



## Housing Affordability Regional Taskforce Policy and Regulatory Workgroup

### MEMO

**To:** Housing Affordability Regional Taskforce

**From:** Housing Affordability Regional Taskforce Funding Workgroup

**Date:** September 9, 2019

**Re:** HART Funding Work Group Summary

The Funding Work Group focused primarily on HART ballot measures that will increase the supply of housing to people below 60% of area median income. The housing supply gap for higher-income renters and homeowners can mostly be addressed by strategies that are being considered by the Outreach and Community Engagement and Policy and Regulatory Work Groups. Serving households below 50% of area median income requires a higher level of public funding since the private market does not produce units that are affordable to these households without additional funding.

The Funding Work Group acknowledges that the strategies that will have the biggest impact, new sources of local funding, will also be the most challenging to implement. The Work Group makes its recommendations to HART based on the following key findings:

***First and foremost, we need more affordable units.*** To build more units, more local funding is needed to leverage other funding sources. Policies and process improvements will help bring the cost down, but they won't be enough to create more units for lower-income households on their own.

***Preservation of existing housing is cost-effective.*** Much of the housing affordable to households below 60% of area median income is older housing stock provided by the market without income restrictions but is being lost at an alarming rate through renovations and rent increases.

The County currently has a very small amount of locally authorized or federal pass-through funding that it can award annually for new construction or preservation of affordable housing. Given the limited local financing available in recent years, the County has funded only 1-2 major projects (averaging 50 units per development) per year, and some smaller housing projects. Local funding is key to accessing and leveraging other affordable housing financing sources, without which projects cannot secure sufficient financing to be completed. Current production only meets a fraction of the need – the 2014 HO-5 report estimated that 21,352 units for households below 50% of area median income were needed countywide.

To provide housing that is affordable to the lowest income levels (those under 50% of area median income), *new sources of funding are needed* to address all three legs of the affordable housing “stool”:

- § **Bricks and Mortar** (new construction and preservation): land, utilities/infrastructure, and construction/purchase costs
- § **Operations** (management and maintenance), because housing affordable to households under 50% of area median income doesn’t generate enough income to cover all of a property’s operating costs.
- § **Services** to help affordable housing residents retain their housing and improve their quality of life, in some cases to move up the housing spectrum and make their affordable home available for someone else who needs it.

With these key concepts in mind, the Funding Work Group rated the following ballot items as its top six for consideration by HART, in addition to HB 1406, which is currently being implemented, based on their strong impact on the affordable housing crisis:

### **F03, Countywide Affordable Housing Levy**

*This is the single biggest impact item that could be implemented, and was rated highest by the Work Group.*

This strategy involves a vote of the legislative body to place a property tax levy on the ballot and then a simple majority vote of the electorate. Housing levy funding can be used to assist households up to 50% of area median income, through development of new units, preservation, operating assistance, and housing-related services. Local funding is typically the first funding that a new project is awarded, and every dollar of local commitment can leverage as much as \$5 of other funding. A levy could raise an estimated \$13 to \$66 million annually. Given the challenge of raising new voter-approved funding, public engagement and further analysis to determine the rate and specific uses of levy funding would be key components of considering this strategy.

### **F07, Make Surplus and Under-Utilized Property Available for Affordable Housing**

Land typically accounts for 10 to 20 percent of the total cost of developing new affordable housing. Furthermore, affordable housing developers are often unable to move as quickly as the private market to identify and close on the most desirable sites, such as sites near rapid transit or job centers.

This strategy, which ties in with ballot items P23 and P48, involves public entities first creating an inventory of surplus and underutilized public properties to determine which may be suitable for affordable housing, and then developing policies to sell or lease the appropriate properties for construction of affordable housing, ideally at low to no cost, which is supported by new state legislation passed in the last session. Affordable housing could be prioritized as the preferred use or proceeds from the sale of public properties could be designated for affordable housing.

### **F06/F21, Develop a County Growth Fund for Affordable Housing**

As noted above, the lack of local funding available to preserve and build affordable housing is the single biggest hurdle to addressing Snohomish County’s affordable housing crisis. This strategy would involve each participating jurisdiction dedicating a portion of their new construction property tax revenue to a growth fund that would be used to fund affordable housing construction and/or preservation. A countywide growth fund would have the biggest impact.

### **F11/F26, Expand Supports for Low-Income Renters/Fund Local Service Provider Operating Costs**

State and Federal affordable housing funders have established priorities to serve populations which require operating assistance and/or supportive services to be successful in their housing, such as people with disabilities or people exiting homelessness. Given the low incomes of the target populations, these properties do not generate enough income from rents to cover operating costs, and operating grant funding and rental assistance is limited or unavailable. There is also a shortage of supportive service funding to help these residents maintain their housing and eventually move along the housing spectrum, freeing up affordable homes for others.

This strategy involves identifying and assigning sources (which could include a housing levy or growth fund) to fund these expenses, which are key components of the success of many affordable housing developments.

### **NEW, Implement Local Policies/Zoning Changes to Make Us More Competitive for Funding**

This concept was developed by the Work Group. The primary sources of affordable housing funding leveraged by local dollars, low-income housing tax credits and State Housing Trust Fund (HTF) dollars, are competitively allocating based on multiple criteria, with only the highest-scoring projects receiving funds. Snohomish County competes in a pool with other urban counties (other than King County, which has its own funding pool) and has historically been less competitive.

In addition to increasing local funding available to leverage State and Federal funds, jurisdictions can take specific actions to increase Snohomish County projects' competitiveness for these fund, some of which are also under consideration by the Policy and Regulatory Work Group, including: designating specific areas as target areas for new mixed-use development, enacting zoning that enables early learning facilities in new multifamily housing (a State Legislature priority for the HTF), and allowing for permanent supportive housing developments, as these are a priority for many funders.

### **F15, Support Creation of Community Land Trusts**

Community Land Trusts, or CLTs, are nonprofit organizations that provide community stewardship of land, primarily for the purpose of ensuring long-term housing affordability. To accomplish this, the CLT acquires land and maintains ownership of it permanently. For homeownership properties, the CLT enters into a long-term lease with the buyer instead of a traditional sale. When the homeowner sells, they are able to sell for only a portion of the increased property value, retaining affordability for all future owners. Some CLTs also own and operate affordable rental housing. The benefits of the CLT model include permanent affordability and wealth or asset building for residents. Once they get off the ground and reach scale, CLTs are often self-sustaining,

Jurisdictions can support CLTs in several ways. Examples include making startup funding available, making surplus or under-utilized land available to a CLT for development, and providing funding for CLTs to preserve properties with expiring affordability requirements. This strategy also ties in with several of the strategies being considered by the Policy and Regulatory Work Group, including one specifically related to Community Land Trusts.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Seek approval for a county-wide property housing levy</b>		Ballot Item #(s): <b>F03</b>
<p>Brief description:                  RCW 84.52.105 authorizes a county city or town to impose a property tax levy to finance affordable housing for very low income households. No restrictions are placed on the use of the funds other than ... "to finance affordable housing for very low income households." Levy funds have been used by other jurisdictions for production and preservation, homeownership, operations and maintenance, rental assistance and support services.</p> <p>Some things to keep in mind regarding this levy authority:</p> <ol style="list-style-type: none"> <li>1. Requires a simple majority of voters</li> <li>2. Funds must serve very low income, defined as 50% of AMI adjusted for household size</li> <li>3. Maximum levy amount is fifty cents per thousand of assessed value</li> <li>4. Maximum period without renewal is 10 years</li> <li>5. Levy rate is in addition to regular property tax levy and does not count against the jurisdiction's levy cap.</li> </ol>		
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>7/18 HART vote to study</b>		
Work group ranking and/or score: <b>#1 (70/70)</b>		
Potential impact on housing affordability challenge (High / Medium / Low): <b>High</b>		
Ease of implementation (Easy / Moderate / Difficult): <b>Moderate to Difficult</b>		
<b>Category:</b> Goal _____ or Strategy/Tactic <u>  x  </u>		<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes		
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:		X
0-30%AMI		X
30-50% AMI		X
50-80% AMI		
80%-125% AMI		
>125% AMI		
Facilitates housing <b>preservation</b> —maintaining current affordable inventory		X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost		X
<b>Communication / community engagement strategy</b>		
<b>Advocacy</b>		
<b>Other</b>		

**Analysis:**

1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).

**Countywide.**

The 2018 assessed value of Snohomish County property was \$132,827,352,255. Each \$0.10 of levy would raise \$13.2M for affordable housing and cost \$37.76 per year for the owner of a single family home valued at the 2018 average residence value of \$377,000. A housing levy would apply to all assessed properties, including commercial properties, with the nexus that local employers both create the need for, and benefit from, the availability of affordable housing that may serve their employees. Each dollar of levy money typically attracts \$5 of other public and private equity funding making each \$0.10 levy worth almost \$80M in total. A ten year levy would build approximately 2,650 new affordable homes for the lowest income households throughout the county.

The highest assessed value for a single city is for Everett at \$18,458,610,540. Each \$0.10 levy would raise \$1.84M each year. Using the same leverage factor of 1:5 the total would be \$11M per year. A ten year levy would build approximately 369 new affordable homes for the lowest income households. All other SnoCo cities and towns fall far below the assessed valuation of Everett with commensurate drops in the amount of money a levy would raise and number of affordable homes that would be built.

A countywide levy builds more than 7 times as many homes as a City of Everett only levy, can be used to build affordable housing county wide, and imposes the tax countywide in order to address a countywide issue.

2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

Goal 2: Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections.

Goal 3: Identify and act on strategies to preserve existing affordable housing. (Levy funds can be used for preservation)

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

**High**

Building more homes that lower income households can afford will have the most direct and significant impact on addressing the affordability challenge.

Snohomish County has very limited affordable housing financing sources to support the development of new affordable units in the County, and can only meet a small portion of the identified affordable housing need. This lack of local funding limits the leveraging of other public and private financing sources that can be invested in affordable housing developments. A housing levy would provide a stable and increased funding base, and support an affordable housing development pipeline to efficiently produce units in a constantly escalating housing cost market.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

Requires a vote of the legislative body to put the levy on the ballot and then a simple majority vote of the voters of that jurisdiction.

The governing body of the county, city, or town must adopt an affordable housing financing plan to serve as the plan for expenditure of funds raised by a levy prior to imposing the levy

5. Community engagement considerations:

This will need a levy campaign to engage voters and secure support for the levy.

6. Lead Agency/ Key Partners:

The Housing Consortium of Everett & Snohomish County and its 50 member organizations  
County and city elected officials  
Faith communities  
Center for Community Change  
Washington Low Income Housing Alliance  
Business community

7. Other:

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <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</b></p>	<p>Ballot Item #(s): <b>F07</b></p>
<p>Brief description: Public agencies throughout the County work to identify surplus properties currently unused or underutilized and suitable for affordable housing. Once these properties are identified, develop a plan when feasible to sell land suitable for affordable housing when possible at reduced cost to affordable housing developers, sign a long term lease for affordable housing with a housing developer, and sell land for other purposes and deposit a percentage of the sale proceeds into a fund to allocate for affordable housing development.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.79</b></p>	
<p>Work group ranking and/or score: <b>#2 (32/70)</b></p> <p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b></p> <p>Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b></p>	
<p><b>Category:</b> <i>Goal _____ or Strategy/Tactic <u>X</u></i></p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes</p>	
<p><b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:</p>	
<p>0-30%AMI</p>	<p>X</p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p>X</p>
<p>80%-125% AMI</p>	<p>X</p>
<p>&gt;125% AMI</p>	
<p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	
<p>Facilitates <b>housing construction generally</b>, providing more units, or units at less cost</p>	<p>X</p>
<p><b>Communication / community engagement strategy</b></p>	
<p><b>Advocacy</b></p>	
<p><b>Other</b></p>	
<p><b>Analysis:</b></p> <ol style="list-style-type: none"> <li>Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</li> </ol> <ul style="list-style-type: none"> <li>This strategy could be implemented Countywide, partnering with the Cities</li> <li>Surplus sites most suitable for affordable housing development would be in urban centers, transit corridors, and job centers</li> </ul>	

2. If the concept is a more general “goal” please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This strategy supports the following goals and related concepts:

- HART 5-Year Action Plan Goal 4: Increase density of housing in transit corridors and job centers
- F09: Maximize resources available for Transit Oriented Development (TOD) in the near term
- F10: Create and implement a regional land acquisition and development strategy aimed at increasing the construction of affordable housing
- F27: More resources for developers helping those at 50% AMI and below

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

- This could have a Medium impact on addressing the affordable housing challenge, but that depends on how many surplus and underutilized properties may be suitable for affordable housing and how many public agencies when possible would be willing to sell or lease them below fair market value.
- Land cost typically accounts for about 10 to 20 percent of the total development cost of a housing project. Reducing or eliminating that cost from the budget could mean the difference between a project being able to move forward or could increase the number of units that could be developed on the site.

