partners

To: SKHHP Executive Board
From: Angela San Filippo, SKHHP Executive Manager
Date: September 25, 2020
RE: Draft Interlocal Agreement Pooling SHB 1496 Funds

SUMMARY

The following is a draft Interlocal Agreement (ILA) to pool SHB 1406 sales tax receipts with SKHHP for the purposes of administering funds generated as a result of RCW 82.14.540. After review and feedback from the SKHHP Executive Board on the general scope and content of the ILA it will be forwarded to legal staff from SKHHP partner jurisdictions for review.

The following is a list of questions for SKHHP Executive Board discussion:

1. The SKHHP ILA identifies the SKHHP Advisory Board as the recommending body for SKHHP Housing Capital Fund allocation decisions. Should geographic representation of SKHHP Advisory Board members be a consideration based on participating jurisdictions in this ILA?
2. In light of the economic impacts of the COVID-19 pandemic, should this ILA include a mechanism to provide rental assistance for qualifying jurisdictions?
3. Should we consider funding projects that are located outside of SHB 1406 ILA member jurisdictions?
4. Should the ILA outline SKHHP funding priorities?

DRAFT Interlocal Agreement to pool SHB 1406 sales tax receipts with South King Housing and Homelessness Partners (SKHHP) for the purposes of administering funds generated as a result of RCW 82.14.540

This Interlocal Agreement (“Agreement”) is entered into by and between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila (individually, a “Party” and collectively, “Parties”). This Agreement addresses the use of funds created through a tax credit against a portion of the state’s share of local sales and use tax pursuant to RCW 82.14.540.

WHEREAS, the Washington State Legislature passed Substitute House Bill 1406 during the 2019 Regular Session, and the Governor signed into law; and

WHEREAS, SHB 1406 authorizes the legislative authority of a county or city to impose a local sales and use tax for affordable and for supportive housing to income eligible persons defined in RCW 82.14.540; and

WHEREAS, within six months of the effective date of SHB 1406 all Parties adopted a resolution of intent to authorize the maximum capacity of the tax, and within twelve months all Parties adopted legislation authorizing the maximum capacity of the tax; and

WHEREAS, on November 22, 2019 the SKHHP Executive Board took unanimous action to adopt SKHHP Resolution 2019-06 which urges each of the 9 member cities to pool 100% of the funds collected under the provisions of SHB 1406; and

WHEREAS, pooling SHB 1406 funds collected in individual cities will allow the use of SHB 1406 funds to leverage other funds and to stretch much further and make a more profound and meaningful impact on affordable housing challenges in South King County; and

WHEREAS, pooling SHB 1406 sales tax revenues with SKHHP will establish a regional funding source that will help to establish regional-decision making and shared housing solutions, increased investment in affordable housing and supportive housing in South King County, and will provide more power in a collective voice for South King County; and

WHEREAS, funding to support acquisition, rehabilitation, and new construction of affordable housing, and operation and maintenance costs of new affordable housing is critical to providing an array of housing opportunities for residents.

NOW THEREFORE, in consideration of the mutual promises, benefits, and covenants contained in this agreement, the above Parties agree to the above Recitals and the following terms and conditions:

- A. The purpose of this Agreement shall be to provide for the administration and expenditure of revenue generated from the sales tax credit under the provisions of RCW 82.14.540.