4. Implementation steps: (requires voter approval; council action; federal action required; state legislation required, etc.; additional data required)

- Additional Data: Identify and create an inventory of surplus and underutilized public properties (owned by County, cities, school districts, utilities, State), evaluate them for their suitability for development of affordable housing (size, hazardous contamination, environmental constraints, location, and accessibility).
- Additional Data/Council Action: Develop a policy for the sale/lease of publicly-owned property that prioritizes property for affordable housing and when possible offers it at reduced or no cost when used for affordable housing, which could be used as a model ordinance by agencies throughout the State. The policy could include a provision that if surplus land is sold at fair market value, that a percentage of the sale proceeds when possible be deposited into an affordable housing trust fund for development of affordable housing elsewhere.
- Effective 6/7/18 [3SHB 2382](#) enables state and local agencies and local governments to dispose of surplus property at no or low cost to developers to construct affordable housing.
- Some jurisdictions have identified affordable housing as having a priority use when declared surplus, and as possible, at below market valuations with the concept of “mutual offsetting benefits” provided by the provision of affordable housing.
- Surplus properties could be conveyed by public entities subject to long term covenants specifying proposed populations and AMI income levels to be served.
- Internal jurisdictional consents needed between departments to prioritize affordable housing, especially when made available at below market or no cost, as departments may seek Fair Market Value to support other ongoing department priorities and feel a sale at below market, or no cost, is a lost financial resource to its mission.
- Additional Data/Council Action: Partner with Sound Transit to make surplus land available for affordable housing, potentially in coordination/alignment with other public funding for affordable housing (e.g. Sound Transit and the City of Seattle completed a joint RFP for Roosevelt Station that included a land sale at less than FMV in exchange for development of rent/income-restricted units along with public funding for the affordable housing development) The ST-3 authorizing legislation SSB 5987, Section 329 requires Sound Transit to make 80% of the surplus property available for affordable housing opportunities at TOD sites. Sound Transit is reviewing their site acquisitions in advance to determine the suitability for developable sites to be subsequently surpluses. Sound Transit is also required to contribute \$4M for 5



years to a revolving loan fund to support TOD opportunities. See Sound Transit RESOLUTION NO. R2018-10 Adopting an Equitable Transit Oriented Development Policy for more information. This is separate from the existing REDI (Regional Equitable Development Initiative) Fund providing low-cost financing for preservation/development of affordable housing within ST TOD areas.

- Additional Data: There may be underlying funding restrictions from the original financing source(s) of the property acquisition that may need to be addressed. There may also be property encumbrances and/or other restrictions on uses that place limitations for uses related to the original purpose for which the property was acquired.
- See the following 2017 reports: Enterprise - Public Benefit from Publicly Owned Parcels; and Enterprise - Public Benefit from Publicly Owned Parcels - Puget Sound.

5. Community engagement considerations:

- Sale of public properties could lead to community concerns over how a public resource is used. It is important to include the community early in this process and hear from them what they would like to see in their neighborhoods. This allows flexibility during the project's design process and decreases the likelihood of delaying or impeding the potential affordable housing development. In some situations, it may be advantageous to enlist the affordable housing developer to complete the community outreach.
- Community concerns when the sale of surplus properties is not sold at market value to yield higher revenues back into the public agencies revenue sources to support other needs and priorities of the public agency.

6. Lead Agency/ Key Partners:

- Enterprise and Futurewise (they are currently mapping all of the public land in the City of Seattle, including information on surplus and underutilized properties)
- Snohomish County and Cities
- Alliance for Housing Affordability

7. Other:

- The Washington State constitution (Article II Amendment 18 § 40) currently prohibits a land sale at less than fair market value if gas tax funds were originally used to acquire the property. Similar restrictions may apply to other surplus property transfers by public entities, based on funding source restrictions – eg. Federal funds. Research the potential for elimination of any such requirements.
- Sales of county "Tax Title" property that could potentially be suitable for affordable housing requires the disposition of proceeds of sales to be allocated in accordance to RCW 36.35.110 which may prohibit the ability to offer discounted sale(s).

Maximum page limit for completed templates: 3 PP.

## HART Work Group Template

*To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).*

Workgroup: Funding Work Group

<b>Title: County Growth Fund for Affordable Housing (F06); Stabilize funding for housing and homeless grant programs (F21)</b>	<b>Ballot Item #(s): F06; F21</b>
<b>Brief description:</b> This proposition would dedicate a portion of new construction property tax revenues to a County Growth Fund. This funds purpose would be to accumulate enough money to help fund affordable housing construction within the county.	
<b>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): 2.86 (F06); 3.79 (F21)</b>	
<b>Work group rating: #3 (30/70)</b>	
<b>Potential impact on housing affordability challenge (High / Medium / Low): Medium</b>	
<b>Ease of implementation (Easy / Moderate / Difficult): Moderate</b>	
<b>Category:</b> Goal _____ or Strategy/Tactic <u>  X  </u>	<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes	
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:	
0-30%AMI	X
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	
>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	
<b>Other</b>	
<b>Analysis:</b>	
1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).	
This would be most effective if it was a countywide growth fund for affordable housing, pooling all resources into one pot in order to be able to give out larger grants and streamline the application process for contractors, all which will better encourage developers to come to Snohomish County.	

2. If the concept is a more general “goal” please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

Supports Goal #2 – Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections.

F06 creates a growth fund where a portion of taxing jurisdictions property tax collections from new developments would be used to fund the development of affordable housing. As Snohomish County continues to grow, the housing market need increases. The new housing units produced to meet this growing demand are often not affordable to lower income and even moderate income households. There is a nexus between this increased housing demand created by increased growth, employment, and commercial development, to have this growth fund include all types of new property tax collections.

According to the Housing Snohomish County Project Report, in 2016 all taxing jurisdictions in the County collectively brought in \$15 million in new construction property tax revenue. Their proposal is to dedicate 10% of that revenue to a growth fund (\$1.5) million. All taxing jurisdictions in Snohomish County would need to participate to make this effective. Keep in mind that this is a fluid revenue source and no one year will be the same, meaning you can have significantly less or more new construction property tax revenue from year to year.

**3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?**

Medium – The impact this could have on affordable housing is dependent on many things.

- Will there be multiple growth funds, or one countywide growth fund?
- Are all taxing jurisdictions participating, or just some?
- Stakeholders buy in. Without all jurisdictions being on board with whatever process/structure is selected and participating in contributing funds, this growth fund won't be effective.
- How much funding is available and is the process to receiving that funding streamlined?
- Barrier's, or lack of barriers, imposed by local jurisdictions where the construction would take place.

Having an additional and dedicated financing source for affordable housing would contribute to increased production of affordable housing for those not served well in the housing market.

**4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)**

- a. Obtain stakeholder buy in from all taxing jurisdictions in Snohomish County.
- b. Establish a workgroup tasked with developing the structure and process for the county growth fund and a draft ILA.
- c. Bring the draft process and ILA to a meeting of all taxing jurisdictions for review, amendments, and final vote. Note: this vote wouldn't enact the ILA, but is rather a vote as to whether or not to send the final ILA to each taxing jurisdictions legislative authority for review/approval.
- d. Obtain approval of the ILA from all taxing jurisdictions legislative authorities.
- e. Determine the funding conduit to issue Notice of Fund Availability (NOFAs), to select, finance and oversee the funded affordable housing developments.
- f. Establish the affordable housing program funding policies and guidelines for the use of the Growth Fund.

**5. Community engagement considerations:**

Affordable housing development strikes up various emotions in different communities where the proposed development is set to take place. In some cases, communities can cause barriers to developers building affordable housing. Community engagement will be necessary in the areas where developers are planning on building in order to promote community support and reduce potential barriers for the developers.

**6. Lead Agency/ Key Partners:**

Potential lead agencies are County, HASCO, or another jurisdiction that has the capacity to manage the fund and execute grants.

In order for this to be effective potential key partners are:

- First and foremost, the stakeholders. All jurisdictions must approve the process established for it to work.
- Developers
- Banks
- Communities where developments will be built

**7. Other:**

Something that should be carefully considered is that by dedicating a portion of property tax revenue from new development to this growth fund for affordable housing, you are taking revenue from taxing jurisdictions that would be used to fund other aspects of government/services. This means they will either have to absorb the reduction, create a new revenue source to fill the gap, find cost savings efficiencies, or make cuts their programs.

Whatever percentage is decided upon, each jurisdiction should look at their budgets, where the revenue from new construction property taxes goes in their budget, and determine how this shift of funds will impact their budget and services.

Seattle had a voluntary Growth Fund which provided for the preservation and development of low income housing in downtown Seattle, as part of the efforts to mitigate the displacement from increased development densities approved in downtown. The Growth Fund funded many affordable housing projects over the years, and ended with Seattle's implementation of housing levies, bonus and TDR programs and other affordable housing financing sources.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Expand supports for low-income renters and people with disabilities (F-11); Fund Local operating costs for housing service providers (F-26)</b></p>	<p>Ballot Item #(s): <b>F11; F26</b></p>
<p>Brief description:</p> <p>Affordable housing developments that serve extremely or low-income populations generally require rental subsidies, operating subsidies and service subsidies, due to the following: a) the tenants are only able to afford very low rent levels, b) the projects are likely to have higher operating costs than market rate projects, and c) the population being served may need supportive services to continue to stay stably housed, especially if they are leaving homelessness, or have any physical, mental or chemical health issues or other disabilities.</p> <p>Affordable housing to the most low-income segments of the population may require a full continuum of case management wrap around services, which may include Mental Health and/or Chemical Dependency supports, vocational training, and basic life skills development. These services are often needed for individuals to sustain and be successful in affordable housing. The goal would be moving people out of services and affordable housing at a more rapid pace, freeing up scarce affordable housing units for others.</p> <p>With the vast services that are required for the clients served, a full commitment of operating funds is needed at the beginning stages of a new housing project. Operating resources are scarce and supportive housing resources for low income chronically mentally ill individuals are even scarcer. A commitment of operating and/or service funds for an affordable project is important to have when capital dollars to build the new units are committed to ensure the affordable housing units, once constructed, will be able to house the proposed populations for the long term. With the focus on homeless and target populations for housing finance programs, there needs to be additional service and operating funding necessary to make those projects sustainable over the long term, which is not currently available.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.71 (F11); 2.79 (F26)</b></p>	
<p>Work group ranking and/or score: <b>#4 (22/70)</b></p> <p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Low*</b>          *high impact on sustainability and outcomes tied to affordable units</p> <p>Ease of implementation (Easy / Moderate / Difficult): <b>Easy</b></p>	
<p><b>Category:</b>  <i>Goal <u>  x  </u> or Strategy/Tactic _____</i></p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>          Reduces demand for affordable housing / helps people stay in their homes</p>	<p>X</p>
<p><b>Supply side goal/strategy:</b>          Targets assistance to build/maintain housing affordable to:</p>	<p>X</p>
<p>0-30%AMI</p>	<p>X</p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p></p>
<p>80%-125% AMI</p>	<p></p>
<p>&gt;125% AMI</p> <p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	<p>X</p>

Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	X
<b>Other</b>	
<b>Analysis:</b>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>This concept would apply to cities acting collectively, as well as county wide.</p>	
<p>2. If the concept is a more general "goal" please list some of the more specific <i>strategies or tactics</i> that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what <i>goal</i> does it support? Refer to Rough Draft Outline of Major Goals v.7.29)</p> <p>Strategy 1: Local levy funds have allotments for service funding. Passing county wide housing levy will add service dollars for a percentage of the most vulnerable low income renters. This ties to proposal F03 in the HART ballot, and also to Major goal #2 of the HART action plan. By stabilizing supports to a more diverse group of affordable housing tenants, the community will see greater success with employment and other categories related to self-sufficiency.</p> <p>Strategy 2: Analyze whether the Low Income Housing Tax Credit expansion (Currently labeled The <i>Affordable Housing Credit Improvement Act of 2019</i>), if passed, would provide leverage or opportunity for services funding. Currently, the act forecasts 11,000 new jobs in Washington state, and \$1B into the Washington economy through wage and business income. Language within the proposal includes targeted housing for extremely low income, veteran, and Domestic Violence survivors. Advocacy for services dollars attached – especially for these populations will be helpful.</p> <p>Strategy 3 – Advocate for expanded affordable housing unit rental, operating, and service funds at the Federal, State, and Local level:  <i>Federal Advocacy</i>– Advocate for additional federal appropriations for rental assistance to cover operating costs of new units; such as advocating for expansion of general-purpose Housing Choice Vouchers.  <i>State Advocacy</i>– Continue to advocate for the agreed State priorities for Permanent Supportive Housing for the homeless population and individuals with chronic mental health issues. Advocacy will assist with increasing funds at the State level to assist with the needed populations across our communities.  <i>Local Advocacy</i>– Coordinate funding across the project to ensure a new affordable housing project can be fully funded with Capital funds to build the project, and a robust Operating funding plan to maintain and support the new complex.</p>	
<p>3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?</p> <p>We anticipate a high impact on the extremely-low and very-low affordable housing population at 30% and 50% of Area Median Income.</p>	
<p>4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)</p> <p>Levy would require voter approval and action. Increasing the allocation for the Low Income Housing Tax Credit would require Congressional approval.</p>	

Increasing advocacy to Federal, State, and Local priorities to provide additional funding to assist with providing essential rental, operating, and service subsidies funds for newly built and/or renovated and existing affordable housing units.

5. Community engagement considerations:

State legislature, VOA, CCS, Housing Hope, Compass Health, Cocoon House, Community Health Center, and others can engage their affordable housing communities to advocate for additional resources.

Private, for-profit landlords may be more comfortable with high risk affordable tenants knowing there are services and connected agency personnel attached to the occupants of each unit.

6. Lead Agency/ Key Partners:

Federal, State, County, Cities, Housing Authorities, and housing and service advocates

7. Other:

Typical rental subsidies include Section 8 Project-Based Vouchers (PBV) and Section 8 Housing Choice Vouchers (HCV). Some HCVs are dedicated by HUD for specific populations, such as Family Unification Program (child-welfare involved families and young adults leaving foster care) and Veterans Affairs Supportive Housing vouchers (homeless veterans). Funding for these vouchers comes from HUD to local Housing Authorities. The voucher program has been historically under-funded compared to the need. The waiting list for HASCO has remained closed since 2013, with families told to expect at least a wait of 8 years from their application date. Advocates should ask Congress to fully fund current vouchers, and fund new general purpose Housing Choice Vouchers (instead of only for specific categories of the population). A secondary ask would be to request changes to the statutory requirement that PBV tenants are entitled to the next available voucher (after they have lived in a PBV unit for a year), which constrains a housing authority's ability to make new PBV commitments to newly constructed projects, given the impact on the wait list.

Rental assistance programs operated by the County include the Rapid Rehousing Program, Rental Assistance for PSH, and Housing and Essential Needs (HEN). These programs are funded through a) the Federal Continuum of Care (CoC) with CoC funds and Emergency Solution Grants (ESG), b) the WA Dept. of Commerce with Consolidated Housing Grants (CHG), and via local document recording fee funds via the Emergency Homelessness Program, (EHP). See these links for more information:

<https://www.hudexchange.info/programs/coc/>

<https://www.hudexchange.info/programs/esg/esg-requirements/>

<https://www.commerce.wa.gov/serving-communities/homelessness/consolidated-homeless-grant/>

<https://snohomishcountywa.gov/873/Ending-Homelessness-Program>

Operating subsidy sources administered by the County include local Affordable Housing Trust Funds and local EHP funds, as well as Federal CDBG, CoC, CHG funding sources. Other sources of operating subsidies include sales taxes. House Bill 1406 allows the County and legislative authorities for cities to implement a local sales tax to fund affordable or supportive housing. This bill was recently passed. The revenue can be used for either constructing affordable housing, or for operations and maintenance costs of new units of affordable or supportive housing. Although HB1406 is a new County source of funding, it may be used to fill the gap created by the loss of operating subsidies that had been offered by the WA Dept. of Commerce annually.

VASH vouchers are another source of rental, operating and service subsidies but have declined in availability, and are limited to homeless veterans only.

<https://www.hudexchange.info/programs/hud-vash/hud-vash-eligibility-requirements/>

Service subsidies administered by the County include the following Federal, State and local sources of funding: CDBG, CHG, CoC and EHP. Flexible service dollars for case management and ancillary services should be provided for extremely-low and very-low AMI households, households with disabilities, and chronically mentally ill individuals, and for individuals leaving homelessness.

A new state Medicaid demonstration program will fund targeted long term services and supports to residents in supportive housing, as well as supported employment services. The Medicaid Transformation is a five-year agreement between the state and the Centers for Medicare and Medicaid Services (CMS) that provides up to \$1.5 billion federal investment for regional health system transformation projects that benefit Apple Health (Medicaid) clients. This includes funding Foundational Community Supports (FCS) which helps our most vulnerable beneficiaries get and keep stable housing and employment, in support of their broader health needs. This program will provide service funding to agencies serving eligible residents of supportive housing projects.

<https://www.kff.org/medicaid/issue-brief/section-1115-medicare-and-medicare-services-cms-that-provides-up-to-1.5-billion-federal-investment-for-regional-health-system-transformation-projects-that-benefit-apple-health-medicare-clients>

<https://www.hca.wa.gov/assets/program/foundation-community-supports-faq.pdf>

<https://www.hca.wa.gov/about-hca/healthier-washington/medicaid-transformation>

Maximum page limit for completed templates: 3 PP.



Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Implement local policies/zoning changes to increase Snohomish County's competitiveness for State and Federal funding</b>		Ballot Item #(s): <b>NEW</b>
Brief description: Implement local policies and zoning changes that allow Snohomish County affordable housing projects to be more competitive for State and Federal funding, including 9% and 4% Low Income Housing Tax Credits (LIHTCs) and State Housing Trust Fund (HTF) dollars.  LIHTC and HTF funding applications are scored based on multiple criteria and the highest-scoring projects are awarded funds/tax credits. Several of the point criteria have a location or local support/local funding component. Snohomish County competes in a pool with other urban counties (excluding King County, which is in its own funding pool) and has historically been less competitive for funds.		
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>N/A – new proposal</b>		
Work group ranking and/or score: <b>#5 (17/70)</b>		
Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b>		
Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b>		
<b>Category:</b> <i>Goal _____ or Strategy/Tactic _____ X _____</i>		<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes		
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:		
0-30%AMI		X
30-50% AMI		X
50-80% AMI		
80%-125% AMI		
>125% AMI		
Facilitates housing <b>preservation</b> —maintaining current affordable inventory		X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost		
<b>Communication / community engagement strategy</b>		
<b>Advocacy</b>		X
<b>Other</b>		
<b>Analysis:</b>		
1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).  Applicability varies based on the priorities of the individual funding source. Cities and urban growth areas of the County are well positioned to implement the highest number of policies to maximize competitiveness, but rural areas could also implement many of these strategies.		

2. If the concept is a more general “goal” please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This is a strategy or tactic and supports the following goals:

- 2) Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. All income segments should be addressed.
- 4) Take steps to increase density of housing on transit corridors and in job centers, while acknowledging that additional housing is needed across the entire County.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

Medium. This strategy would help the community secure a larger share of existing affordable housing resources. This would result in additional units affordable to households below 60% AMI being constructed or preserved in Snohomish County.

LIHTCs are the largest federal source of affordable housing funding, with the State HTF as another significant statewide funding source. Historically Snohomish County has not competed favorably with the other urban counties (Whatcom, Pierce, Clark, Spokane) it is pooled with. This strategy would be most effective if deployed in concert with other tactics that maximize Snohomish County's competitiveness for LIHTCs, such as more local funding, as many metro-pool counties Snohomish County competes with already have more robust local funding programs in place.

4. Implementation steps: (requires voter approval; councilmanic action; federal action required; state legislation required, etc.; additional data required)

Varies based on the specific policy being enacted. Generally speaking, all policies would require council action while no federal or state action/law changes would be required. The first step would be to complete a comprehensive review of State Housing Trust Fund and Low-Income Housing Tax Credit funding policies to identify specific policy changes of interest. Some examples of policies or zoning changes that jurisdictions could implement to increase competitiveness include:

- Allowing multifamily housing development in areas near high-capacity transit stations, community, retail, and service facilities, which is a funder priority. This is consistent with Policy and Regulatory ballot item P05, P36, and P39.
- Designating specific areas of the jurisdiction as target areas for community revitalization areas, or new mixed-use development, including addressing the creation or preservation of affordable/income-restricted housing. This could be done in conjunction with other strategies like a Multifamily Tax Exemption. Some funders prioritize projects that are located in locally-designated areas. This is consistent with multiple Policy and Regulatory ballot items, including P10 and P40.
- Provide zoning that enables early learning facilities to be included in new multifamily housing developments. The State Legislature has placed a priority for State HTF funds on projects that include an early learning facility.
- Provide for flexibility in code requirements and streamline processes for constructing innovative housing types like modular housing to reduce costs. Public funders prioritize projects with lower costs. This is consistent with Policy and Regulatory ballot items P35 and P42, regarding expediting permitting processes and reducing regulatory barriers.

- Accept permanent supporting housing developments in their jurisdiction, as these are the most common type of development funded with 9% tax credits. This is consistent with P44 to allow supportive housing in all multi-family zones.

5. Community engagement considerations:

Some community members may have concerns about some of these policies. Implementing multiple policies in connection with a comprehensive local and regional strategy to address affordable housing, accompanied by public outreach and engagement, may demonstrate to community members that any adopted changes to zoning or building codes are being made in a thoughtful way.

6. Lead Agency/ Key Partners:

Jurisdictions would be in the lead, with affordable housing developers and local public funders as key stakeholders.

7. Other:

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Support creation of Community Land Trusts (non-profits that own land, lease sites for homes – purchase of homes doesn't require purchase of underlying land)</b></p>	<p>Ballot Item #(s): F15</p>
<p>Brief description:                  To support Community Land Trusts (CLTs) add the words "Permanently Affordable" to funding sources and any other public subsidy, like fee waivers, etc.</p> <p>First established more than 50 years ago to provide housing and farmland for displaced sharecroppers near Atlanta, community land trusts (CLTs) have become an internationally reliable method for preserving affordability of housing and key community features. The original CLT was an anti-displacement project as Southern farms were being sold to build subdivisions, and families lost their homes, jobs and communities: <a href="https://www.newcommunitiesinc.com/">https://www.newcommunitiesinc.com/</a>. In the past year, Houston, Memphis, and Boise have all launched multi-million dollar affordable housing initiatives using city-wide CLTs to preserve the affordability, steward the properties, and stem displacement. Vermont is home to the largest CLT in the world and includes small business incubator services, as well as key commercial spaces in rural small towns. A few years ago, Montana launched a statewide CLT (<a href="http://trustmontana.org/">http://trustmontana.org/</a>) to give scale to the many small towns that needed a CLT but were unable to support an entire organization.</p> <p>In Washington, we have CLT coverage in approximately half of our counties, including more than seven recent startups; Homes and Hope CLT (HHCLT) incorporated here in Snohomish County in January 2018, and will be putting their first houses into permanent affordability in early 2020. The typical target population for CLT homeowners is 50-100% AMI, and when CLTs have rental properties, they usually serve 30-80% AMI. Due to the community orientation and organic nature of responding to specific needs, CLTs are very flexible and able to partner with other groups to fill niche requirements.</p> <p>Traditional US real estate purchases use fee-simple title; CLTs use leasehold title combined with a resale formula to guarantee affordability for future generations, preserving community investment—public and private. The ground lease for the homebuyer is 99 years, renewable for a second 99 years and inheritable or transferable throughout the ownership period. When/If the homeowner decides to sell, their maximum price is set by the resale formula, which is fully disclosed and modelled at purchase. HHCLT uses 2% simple appreciation: a home that sold at \$250,000, affordable to a buyer making about \$55-60,000 per year, would appreciate at \$5000 per year of ownership. At the end of ten years, the CLT homeowner would have paid down approximately \$55,000 in principal, and would have gained \$50,000 in appreciation, and so would have more than \$100,000 in equity. The home would still be affordable to a new buyer at the same income level-- less than 70% AMI in this example.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.69</b></p>	
<p>Work group ranking and/or score: <b>#6 (13/70)</b></p> <p>Potential impact on housing affordability challenge (High / Medium / Low): <b>High</b>                  CLT stewardship means that the million dollars we invest today stays invested, and our grandchildren will be able to purchase a home or rent an affordable apartment or grow a small neighborhood business.</p>	