ATTACHMENT D

- B. That portion of the revenue generated from the sales tax credit is to be transferred to the SKHHP Housing Capital Fund. Those funds will be held in designated funds by the City of Auburn, as the fiscal agent for SKHHP, to be allocated as provided for by recommendation of the SKHHP Executive Board and approval by each participating City.
- C. Permissible uses of these funds are defined in RCW 82.14.540 as follows:
 - a. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or
 - b. Funding the operations and maintenance costs of new units of affordable or supportive housing.
 - c. The housing and services provided through the use of these funds may only be provided to persons whose income is at or below sixty percent of the median income of the county or city imposing the tax.
- D. The SKHHP Advisory Board, to be established by the SKHHP Executive Board as outlined in the SKHHP Interlocal Agreement, will advise the SKHHP Executive Board on the strategic funding priorities and allocation of funds collected through this agreement.
- E. The SKHHP Advisory Board will provide guidance on equitable distribution of funds to projects within participating jurisdictions.
- F. The SKHHP Advisory Board will provide guidance on funding allocations that reflect local needs as determined by the participating jurisdictions, consider other funding sources that support affordable housing and supportive housing, and the broader continuum of housing needs for the South King County region.
- G. For each round of funding applications SKHHP will identify funding guidelines which will include but not be limited to: amount of available funding, household income targets, funding priorities, eligible activities and geographic areas, regulatory terms, other award terms/reporting requirements, application contents, review process, evaluation criteria, and schedule for funding allocation.
- H. Funding will be limited to projects in jurisdictions that are participating in this Agreement and funding a specific project, unless otherwise accepted by the SKHHP Executive Board and all of the jurisdictions participating in SKHHP.
- I. Funds collected through this Agreement shall be administered through the SKHHP Housing Capital Fund as outlined in the SKHHP Interlocal Agreement and administered by the SKHHP Administering Agency.
- J. The Administering Agency will maintain records sufficient to separately track the deposits and withdrawals within each individual account and each project account.

ATTACHMENT D

- K. Each Party choosing to participate in funding a project or program through the SKHHP Housing Capital Fund will by action of its legislative body authorize the application of a specified amount from its individual account to a specified project or program.
- L. As provided in the SKHHP Interlocal Agreement, the SKHHP Executive Board will recommend to the individual legislative bodies various terms to accompany their authorizations.
- M. SKHHP will submit an annual report to all participating Parties of work plan progress that includes but is not limited to housing priorities, strategies, capital funding investments, and other SKHHP accomplishments.
- N. The expenditure of all funds will be subject to audit by the State Auditor or other authorized entity. The SKHHP Administering Agency reserves the right to review, monitor, or audit the use of these funds as deemed necessary. Such activities may occur with or without notice.
- O. For the purposes of RCW 39.34.030(4)(a), the SKHHP Administering Agency is designated as the administrator responsible for overseeing and administering the joint or cooperative undertaking contemplated by this agreement. No property shall be acquired by the parties to this agreement by reason of this joint or cooperative undertaking.
- P. Municipalities that are members of SKHHP may, on execution of the Agreement become a party to this Agreement on an affirmative vote of a two-thirds majority of the membership of the Executive Board.
- Q. This agreement may be terminated at any time by affirmative vote of a majority of the legislative bodies of the Parties to this agreement.
- R. If a Party wishes to withdraw from participation in this Agreement, it may do so with three months advance written notice to the Executive Board of its intention to withdraw, which notice will be due on or before July 1 and become effective as of 11:59 pm on December 31st of that current year.
- S. Upon termination of this Agreement or party withdrawal from this Agreement, uncommitted funds from that Party shall be returned to the contributing Party, unless otherwise authorized by the legislative authority of that Party.
- T. Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of at least two-thirds of the legislative bodies of all Parties to this Agreement, evidenced by authorized signatures of those Parties as of the effective date of this Agreement. However, any amendment to this Agreement affecting the terms and conditions of membership, provisions regarding duration, termination or withdrawal, or the conditions of this Section will require consent of the legislative

authorities of all Parties. This Section shall not be construed to require amendment of this Agreement for the addition of a new Party contemplated under Section P.

- U. This Agreement will become effective _____, subject to its approval by the legislative bodies of all participating jurisdictions, and pursuant to RCW 39.34.040, upon recording this Agreement or posting this Agreement on a Party's website or other electronically retrievable public source. Although this Agreement may be approved and signed by a Party after the Agreement's effective date, all acts consistent with the authority of this Agreement that occur on or after _____, are hereby ratified and affirmed, and the other terms of this Agreement will be deemed to have applied.

TO BE FOLLOWED BY SIGNATURE PAGES FOR EACH PARTICIPATING JURISDICTION