Ease of implementation (Easy / Moderate / Difficult): <b>Easy</b>	
There is already a startup CLT in SnoCo, and there are three nearby mentoring CLTs, as well as some of the nationally best known CLT consultants. The NW CLT Coalition and Grounded Solutions Network also provide resources to local governments looking to use a CLT to bolster affordable housing.	
<b>Category:</b> <i>Goal _____ or Strategy/Tactic <u>X</u>_____</i>	<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes	X
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:	
0-30%AMI	
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	X
>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	X
<b>Advocacy (CLTs are part of a regional &amp; national coalition, as well as a statewide)</b>	X
<b>Other: Key strategy to prevent neighborhood displacement &amp; gentrification</b>	X
<b>Analysis:</b>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>HHCLT is county-wide; individual smaller areas can form a sub-board and organization to be more hyper-local, which Stanwood – Camano Island is currently considering. Scale is important for CLTs to be self-sustaining, so the countywide implementation is less expensive and more viable. In places where gentrification and displacement are a concern, CLTs have been instrumental in preserving communities: <a href="http://www.africatownlandtrust.org/">http://www.africatownlandtrust.org/</a>; <a href="https://www.antidisplacementtoolkit.org/">https://www.antidisplacementtoolkit.org/</a>; <a href="https://www.charlottenc.gov/HNS/Housing/Strategy/Documents/Housing%20Charlotte%20Framework.pdf">https://www.charlottenc.gov/HNS/Housing/Strategy/Documents/Housing%20Charlotte%20Framework.pdf</a>, p8; <a href="https://www.kulshanclt.org/">https://www.kulshanclt.org/</a>; <a href="https://www.nwcltc.org/">https://www.nwcltc.org/</a>.</p>	
<p>2. If the concept is a more general “goal” please list some of the more specific <i>strategies or tactics</i> that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what <i>goal</i> does it support? Refer to Rough Draft Outline of Major Goals v.7.29)</p> <p>A vibrant, growing CLT supports the goal of affordable workforce housing and sustainable middle class homeownership. Homeownership provides more stable, connected communities with better health and educational outcomes for the children who grow up in family-owned homes. It also supports the goal of continued Economic Development, as employers are attracted to communities that have housing their employees can afford.</p>	
<p>3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?</p> <p>High – our county-wide investments in affordable housing can be stewarded permanently, so today’s public affordable home investment does not become tomorrow’s private individual windfall. Also when land is donated, or made available for a very low price, there is often a reduced need for additional subsidy.</p>	
<p>4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)</p>	

Council can make a policy of permanent affordability for all—or nearly all--public housing investments; non-CLT nonprofit housing organizations can integrate the “permanent” language into their programs and documents and/or they can partner with the CLT, depending on the housing type. Council can also designate areas with mandatory permanently affordable units for all developments, usually 10-20% of the units affordable at 80% AMI; some high-cost areas go to 100% AMI. The areas with mandated affordability would traditionally be in transit- and employment-rich areas, like the Hwy 99 corridor, near Paine Field and along the Bothell-Everett Hwy. Monitoring and stewardship of those affordable units could be handled by the CLT. Grounded Solutions Network <https://groundedsolutions.org/strengthening-neighborhoods/inclusionary-housing> has a toolkit for local governments to look at permanently affordable solutions to housing shortages, and particularly robust information and data around inclusionary zoning for targeted growth areas.

5. Community engagement considerations:

The CLT model resonates well with most people, as it is not an entitlement, but rather a long-term investment in housing for working class families. The “boot strap” crowd likes that homes are usually built with some participation from the homeowners and that the subsidy stays with the house. The “wealth building” crowd can usually understand that with stable, affordable housing, families are able to fund college savings and retirement accounts, which are typically not achievable for market rate and near-market rate renters. Generally, the economic development folks appreciate immediately the value of having affordable housing in proximity to employment centers. There is usually very little NIMBYism with smaller CLT developments, and larger developments in communities that have an established CLT also go fairly smoothly. Chelan had some public outcry when they launched a city-initiated CLT last year, but after meeting with the business community a few times to explain what affordable homeownership and permanently affordable workforce rentals would look like and who would be housed, the business owners then helped lead the charge to get the CLT started; Chelan is closing on their first CLT sales this fall.

6. Lead Agency/ Key Partners:

Homes and Hope CLT, NW CLT Coalition, Grounded Solutions Network and nearby Skagit, Whatcom & King County CLTs. Also, individual municipalities throughout SnoCo

7. Other:

One of the most attractive aspects of CLTs is the true public-private partnership. Frequently, we have private profits that create or exacerbate public debts. With a CLT, the homeowner gets a regular conventional mortgage through a local lender, and they pay, as all other homeowners pay, monthly principal, interest, property taxes and insurance, as well as any neighborhood fees. When they sell, the home is sold at not more than a pre-disclosed amount to another buyer of the same original low-income or moderate-income level. If there was public funding for the original development, those funds are retained with each resale.

HHCLT is currently working to acquire two parcels of land from local nonprofits on which they will build 8-15 homes. These homes will be brought to market with little or no other subsidy required, because the land was nearly free, and they are working to get some reduced-cost development and construction services. In other words, through largely private contributions, as many as 15 new, permanently affordable homes for people in two transit- and employment-rich neighborhoods will be created.

HHCLT is also launching a scattered site existing homes program, which will invite real estate sellers to donate part of the sales price of their house into the CLT and sell to a CLT buyer at a reduced, affordable price. The corollary to this is estate planning along the same lines.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Develop a short-term acquisition revolving loan fund to enable rapid response to preserve affordable housing developments when they are put on the market for sale</b></p>	<p>Ballot Item #(s): <b>F08</b></p>
<p>Brief description:                  Create a loan fund that can be quickly and flexibly deployed to purchase existing affordable housing (either income-restricted or naturally affordable) for preservation, with a short term for repayment. By reinvesting the proceeds back into the loan fund, the loan fund could revolve and the funds could be reinvested in further loans.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.54</b></p>	
<p>Work group ranking and/or score: <b>#7 (8/70)</b></p> <p>Potential impact on housing affordability challenge (High / Medium / Low): <b>High</b></p> <p>Ease of implementation (Easy / Moderate / Difficult): <b>Difficult</b></p>	
<p><b>Category:</b>  <i>Goal _____ or Strategy/Tactic <u>X</u></i></p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	<p></p>
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	<p></p>
<p>0- AMI</p>	<p></p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p>X</p>
<p>80%-125% AMI</p>	<p>X</p>
<p>&gt;125% AMI</p>	<p></p>
<p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	<p>X</p>
<p>Facilitates <b>housing construction generally</b>, providing more units, or units at less cost</p>	<p></p>
<p><b>Communication / community engagement strategy</b></p>	<p></p>
<p><b>Advocacy</b></p>	<p></p>
<p><b>Other</b></p>	<p></p>
<p><b>Analysis:</b></p> <p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>This concept could be deployed anywhere in the county where existing affordable housing properties exist. Target properties could either be housing that has formal affordability restrictions and those restrictions are set to expire, or where rents are relatively affordable (due to market forces or owner’s choice), but a sale would likely result in rent increases.</p>	

2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This is a tactic and supports the following goal:

Goal 3: Identify and act on strategies to preserve existing affordable housing, while acknowledging that the need for increased density may create tension with this goal in some instances.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

High, particularly if the affordability of units that are not income-restricted can be preserved. Historically, the largest source of affordable housing for modest-income households has been open-market housing that is offered at an affordable rent. Rents are typically kept low by private ownership in exchange for a lack of capital investment in the property. Private investors underwrite these properties as "value-add," meaning that they can acquire them, invest a modest amount to renovate the units, and then significantly increase rents.

It is less expensive to purchase and renovate an existing unit than to build one new. When existing housing becomes unaffordable to its current residents through increased rents that outpace income progression, the residents living in those units are faced with a tough choice. They either pay higher rents, which means they have less money to spend on other needs, or they are forced to compete for other, more affordable units, and incur the associated moving expenses, many of which cannot afford them. Some may become overcrowded, doubled up, or homeless.

According to The State of the Nation's Housing 2019, a report from the Harvard Joint Center for Housing Studies, nationwide we've lost more than 4 million low-cost rental units—with rents of \$800 or less—between 2011 and 2017. That's a 17% drop. About 75% of metro areas with populations over 50,000 saw decreases in such units. Snohomish County lost more than 50% of these low-cost units during that time period.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

One or more sources of funding would need to be identified. These could include non-public sources like community and private foundations, banks, and corporations who are looking to make investments with a social impact. Public funding contributions to a loan program may require council and possibly voter approval, depending on how it is funded. The size of the loan fund and program design would need to be developed. An agency would need to be designated to administer the program.

A first step could be to research currently available loan funds and identify steps that could be taken locally to increase competitiveness for these funds.

Affordable housing owners looking to preserve these naturally affordable properties, or market rate properties at risk for further rent increases, are competing with investors who are willing to close quickly. Therefore, if a program is intended to preserve this "naturally occurring" affordable housing stock, the time from application to loan closing would need to be approximately 3 to 4 weeks.

5. Community engagement considerations:

Preservation of existing affordable housing has benefits for the community. Community members may be more supportive of existing housing rather than something new. However, there may be a perception that



public or non-profit ownership of a property, or adding specific income restrictions, will have a negative impact on the quality of the property or the residents.

It will be important to help community members understand the benefits of such a program, for both the current and future residents of the property, and the whole community. Such benefits might include increased economic activity in the area (as residents would have additional income available to spend), reduced traffic and employee turnover (if residents aren't forced to move far from their workplaces in search of more affordable rent), and reduced homelessness (studies have connected increased rents to increased homelessness). For an example, see this story from Mountlake Terrace: <https://mltnews.com/city-council-asks-new-owners-to-give-greenview-apartments-tenants-more-time-to-move/>.

6. Lead Agency/ Key Partners:

Key partners could include the funding entity/entities (which could be one or more jurisdictions, or a financial institution such as Enterprise providing funding based on the credit backing of one or more jurisdictions), and public or non-profit owners who would use the loan proceeds to purchase existing housing. Organizations who administer other loan funds and foundations could also be key stakeholders and possible funders. A larger, regional fund could have more impact than a small fund (see the Other section regarding the NOAH Impact Fund).

7. Other:

Units that are affordable to modest-income households without government restrictions are often called "naturally occurring affordable housing" or NOAH. These units are typically older, with fewer units, and may lack modern amenities found in newer apartment properties like workout rooms or swimming pools. Without formal restrictions in place, these units are at high risk of being renovated or redeveloped into luxury housing and becoming unaffordable to their current residents.

In recent years, multifamily housing in the Seattle metro area has become a desirable investment for investors as rents have continued to grow. Investors often take aging "Class B" or "Class C" (usually classified so due to age) properties and add high-end finishes and amenities, so they can increase rents.

Manufactured housing communities are an example of affordable housing that is vulnerable to rent increases and redevelopment. Investors have identified these communities as an opportunity for profits. The residents typically own their manufactured homes but rent the land their homes sit on. Owners can increase rent for the spaces or even sell the land for redevelopment. Since these homes often cannot be moved, displaced manufactured homeowners lose whatever investment they made in their homes, and are forced to move somewhere less affordable.

Locally, Enterprise administers the [Regional Equitable Development Initiative \(REDI\) Fund](#), which helps finance the acquisition of property along transit corridors, and can be used for preservation of existing affordable housing.

In the Twin Cities region of Minnesota, the non-profit Greater Minnesota Housing Fund, along with foundation, lender, private sector, and government partners, has created the \$50 million [NOAH Impact Fund](#). The goal of the fund is to preserve these naturally affordable properties before they become unaffordable, while providing returns to socially-motivated investors in the fund.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Maximize resources available for Transit Oriented Development (TOD) in the near term</b>	Ballot Item #(s): <b>F09</b>
Brief description: "Resources" can be interpreted to mean a variety of things in this context. Funding, staff focus, legislation and policy priorities chief among them. Maximizing all of these resources to support development around transit both sees the best return on investment in transit through utilization, while also supporting households with lower budgets by lowering, or ideally eliminating, the need for personal single occupancy vehicles.	
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.15</b>	
Work group ranking and/or score: <b>#8 (5/70)</b>  Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b>  Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b>	
<b>Category:</b> Goal _____ or Strategy/Tactic _____ <b>X</b> _____	<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes	
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:	X
0-30%AMI	X
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	X
>125% AMI	X
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	
<b>Other</b>	
<b>Analysis:</b> 1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).  Transit corridors countywide. A county-wide approach to resource focus on transit corridors would have the greatest impact. This would prevent one or two municipalities from feeling they are going it alone, while also spreading development and homeownership/renter choice to allow households the greatest flexibility to choose where they live. Support via feeder service from municipalities bordering transit corridors would also support this initiative. Also, coordinate with Sound Transit on ST 3 plans and alignments regarding affordable housing site designations/dispositions and TOD pre-development financing to secure sites for affordable housing developments.	

2. If the concept is a more general "goal" please list some of the more specific strategies or tactics that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what goal does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This concept is a strategy to achieve goal 4:

Take Steps to increase density of housing on transit corridors and in job centers, while acknowledging that additional housing is needed across the entire County.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

Medium.

This answer depends heavily on the level of support achieved at all levels of government. Pursuing federal grants and other support (for example, USDOT's pilot grant program for TOD planning)) while also working in the state legislature to pursue funds are a key piece of this approach. Concurrently, local action to reduce barriers to utilization through zoning and policy changes is critical, while also seeking to generate or direct existing funds (IE: CDBG and HOME) towards this purpose.

Beyond financial/capital support, the best approach is direction of planning resources around encouraging TOD. This starts with the political will to, if not already done, pass changes to land use and local planning to incentivize TOD. Incentive zoning, the MFTE program, Regional Equitable Development Initiative (REDI) fund, and other tools exist at the local level now to support these efforts.

TOD areas provide the potential for significant redevelopment and increased densities, but also for the displacement of existing, lower density uses. An equitable TOD framework should be developed to address and mitigate adverse impacts and displacements, which could include lower income residents and small businesses.

TOD sites, particularly around light rail stations have become highly sought locations by the private sector, far in advance of station locations being finalized. To ensure these TOD sites include affordable housing, proactive, early planning must be done by jurisdictions to put in place policies to ensure affordable housing is included. TOD zoning overlays which incorporate affordable housing in TOD locations could be implemented in advance of market redevelopment. In addition, in order to include affordable housing in these locations, there needs to be financing to acquire these sites, prior to their development by the private market for these dense, multi-family projects commanding premium rents.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

Application for USDOT or HUD grants, state legislation/WSDOT, and local action would all be required for this effort to see the largest returns.

Coordinate with Sound Transit's affordable housing requirements for ST 3 in Section 329 of [SSB 5987](#) to contribute at least \$4 million annually for 5 consecutive years to a revolving loan fund to support the development of affordable housing opportunities related to equitable transit-oriented development, to ensure the loan fund supports projects in Snohomish County. Work with Sound Transit staff on the development of the policies for this loan fund. In addition, work with Sound Transit on the identification of ST3 site acquisitions/configurations, and the disposition of surplus property, of which 80% of the surplus property must be disposed or transferred at no cost, sale, or long-term lease for affordable housing developments. Some jurisdictions have worked with Sound Transit in advance of ST's acquisition of sites, to have an agreed upon development plan and disposition plan with that locality, which could include affordable housing provisions.

5. Community engagement considerations:

Community pushback to development generally must be incorporated into preliminary steps on any effort to support development. However, communities are often most comfortable with development around transit arterials and have already internalized the need for this action. Making sure to advance the message of maximizing investment in existing transit infrastructure, to allow growth with minimal traffic impacts, is a key component of success for this strategy. In TOD locations, engage the community on redevelopment plans and possible adverse impacts or displacement of existing residents and businesses, in order to mitigate these adverse impacts.

6. Lead Agency/ Key Partners:

Snohomish County & local transit agencies (Community, Everett and Sound Transit), local jurisdiction planning departments/Councils, the local development community and affordable housing developers/service providers, cities, and community advocacy (pro and con) groups. Congressional and State delegations.

7. Other:

The City of Edmonds recently completed their Highway 99 Subarea Plan, designed to maximize and improve space around the Edmonds portion of Highway 99, and serves as a good starting point for discussion. Read more at <http://www.edmondswa.gov/2011-07-27-22-31-43/highway-99-planning-project.html>.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Apply for state planning grants to develop housing elements of local comprehensive plans in connection with increasing residential density either alone or in partnership with other cities (HB 1923)</b></p>	<p>Ballot Item #(s): F24</p>
<p>Brief description:                  House Bill 1923 provides cities the opportunity to apply for a grant of up to \$100,000 in two categories:</p> <ul style="list-style-type: none"> <li>• A city with a population over 20,000 that adopts at least two of the possible twelve actions included in the bill to increase residential building capacity by April 1, 2021, is eligible to apply for a grant of up to \$100,000 from the Department of Commerce to support planning and outreach efforts.</li> <li>• A city seeking to develop a housing action plan is also eligible to apply for a grant of up to \$100,000 from Commerce.</li> <li>• Cities must take action by April 1, 2021</li> </ul> <p>The Association of Washington Cities has a very good summary of this bill:  <a href="https://wacities.org/advocacy/news/advocacy-news/2019/06/14/newly-passed-affordable-housing-bills-require-city-action-on-tight-timelines">https://wacities.org/advocacy/news/advocacy-news/2019/06/14/newly-passed-affordable-housing-bills-require-city-action-on-tight-timelines</a></p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.23</b></p>	
<p>Work group ranking and/or score: <b>#9 (5/70)</b></p> <p>Potential impact on housing affordability challenge (High / Medium / Low): <b>High</b></p> <p>Ease of implementation (Easy / Moderate / Difficult): <b>Easy</b></p>	
<p><b>Category:</b>                  Goal <u>  X  </u> or Strategy/Tactic _____</p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	<p>X</p>
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	
<p>0-30%AMI</p>	<p>X</p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p>X</p>
<p>80%-125% AMI</p>	<p>X</p>
<p>&gt;125% AMI</p>	<p>X</p>
<p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	<p>X</p>
<p>Facilitates <b>housing construction generally</b>, providing more units, or units at less cost</p>	<p>X</p>
<p><b>Communication / community engagement strategy</b></p>	<p>X</p>
<p><b>Advocacy</b></p>	
<p><b>Other</b></p>	
<p><b>Analysis:</b></p>	

1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).

**Cities acting collectively.** Each city meeting the criteria of the bill is eligible to apply for grants of up to \$100,000. Cities acting together to develop a regional housing plan likely could apply for a smaller amount than if applying separately, have a larger impact with their collective plan, and thus have a more attractive application to Commerce.

Cities wishing to act alone should also consider applying for these grants

2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

Potentially could support all 5 goals

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

**Medium to High** – A well thought out, well-crafted housing action plan with defined targets, strategies, and implementation steps could have a significant medium to long term impact on housing affordability.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

- Adoption of two or more actions to increase residential building capacity by April 1, 2021
- Direction from Council/Mayor to staff to pursue grants.

5. Community engagement considerations:

- There will be varying degrees of community engagement and input depending on which of the twelve possible actions a city decides to pursue.
- Applying for the grants likely will not need community engagement.
- Utilizing the grants to produce the desired end product will most likely be better served with extensive stakeholder input.

6. Lead Agency/ Key Partners:

- Cities
- Department of Commerce

7. Other:

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Encourage Cities to establish Multi-Family Tax Exemption (MFTE) programs (F17); Advocate for changes in state law that would enable the County to implement a Multi-Family Tax Exemption (MFTE) program as cities are currently authorized to do (F16)</b></p> <p>Related Title: Implement the multi-family property tax exemption (MFTE)</p>	<p>Ballot Item #(s): <b>F17; F-16</b>                  Related Item #: P40</p>
<p>Brief description:                  A state law (<a href="#">RCW 84.14</a>) helps cities attract residential development. Cities may exempt multifamily housing from property taxes in urban centers with insufficient residential opportunities. The city defines a residential target area or areas within an urban center; approved project sites are exempt from ad valorem property taxation on the residential improvement value for a period of eight or 12 years. The 12-year exemption requires a minimum level of affordable housing to be included in the development (at least 20% of the units or 100% if the building is solely owner-occupied). The eight-year exemption leaves the public benefit requirement—in both type and size—to the jurisdiction’s discretion. The eight-year exemption carries no affordable housing requirement. Cities must pass an enabling ordinance to enact the MFTE and to allow applications for the exemption.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.58 (F17); 3.36 (F16); 3.58 (P40)</b></p>	
<p>Work group ranking and/or score: <b>#10 (3/70)</b></p>	
<p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b></p>	
<p>Ease of implementation: (Easy / Moderate / Difficult): <b>Moderate</b></p>	
<p><b>Category:</b>                  Goal _____ or Strategy/Tactic <u>  x  </u></p>	<p><i>Check all applicable</i></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	<p>X</p>
<p>0-30%AMI</p>	
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p>X</p>
<p>80%-125% AMI</p>	<p>X</p>
<p>&gt;125% AMI</p>	
<p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	
<p>Facilitates <b>housing construction generally</b>, providing more units, or units at less cost</p>	<p>X</p>
<p><b>Communication / community engagement strategy</b></p>	<p>X</p>
<p><b>Advocacy</b></p>	<p>X</p>
<p><b>Other</b></p>	

**Analysis:**

1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).

**Cities individually; urban growth area; urban centers; transit corridors**

In cities with a population of at least 5,000, that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient affordable housing opportunities.

2. If the concept is a more general "goal" please list some of the more specific strategies or tactics that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what goal does it support? Refer to Rough Draft Outline of Major Goals v.7.29)
- (2) Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. All income segments should be addressed.
- (4) Take steps to increase density of housing on transit corridors and in job centers, while acknowledging that additional housing is needed across the entire County.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

**Medium.**

The MFTE provides an 8 or 12 year period of property tax exemption for qualified properties specified by the local jurisdiction. The 12-year exemption requires a minimum level of affordable housing to be included in the development (at least 20% of the units in a multifamily building of at least 4 units, or 100% if the building is solely owner-occupied). The reduced operating costs from the property tax exemptions offset the rent limits/restrictions for the affordable units, which would otherwise reduce Net Operating Income.

In establishing the affordability levels and numbers of units required, jurisdictions can calculate the value of exempted taxes against the rent loss from the rent restricted affordable housing units over the compliance period to determine whether the public benefit from exempted taxes is equitable to the housing cost reduction to tenants. Jurisdictions can model various AMI levels and numbers of affordable units to be specified for the MFTE. There should be a demonstrated "buy down" of affordability below the proposed market rents for comparable units, as the public benefit offset, in exchange for the granting of property tax exemptions by the jurisdiction, which can be a significant cost savings to the property owner.

At the end of the MFTE period, the property tax exemption ends, and the affordable units are no longer rent restricted. It is likely rents would increase for those tenants to then-market rents, which could result in displacement of the existing residents. Cities considering the program need to weigh the value of the (8-12 years) loss of tax revenue against the potential attraction of new investment, as well as the public benefit from increased affordability to targeted areas, and ensure there is not a windfall benefit to the developer that is not commensurate with the public benefit of lower rents. MFTE is intended to induce private developers to provide affordable units, which would not be produced "but for" this tax exemption.

"Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities, do not exceed 30% of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of Low-income (<80% AMI) or Moderate-income (80-115% AMI) households, using HUD-established AMI levels. Jurisdictions can choose the number of units and the AMI levels, and can select higher than the minimum required # of units and lower AMI income levels than required in the RCWs, in order to meet identified local housing needs. Jurisdictions can also add other public benefit provisions, such as including



affordability requirements for the 8 year exemption, or [Seattle's current proposal to limit rent increases on tenants in MFTE affordable units](#).

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

**Councilmatic action; state legislation required**

The MFTE implementation process is guided by state law in RCW 84.14. In general, the process includes preparing a resolution of intent to adopt a designated area, holding a public hearing and adopting and implementing standards and guidelines to be utilized in considering applications for the MFTE. Among other criteria, the designated area must lack "sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center, if the affordable, desirable, attractive, and livable places to live were available" (RCW 84.14.040). The intent of the MFTE is to facilitate the development of affordable units in specified "Residential targeted areas" - meaning an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area.

A property owner applying for an MFTE must meet the criteria (per RCW 84.14.030). The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority. This may be done through a regulatory covenant or agreement. The rents should be monitored to ensure that they remain affordable during the tax exemption period.

5. Community engagement considerations:

Prior to adopting MFTE, jurisdictions can solicit community input to determine target areas and if there is a sufficient public benefit in rent affordability at certain numbers of units and AMI affordability levels to meet community needs, and to attract developers to participate in the program.

6. Lead Agency/ Key Partners:

Snohomish County cities. A number of jurisdictions have implemented MFTE programs, both in Snohomish County and King County, including Everett, Marysville, Edmonds, Lynnwood, Shoreline, Seattle, Issaquah, and other Washington cities such as Bellingham, Spokane, Tacoma, Yakima and Wenatchee.

[PSRC](#) and [MRSC](#) have useful information on MFTEs.

Snohomish County legislators, Washington State Assn of Counties, WA Low Income Housing Alliance

7. Other:

Need to research/determine if Snohomish County qualifies under the RCW 84.14 to implement MFTE in unincorporated urban centers. RCW 84.14.010(4) definitions: "...County" means a county with an unincorporated population of at least Three hundred and fifty thousand." The State Office of Financial Management population count as of 4/1/19 had Snohomish County's unincorporated population at 365,480. Clarify whether this qualifies SnoCo for MFTE in urban centers in unincorporated areas. If not, advocate to amend RCW 84.14 in the State legislature to allow Snohomish County (and other counties), other than Rural Counties, to implement MFTE (possibly amend RCW 84.14.040).

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Implement state sales tax offset to fund affordable housing (shifting portion of sales tax to local governments for up to 20 years, SHB 1406)</b></p>	<p>Ballot Item #(s): <b>F23</b></p>
<p>Brief description:                  SHB 1406 authorizes the governing body of each municipality and the County to participate in having a portion of the sales and use tax paid to the State of Washington rebated to fund the acquisition, construction, and rehabilitation of new affordable housing units; for facilities providing supportive housing; and for the operations and maintenance costs of affordable or supportive housing serving households with annual family incomes at or below 60 percent of the Area Median Income. Cities with a population of 100,000 or fewer may also provide rental assistance. Funds may be distributed as loans or grants to non-profit organizations or public housing authorities. The funds may also be used to issue general obligation or revenue bonds for the purpose described above and a jurisdiction may use the funds collected under this legislation for repayment of such bonds. A future legislature could remove the funding mechanism established in this bill at any time, and while unlikely, this should be a consideration when determining how to use the funds.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.57</b></p>	
<p>Work group ranking and/or score: <b>#11 (3/70)</b></p>	
<p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Low</b> – this fund has been created</p>	
<p>Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b></p>	
<p><b>Category:</b>                  Goal _____ or Strategy/Tactic _____ x</p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	
<p>0-30%AMI</p>	<p>X</p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	<p>X (60% limit)</p>
<p>80%-125% AMI</p>	
<p>&gt;125% AMI</p>	
<p>Facilitates housing <b>preservation</b>—maintaining current affordable inventory</p>	
<p>Facilitates housing <b>construction generally</b>, providing more units, or units at less cost</p>	<p>X</p>
<p><b>Communication / community engagement strategy</b></p>	
<p><b>Advocacy</b></p>	
<p><b>Other</b></p>	
<p><b>Analysis:</b></p>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>This strategy could be implemented countywide under various different structures:                  (a) Implemented by each jurisdiction individually</p>	

- (b) Implemented by various configurations of jurisdictions under an interlocal agreement which could include municipalities within a region of the county, municipalities represented by a single planning body, all municipalities, and the County with all municipalities not otherwise configured
- (c) Implemented by the County on behalf of all jurisdictions

Each of these structures presents advantages and/or disadvantages for jurisdictions and/or developers.

- 2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This strategy supports the following goals:

HART 5-Year Action Plan Goal 2: Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. (It does not address the second half of this goal: All income segments should be addressed.)

HART 5-Year Action Plan Goal 5: Identify an ongoing means of tracking our progress and supporting ongoing regional collaboration around the creation of more affordable housing.

It may support and/or leverage numerous other strategies, most notably F-01, F-21, and the following NEW strategy:

Local actions to make Snohomish County applications for state and/or federal funding more competitive.

- 3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

**High.**

This tax rebate can add approximately \$2-3 million annually to the funds available to serve as "first in" investment into the development and preservation of affordable housing countywide for up to 20 years. Since each dollar so invested leverages at least \$5 of additional investment, this could result in \$10 million being made available annually which could fund the development of approximately 50 new multifamily units, 100 rehabilitated units, or a combination of new and rehabilitated units each year.

Eligible uses for affordable housing serving households at or below 60% of Area Median Income (AMI) include:

- (1) Create new units of affordable housing through acquisition of market rate housing and repurposing it, rehabilitation of housing that is no longer habitable and occupied, construction of affordable housing, or designation of units as affordable within an existing market rate structure;
- (2) Create new facilities providing supportive services under RCW 71.24.385; and
- (3) Fund the operation and maintenance costs of new units of affordable or supportive housing created through (1) and (2).

The legislation allows jurisdictions to bond against the 20 years of anticipated revenues. Issuance of a 20 year bond would allow for front-loading funding of more projects in a shorter period of time but would not support the development of new projects in later years. It would also be possible to commit a portion of the funds to cover bond debt service payments while retaining some funds for other eligible activities.

- 4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

This strategy requires two councilmatic actions on the part of each jurisdiction wishing to participate:

- (a) Passage, by a simple majority, of a Resolution of Intent to adopt legislation to authorize the maximum capacity of the tax by January 27, 2020 and

(b) Adoption, by a simple majority, of authorizing legislation by July 27, 2020.

In order to receive the maximum remittance, a municipality must pass one of the qualifying taxes identified in the legislation by July 27, 2020. Department of Revenue's current read of the bill is that if a municipality passes the resolution and ordinance before the County, the County's portion will be diminished. However, if a County passes their resolution and ordinance before a municipality **neither** the County's nor the municipality's portion will be diminished. A participating jurisdiction must notify the Washington State Department of Treasury of the completion of the above two steps and whether a qualifying tax has been passed. The Department of Treasury will remit the allowable portion of the tax to each participating jurisdiction.

Each participating jurisdiction must report on the receipt and use of the remitted taxes to the Washington State Department of Commerce annually. We do not yet know what the reporting requirements will be. The Department of Commerce is expected to come out with regulations sometime this fall.

Each participating jurisdictions must determine under which structure identified in Section 1.above it wishes to receive and use funds and take or participate in associated relevant actions to establish the structure.

5. Community engagement considerations:

Since EHB 1406 does not levy a new tax nor does it require voter approval, there are no community engagement considerations with enactment. There will be community engagement considerations associated with identifying uses of the funds in conformance with statute and associated regulations currently under development by the Washington State Department of Commerce.

6. Lead Agency/ Key Partners:

The lead agency and key partners will be determined by the structure chosen by a given jurisdiction or group of jurisdictions but may include Snohomish County, one or more municipalities, one or both public housing authorities (HASCO may be a partner in its capacity as a PHA and/or as the fiscal agent for the Alliance for Housing Affordability), and/or the Housing Consortium of Everett and Snohomish County.

7. Other:

This legislation does not include administrative funds to issue RFPs/NOFAs; underwrite projects; select developers; enter into grants or loans; monitor development progress and compliance with federal, state, and local law; monitor ongoing compliance with covenants; support refinancing; issue and manage bonds; manage a rental assistance program; or any other administrative action. Affordable housing developers must coordinate multiple financing sources to secure sufficient financing for projects to move forward. Issuance of multiple RFPs/NOFAs in a given year by multiple entities for these and other funds would place a further hardship on developers and could increase complexity, costs, and schedule as well as reduce the number of developers or project that can effectively use this funding source.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <b>Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low income housing</b></p>	<p>Ballot Item #(s): <b>F19</b></p>
<p>Brief description:                  Federal and State housing funding programs are hampered by well-meaning, but sometimes ineffective regulatory requirements that increase the cost of creating affordable housing without resulting in offsetting benefits. Examples of beneficial regulatory changes include:                  1. Minimum construction wage requirements are governed by Prevailing Wages for State funded projects and Davis Bacon for Federally funded projects. However because most projects include both State and Federal funding sources, they are subject to both of these requirements. Compliance with Federal Davis Bacon requirements should be made a safe harbor for meeting State Prevailing Wage.                  2. Federal Section 3 requirements are designed to require a portion of labor to be provided by low-income workers or low-income owned contractors. However, this requirement is a strong detriment to attracting strong bidder competition by General Contractors for a project and results in higher construction costs. It is highly doubtful that the regulation actually produces its desired benefit of employing low income persons.                  3. Uniform Federal Accessibility Standards (UFAS) provided a safe harbor for compliance with other accessibility regulations that were in place at the time UFAS was established. However, after the Americans with Disabilities Act (ADA) was adopted, UFAS has never been amended to add ADA as a safe harbor. The result is that federally funded projects must comply with the higher standard from both of these regulations. The result is higher construction/administration costs without a tangible benefit to tenants.</p> <p>Local and State affordable housing public funders have made significant progress in coordinating various funding sources required to create housing affordable to very low income households, including a common Combined Funders Application form used by many of the major public funders, including Snohomish County. As new funding sources are created, it is critically important that those new funding sources utilize existing funding structures (County, State and WSHFC) so as to not add to the already difficult and costly process for assembling affordable housing funding.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.07</b></p>	
<p>Work group ranking and/or score: <b>#12 (2/70)</b></p>	
<p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b></p>	
<p>Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b></p>	
<p><b>Category:</b>  <i>Goal</i> _____ <i>or</i> <i>Strategy/Tactic</i> _____ <b>X</b></p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces cost of construction resulting in the creation of more units</p>	<p>X</p>
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	
<p>0-30%AMI</p>	<p>X</p>
<p>30-50% AMI</p>	<p>X</p>
<p>50-80% AMI</p>	
<p>80%-125% AMI</p>	

>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	X
<b>Other</b>	
<b>Analysis:</b>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>There are a variety of lobbying activities for which cities and other interested organizations are presently engaged. Agreeing on goals that would enhance housing affordability and carrying a united voice for needed changes will influence needed changes.</p>	
<p>2. If the concept is a more general "goal" please list some of the more specific <i>strategies or tactics</i> that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what <i>goal</i> does it support? Refer to Rough Draft Outline of Major Goals v.7.29)</p>	
N/A	
<p>3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?</p> <p><u>Medium</u>. Compliance with state and federal regulations attached to housing funding is a strong detriment to General Contractor interest in bidding for these projects. Few GC's in Snohomish County are capable of effectively managing these requirements and those that do exist are only willing to bid on these projects when other work is not available or at a premium price that makes compliance with these requirements worthwhile. It is well known that private construction projects are completed at substantially lower cost-per-unit than similar state/federally funded projects. This proposal could significantly lower that gap.</p>	
<p>4. Implementation steps: (requires voter approval; councilmanic action; federal action required; state legislation required, etc.; additional data required)</p> <p>a. Build a consensus on targeted legislative/regulatory changes.</p> <p>b. Incorporate these changes into lobbying priorities.</p> <p>c. Effectively communicate these priorities to targeted lawmakers and policy leaders.</p> <p>d. When new affordable housing funding sources are established, utilize existing funding structures and processes, to the extent possible, in order to promote efficiency, and avoid duplicative applications and financing agreements.</p>	
<p>5. Community engagement considerations:</p> <p>Engagement and endorsement by labor leaders would greatly assist in the adoption of these changes.</p>	
<p>6. Lead Agency/ Key Partners:</p> <p>Jurisdictions would be in the lead, with affordable housing developers and local public funders as key stakeholders.</p>	
<p>7. Other:</p>	

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Target CDBG and HOME funds for creation of affordable housing and funding rental assistance</b>	Ballot Item #(s): <b>F01</b>
<p>Brief description: HOME and CDBG funding sources are flexible federal HUD funding sources that can be utilized for a variety of public purposes. Funding priorities are established by local jurisdictions that receive these funds.</p> <p>HOME Investment Partnerships Program: HOME is a federal funding source that is designed for the creation of affordable housing. In Snohomish County, the County receives funding and the City of Everett receives a portion of the County’s HOME funds for its own allocations. However there is tension between utilizing this funding for the creation of new affordable housing or for short-term rental assistance that provides immediate impact in the existing housing market. The priority for HOME funding should be creating new affordable housing units, with the secondary priority for short-term rental assistance (TBRA) that cannot be addressed by other rental assistance programs. See below for more info: <a href="https://www.hudexchange.info/programs/home/">https://www.hudexchange.info/programs/home/</a>, <a href="https://www.hudexchange.info/programs/home/topic/tbra/#policy-guidance-and-faqs">https://www.hudexchange.info/programs/home/topic/tbra/#policy-guidance-and-faqs</a></p> <p>Community Development Block Grant: CDBG is a flexible funding source that provides funding for uses ranging from affordable housing to social services and public infrastructure projects. In Snohomish County, the County receives CDBG funding directly from HUD, as do the cities of Everett and Marysville, which are their own CDBG Entitlement communities. CDBG funding should be utilized for affordable housing construction as its first priority to the maximum amount feasible given other allowable uses. Please see the “Other” section for CDBG limitations and restrictions. <a href="https://www.hudexchange.info/programs/cdbg/">https://www.hudexchange.info/programs/cdbg/</a></p>	
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.77</b>	
Work group ranking and/or score: <b>#13, tie (0/70)</b>	
Potential impact on housing affordability challenge (High / Medium / Low): <b>Low</b>	
Ease of implementation (Easy / Moderate / Difficult): <b>Difficult</b>	
<p><i>Category:</i> <b>Goal</b> _____ <i>or</i> <b>Strategy/Tactic</b> <u>  X  </u></p>	<i>Check all applicable</i>
<b>Demand side goal/strategy:</b>	
<b>Supply side goal/strategy:</b>	
Targets assistance to build/maintain housing affordable to:	
0-30% AMI	X
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	
>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	
<b>Other</b>	

**Analysis:**

1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).

Cities and County. These are existing funding sources and the annual allocation from HUD to the County and eligible cities is set via a federal formula.

2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This strategy supports the following goals:

Goal 2: Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. (It does not address the second half of this goal: All income segments should be addressed.)

Goal 3: Identify and act on strategies to preserve existing affordable housing, while acknowledging that the need for increased density may create tension with goal in some instances.

Goal 5: Identify an ongoing means of tracking our progress and supporting ongoing regional collaboration around the creation of more affordable housing.

It may also be used to support Goal 4, Take steps to increase density of housing on transit corridors and in job centers while acknowledging that additional housing is needed across the entire County, as allowable by HUD.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

Low. These are existing funding sources and the annual allocation from HUD to the County and eligible cities is set via a federal formula. While these are federal fund sources, project selection is made by the local jurisdiction. The commitment of these funds through the local project selection process is critical for attracting project funding commitments by state and other federal funders. Each dollar of this funding is multiplied many times by State Housing Trust Fund and Washington State Housing Finance Commission Low Income Housing Tax Credit funding sources. With rising construction costs, the HOME funding dollars play an even more important role in closing the funding gap for the creation of new affordable housing units. HOME and CDBG also allow projects to serve households with little or no incomes, ranging from homeless households to those with incomes at to 30%, 50%, and 80% of the Area Median Income (AMI). These income levels are well below the affordability levels available in the private housing market.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

In conformance with Interlocal Agreements, In Snohomish County, program funding recommendations are made by the multi-jurisdictional Technical Advisory Committee (TAC), reviewed and approved by the multi-jurisdictional Policy Advisory Board (PAB), and adopted by the Snohomish County Council. Changes to policy related to these funds are made by the PAB. Everett and Marysville have their own funding and policy processes.

5. Community engagement considerations:

Priorities are established for these CDBG and HOME funds through these participating jurisdictions' federal Consolidated Plan and associated annual Action Plans which include public input and participation mechanisms and are adopted by each jurisdiction's governing council.



6. Lead Agency/ Key Partners:

Snohomish County or eligible cities as Participating Jurisdictions (for HOME) or Grantees (for CDBG) are in the lead, with affordable housing developers and local public funders as key stakeholders.

7. Other:

The CDBG program requires that each CDBG funded activity must either principally benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet that need. With respect to activities that principally benefit LMI persons, at least 51 percent of the activity's beneficiaries must be LMI. For CDBG, a person is low income only if s/he is a member of a family whose income would qualify as "very low income" under the Section 8 program. These Section 8 limits are based on 50% of AMI. CDBG moderate income relies on Section 8 "lower income" limits, which are tied to 80% of AMI. <https://www.hudexchange.info/programs/census/low-mod-income-summary-data/#overall>.

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. ü Examples of eligible activities include, but are not limited to: – Acquisition of an apartment house to provide dwelling units to LMI households at affordable rents, where at least 51 percent of the units will be occupied by LMI households; – Site improvements on publicly-owned land to serve a new apartment structure to be rented to LMI households at affordable rents; – Housing rehabilitation for single family units; – Conversion of an abandoned warehouse to be reconfigured into new apartments, where at least 51 percent of the units will be occupied by LMI households at affordable rents. ü In order to meet the housing LMI national objective, structures with one unit must be occupied by a LMI household. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must have at least 51percent occupied by LMI households. – Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as a single structure. For rental housing, occupancy by LMI households must be at affordable rents, consistent with standards adopted and publicized by the grantee. <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>

CDBG funds can be used for a wide array of activities: rehabilitating housing (through loans and grants to homeowners, landlords, nonprofits, and developers); constructing new housing (but only by certain neighborhood-based nonprofits); providing down payment assistance and other help for first-time home buyers; detecting and removing lead-based paint hazards; purchasing land and buildings; constructing or rehabilitating public facilities such as shelters for people experiencing homelessness or victims of domestic violence; making buildings accessible to those who are elderly or disabled; providing public services such as job training, transportation, healthcare and child care (public services are capped at 15% of a jurisdiction's CDBG funds); building the capacity of nonprofits; rehabilitating commercial or industrial buildings; and making loans or grants to businesses. <https://nlihc.org/sites/default/files/2014AG-285.pdf>

Generally, new construction of housing is not eligible under the CDBG program. However, the regulations allow for certain eligible entities to carry out this activity, known as a Community Based Development Organization (CBDO). New construction of rental housing by a CBDO is eligible provided the construction activity is carried out as part of a neighborhood revitalization, community economic development, or energy conservation project. These CBDOs must be undertaking a neighborhood revitalization, community economic development or energy conservation project in order to use CDBG for new construction. <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-4-Housing.pdf>

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

<p>Title: <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</b></p>	<p>Ballot Item #(s): <b>F12</b></p>
<p>Brief description:</p> <p>This strategy, as written, covers both funding and policy tactics. The answers below related to funding, programs, and services, recognizing a great deal of overlap with Policy Work Group strategies P02, P06, the combined P05 and P21, and those outlined in other templates including F15 related to community land trusts.</p> <p>The Metropolitan Statistical Area (MSA) in which Snohomish County is located is losing lower rent housing stock more rapidly than almost anywhere else in the nation. This trend was first documented in Snohomish County's <i>Analysis of Impediments to Fair Housing</i> published in 2012 and has been reaffirmed in <i>The State of the Nation's Housing</i>, published this year by the Joint Center for Housing Studies of Harvard University. Lower rent housing stock (defined by the Joint Center as housing that rents for \$800/month or less) may be lost due to several factors which include, but are not limited to: (1) the stock is aging and has become uninhabitable, (2) aging stock is rehabilitated into higher rent housing, (3) the stock is being demolished and the site redeveloped into higher rent units, and (4) market forces which allow for increased rents with no changes to the housing itself. Currently, the units being lost are not being replaced elsewhere through new construction.</p> <p>Communities of color and low-income communities are particularly at risk of displacement when lower rent housing stock is lost. Affordable neighborhoods generally become desirable to higher income households as a result of the neighborhood's close proximity to transit and amenities, increased capital investments in the housing stock that allows landlords to charge higher rents, and increased pressure for on the housing market from neighboring communities.</p> <p>In addition to policy changes that can discourage the loss of lower rent housing stock and displacement, there are a number of anti-displacement requirements in force and potentially adoptable as well as relocation services that might be expanded to help households remain in their communities by choice. (Please see <a href="#">RCW 59.18.440</a>, <a href="https://tacomaweekly.com/news/tenant-relocation-assistance-draws-emotional-testimony/">https://tacomaweekly.com/news/tenant-relocation-assistance-draws-emotional-testimony/</a>, and <a href="https://www.cityoftacoma.org/government/city_departments/equity_and_human_rights/rental_housing_code/relocation">https://www.cityoftacoma.org/government/city_departments/equity_and_human_rights/rental_housing_code/relocation</a>.) Additionally, there are services that can be provided to households that chose to move to higher opportunity areas. Such movement has been demonstrated to have wide ranging, positive intergenerational impacts on health and well-being, education, and earnings both for the households served and their new communities.</p>	
<p>Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.57</b></p>	
<p>Work group ranking and/or score: <b>#13, tie (0/70)</b></p>	
<p>Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b></p>	
<p>Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b></p>	
<p><b>Category:</b>                  Goal _____ or Strategy/Tactic _____ X _____</p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	<p>X</p>

<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:	
0-30%AMI	X
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	
>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	X
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	X
<b>Other</b>	
<b>Analysis:</b>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>Anti-displacement/relocation strategies that allow households remain in or move to communities of choice are most effective when targeted in areas undergoing rapid development, particularly areas where transit is being enhanced, and lower rent housing stock is being lost. The Policy Work Group is reviewing how data might best be used to pinpoint areas of greatest impact.</p>	
<p>2. If the concept is a more general “goal” please list some of the more specific <i>strategies or tactics</i> that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what <i>goal</i> does it support? Refer to Rough Draft Outline of Major Goals v.7.29)</p> <p>This is a strategy that can also serve as a lens through which strategies are developed for all five goals in the current 5-Year Action Plan, with a particular focus on Goal 3, including:</p> <p>Goal 1: Develop and implement outreach and education programs, for both countywide and use and use by individuals cities, to raise awareness of affordable housing challenges and support for action to address those challenges.</p> <p>Goal 2: Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. All income segments should be addressed.</p> <p>Goal 3: Identify and act on strategies to preserve existing affordable housing, while acknowledging that the need for increased density may create tension with goal in some instances.</p> <p>Goal 4: Take steps to increase density of housing on transit corridors and in job centers, while acknowledging that additional housing is needed across the entire county.</p> <p>Goal 5: Identify an ongoing means of tracking our progress and supporting ongoing regional collaboration around the creation of more affordable housing</p> <p>It relates to numerous strategies, most notably E05, F02, F08, F11, F15, F22, P02, P03, P06, the combined P05 and P21, and the following NEW strategy: Local actions to make Snohomish County applications for state and/or federal funding more competitive.</p> <p>Specific tactics that may be implemented include fully funding activities to address <i>Analysis of Fair Housing Impediments</i> and <i>The State of the Nation’s Housing</i> findings, policies to preserve housing with rents at or below \$800/month, and development and funding of programs and services to address displacement and relocation.</p>	

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

**Medium/High.**

While this strategy and associated strategies and tactics won't increase the number of new houses on the market, they can increase the amount of housing stock that is preserved. Additionally, implementation of these tactics will promote equity and reduce disproportionality in access to housing in communities of choice for households of color and low-income households. It will have a high impact on keeping communities intact, increasing household choice, preventing homelessness, and ensuring that communities of color and low-income households share in the benefits and prosperity of the growing economy in Snohomish County.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

To preserve lower rent housing stock, develop a funding mechanism for housing authorities and non-profit housing developers to *RAPIDLY* acquire properties at risk of loss to the lower rent housing market and repair, rehabilitate, and redevelop those properties as indicated.

To address displacement, for private market housing in targeted neighborhoods, implement the strong anti-displacement and relocation resources, policies, and services currently available to residents of federally-funded housing. In order to document where, when and to what extent displacement is occurring, jurisdictions could more systematically track this data through demolition permits and land use approvals for new uses. Relocation fees, or demolition fees for occupied structures higher than for unoccupied structures, might be developed to mitigate displacement impacts.

Additionally, expand upon the range of current offerings to residents of state and federally-funded housing. There are several promising programs/services being implemented in other jurisdictions, such as Creating Moves to Opportunity in King County that can enhance current strategies. Funding can also allow for the expansion and enrichment of highly effective programs currently operating in Snohomish County such as the Coordinated Entry Navigation and Targeted Prevention Programs.

Creation of programs and services to prevent and address displacement and relocation to communities of choice for households of color and low-income households not residing in housing covered by state and federal policies and requirements will require the investment of new resources as outlined in other funding strategy templates.

5. Community engagement considerations:

This strategy will be most effectively implemented by engaging the Snohomish County Community Action Agency Community Services Advisory Council and households and communities with lived experience in all phases of planning, development, and implementation. There are a number of potential ethic/cultural organizational partners that can recruit individuals to help frame and lead this effort.

***"Whatever is done to us without us is not for us."***

6. Lead Agency/ Key Partners:

The Community Services Advisory Council, communities of color leaders, low-income community leaders, Snohomish County jurisdictions, local planning/permitting departments, public housing authorities, the Alliance for Housing Affordability, the Housing Consortium of Everett and Snohomish County, Snohomish County Legal Services, and the Volunteers of America Western Washington Dispute Resolution Center.

7. Other:

Please see F15 for use of land trusts to prevent displacement. There is now overwhelming evidence that place matters in the health, well-being, and prosperity of all community residents. Reviewing all housing-related investments and policies through an equity lens that supports communities of color and low-income communities will create a greater quality of life for all Snohomish County residents.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Encourage condominium development</b>		Ballot Item #(s): <b>F20</b>
Brief description: Encourage banking and insurance industry support for condominium projects as a homeownership solution.		
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.17</b>		
Work group ranking and/or score: <b>#13, tie (0/70)</b>		
Potential impact on housing affordability challenge (High / Medium / Low): <b>Medium</b>		
Ease of implementation (Easy / Moderate / Difficult): <b>Easy</b>		
<b>Category:</b> <i>Goal</i> _____ <i>or</i> <i>Strategy/Tactic</i> _____ <b>X</b> _____		<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes		
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:		
0-30%AMI		
30-50% AMI		
50-80% AMI		X
80%-125% AMI		X
>125% AMI		X
Facilitates housing <b>preservation</b> —maintaining current affordable inventory		
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost		X
<b>Communication / community engagement strategy</b>		
<b>Advocacy</b>		X
<b>Other</b>		
<b>Analysis:</b>		
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <p>This concept could be deployed <u>anywhere</u> in the county where condominium projects are an allowable housing type to be developed. Condominiums are already allowed in most cities and unincorporated areas zoned for either single family or multi-family housing.</p>		
<p>2. If the concept is a more general "goal" please list some of the more specific <i>strategies or tactics</i> that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what <i>goal</i> does it support? Refer to Rough Draft Outline of Major Goals v.7.29)</p> <p>This is a tactic and supports the following goals: 2) Promote greater housing growth and diversity to achieve a variety of housing types at a range of affordability and improve the jobs/housing connections. All income segments should be addressed. 4) Take steps to increase density of housing on transit corridors and in job centers, while acknowledging that additional housing is needed across the entire County.</p>		

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

Medium.

"The Puget Sound region is experiencing a shortage of condominiums being built and sold, especially those at an affordable price point. The lack of affordable condo units is especially concerning given our region's rapid population growth and overall shortage of attainable housing. The lack of affordable condos impedes our region's ability to provide more homeownership opportunities and meet the stated goals of the Growth Management Act. ... Condos have traditionally provided a more affordable entry level housing option for first-time buyers and are an attractive housing option for empty nesters seeking to downsize while staying in their communities. The decline in condos has created a gap in the affordable housing options available in our region. Data from the U.S. Census Bureau shows that King, Snohomish and Pierce counties averaged more than 25,000 new condos built each decade from 1970 to 2009. However, from 2010 to 2015 the three-county area added just 4,400 new condos." Condominium Liability Reform issue brief dated 12/2018.

<https://mbaks.com/docs/default-source/documents/advocacy/issue-briefs/condo-liability-reform-brief.pdf>

"Condominium development is significantly restrained due to the current construction liability burden under the 1989 Washington Condominium Act. Extended liability period and coverage amount, as well as the insurance to avoid the liability, specifically hinder lending availability for projects, and the likelihood developers will build a project with such a liability risk. This has also had a well-documented constraining effect upon redevelopment of properties into condominiums. Such risk and cost reduced the likelihood that much-needed, high-density ownership housing supply gets built. Otherwise condominiums have very robust need and sales potential. At this time, construction liability risk and cost also applies to conversion of apartments to condominiums, not just new condominium construction." Department of Commerce Housing Memo, June 2019; <https://deptofcommerce.app.box.com/s/npwem3s3rvcsya15nylbroj18e794yk7>

"According to Zillow, as of November in Seattle the median value of condos was \$487,000, compared with \$760,700 for houses. That's 56 percent more for a house. Condos form the bottom rungs of the ownership ladder, from which households can climb over the years, trading up for larger or more valuable homes, and accumulating wealth." Sightline Institute, <https://www.sightline.org/2019/01/09/modifications-to-washingtons-condo-law-could-give-production-a-shot-in-the-arm/>

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

WA State Senator, Jamie Pederson, the sponsor of Senate Bill 5334 stated: "Condos play a critical role in the housing market, providing an opportunity for first-time homebuyers to start building equity and an option for empty-nesters who no longer need a single-family home but are not ready for assisted living. Very few condos have been built in the last decade, and many builders and developers say that the cause is liability statutes that have created too much risk and uncertainty. SB 5334 updates the condo warranty statute to provide a better balance between builders and buyers. I hope this legislation will coax builders and developers back into the market by protecting them against meritless claims while maintaining consumer protections for buyers of new condos. Boosting construction of new condos is another tool in a comprehensive strategy to help increase the supply of affordable housing options for our growing state."

With the passage of Senate Bill 5334, which went into effect on July 28, 2019, these barriers to condo development have been lifted, and developers could start building condos at the pre-2010 levels or higher, as long as they are aware of the changes in the law, and as long as financing for this housing type is available from the banks. The bill revises the construction standards to be the applicable building codes at the time of construction, revises the process and timing for an alleged breach with adverse effects from construction defects, and provides limits to condo officer and board member liability, thereby decreasing risk of lawsuits and uncertainty for developers. Final Bill: <http://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bill%20Reports/Senate/5334.E%20SBR%20FBR%2019.pdf>

[Recently the Federal Housing Administration \(FHA\) made it easier to finance condominiums.](#) “The federal agency released new guidelines for the types of mortgages it will insure as condos. Just 6.5% of the 150,000 condo developments in the US were previously eligible for FHA-backed mortgages. But the FHA will start backing mortgages for individual units and will have greater flexibility to react to changes in market conditions. Brian Montgomery, the FHA commissioner and acting deputy secretary of HUD, said the changes would make it easier for first-time buyers, retirees and minorities to become homeowners. Unlike conventional mortgages that require 20% down, the FHA backs loans that require 3.5% down payments. As regulations tightened after the housing crash, the number of FHA mortgages for condos fell from 72,900 in 2010 to 16,200 last year. The rule change is expected to increase the number of FHA mortgages for condos by 20,000 to 60,000 units. Wider availability of mortgages could increase construction by 7,000 condos, according to an analysis last year by HUD.” See the 8/14/19 Seattle Times article: <https://www.seattletimes.com/business/federal-agency-supports-more-condo-mortgages/>

On August 14, 2019, FHA published its Condominium Project Approval Final Rule in the *Federal Register* ([Docket No. FR-5715-F-02](#)). Additionally, it added two new sections—Section II.A.8.p “*Condominiums*” and Section II.C “*Condominium Project Approval*”—and incorporated new condo project approval policy guidance in other sections of its *Single Family Housing Policy Handbook*. The effective date for both the updates is October 15, 2019. FHA insures condo single unit loans for up to 30-year terms to purchase or refinance a unit in an FHA-approved condo project. The condo project must be primarily residential, contain at least two dwelling units and can be detached, semi-detached, a row house, a walk-up, mid-rise, high-rise, including those with or without an elevator, or manufactured housing. <https://www.federalregister.gov/documents/2019/08/15/2019-17213/project-approval-for-single-family-condominiums>

5. Community engagement considerations:

Senate Bill 5334 removes barriers to building this type of affordable ownership housing. The next step should be to engage the banking, insurance and development communities. The for-profit and non-profit development community should be made aware of the revised regulations. In addition, banks that were hesitant to lend to developers of condo projects should revise their underwriting requirements, including reduction of insurance requirements due to the lowered possibility of the developer being sued by the owner for construction defects. This community engagement could be presented at industry conferences, workshops or presentations targeted to developers and banks. Insurance companies also should be engaged so that they can change their coverage requirements for condos projects.

6. Lead Agency/ Key Partners:

Cities, County/ For-profit and Non-profit Developers as applicants, and Banks and FHA for financing

7. Other:

[In addition the WA Uniform Common Interest Ownership Act \(WUCIOA\), was revised in 2018.](#) WUCIOA is a comprehensive statute that governs the creation, amendment, operation, termination and sale of “common interest communities.” It also governs ancillary matters such as taxation, condemnation and creditors’ rights relating to common interest communities. WUCIOA changes the rules governing common interest communities in WA, and the differences between condos and common ownership communities has been greatly reduced. WUCIOA affects developers, owners, buyers, sellers, associations, lenders, creditors, title insurers, and governments of common interest communities. [See RCW 64.90: https://app.leg.wa.gov/RCW/default.aspx?cite=64.90](https://app.leg.wa.gov/RCW/default.aspx?cite=64.90)  
[Also see the Condo Law Group Blog here: http://www.condolawgroup.com/2018/04/05/auto-draft-17/](http://www.condolawgroup.com/2018/04/05/auto-draft-17/)

[Lastly, be aware that converting low income apartment complexes to condo developments could have the effect of decreasing the supply of affordable housing units and displacing low income renters. See the brief:](#)



[https://www.urbandisplacement.org/sites/default/files/images/urbandisplacementproject\\_condoconversion\\_brief\\_feb2016.pdf](https://www.urbandisplacement.org/sites/default/files/images/urbandisplacementproject_condoconversion_brief_feb2016.pdf)

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Provide low-income homeowners with low interest/deferred payments to repair homes (F02); Fund home repair programs for low-income households (F22)</b>		Ballot Item #(s): <b>F02; F22</b>
Brief description: Provide low-interest and/or deferred-payment loans to low-income homeowners to rehabilitate or make minor repairs on their homes.		
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>3.5 (F02); 3.64 (F22)</b>		
Work group ranking and/or score: <b>#13, tie (0/70)</b>		
Potential impact on housing affordability challenge (High / Medium / Low): <b>Low/Medium</b>		
Ease of implementation (Easy / Moderate / Difficult): <b>Moderate</b>		
<b>Category:</b> <i>Goal</i> _____ <i>or</i> <i>Strategy/Tactic</i> _____ <b>X</b>		<b>Check all applicable</b>
<b>Demand side goal/strategy:</b> Reduces demand for affordable housing / helps people stay in their homes		X
<b>Supply side goal/strategy:</b> Targets assistance to build/maintain housing affordable to:		
0-30%AMI		X
30-50% AMI		X
50-80% AMI		X
80%-125% AMI		
>125% AMI		
Facilitates housing <b>preservation</b> —maintaining current affordable inventory		X
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost		
<b>Communication / community engagement strategy</b>		
<b>Advocacy</b>		
<b>Other</b>		
<b>Analysis:</b>		
1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).		
Such a program could be provided in any jurisdiction that has owner-occupied homes in need of improvement. However, smaller jurisdictions may lack the capacity to administer a program to scale, so this might be best implemented collectively for smaller cities and towns.		

2. If the concept is a more general "goal" please list some of the more specific strategies or tactics that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what goal does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

This is a tactic and supports the following goal:

3) Identify and act on strategies to preserve existing affordable housing, while acknowledging that the need for increased density may create tension with this goal in some instances.

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

Low to Medium, depending on the type of repairs funded by a program and loan size. These programs often have a dual goal of both assisting an individual homeowner with needed rehabilitation and/or minor repairs and revitalizing aging housing stock which provides benefits to the neighborhood as well.

Although the affordability impact on an individual recipient of a loan may be high, without significant funding, such a program could only serve a small number of households or support minor repairs to many homes. In addition to the cost of the repairs, there is also expense associated with administering the program.

Because the loans are often deferred (that is, no payment is due until the home is sold or refinanced), funds spent on these programs may be locked up in a home for many years before the loan is repaid. Once the home is sold or refinanced and the loan is paid, there is no requirement for that home to be affordable. However, the repaid loan proceeds can be used to fund future loans.

More broadly, home rehabilitation and repair programs may contribute to a mismatch between the existing housing stock and the people living in the homes while not contributing to housing choice or increased housing supply. For example, the ability to obtain a rehabilitation loan, as well as the lack of affordable downsizing options, may result in a single homeowner remaining in a single-family home instead of downsizing to a smaller home or apartment that may be closer to needed services and/or on a transit line. While that homeowner's affordable living situation is preserved, this strategy does not always promote housing choice, access to services, or permanently increase the overall stock of affordable housing. In fact, it might contribute to delayed decision making by households on downsizing (if options are available), in effect contributing to a lack of fluidity in the housing market for households looking for homes to purchase.

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

Implementation of such a program (or continuation of an existing program) requires, at a minimum, designating specific funding for the program. This may require council approval, depending on the funding source and its policies.

Program administration requires funding and staffing. Use of federal dollars such as HOME and/or CDBG requires additional compliance. Loan programs are typically set up to revolve, with loan repayments used for future loans, which requires monitoring of loan files. For more complicated home renovations, program staff will likely need to assist with developing the rehabilitation scope and assisting with selection and oversight of a contractor. If the loan program has many deferred loans, timing of loan payoffs can be unpredictable and therefore the number of households served in a given year could vary widely.

5. Community engagement considerations:

These programs can provide benefits to both to an individual household in terms of health and safety but also to the health and safety of a neighborhood or community by addressing homes that may need both cosmetic and foundational upgrading. However, they also come at a relatively high cost (which may be approximately \$50,000 for a major rehabilitation program) compared to some other service options, limiting how many

households can be assisted. There may be a difference of opinion among community members regarding the relative benefit of the program: some community members may not agree with using limited dollars to assist homeowners instead of other populations in need of assistance while others may support the focus on homeowners. Additionally, some may support the idea of a loan program as opposed to a grant program.

6. Lead Agency/ Key Partners:

Jurisdictions with funding and the ability to administer a rehabilitation loan program would be in the lead; agencies to administer the program and contractors to complete repairs would be key partners.

7. Other:

Multiple programs currently exist and have previously existed in Snohomish County to provide major home rehabilitation services as well as minor home repairs to low-income homeowners who cannot afford the repairs on their own. The City of Everett currently administers the Community Housing Improvement Program (CHIP), which provides home improvement loans to low-income homeowners in the Everett Urban Growth Area. The program is funded with Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funding as well as loan repayments and other funds. CHIP was projected to serve 10 homeowners in 2019 with new funding, plus additional homeowners from payments of existing loans. Homage Senior Services currently provides the Minor Home Repair program, which does minor repairs and improvements, including accessibility improvements like ramps and grab bars, for low- and moderate-income homeowners who are seniors or people with disabilities throughout Snohomish County. Labor is provided at no cost and materials are free or at cost, depending on income.

The Housing Authority of Snohomish County (HASCO) previously administered the Single-Family Home Rehabilitation Loan Program in Snohomish County outside of Everett, which was similar to the CHIP program. The program was funded with CDBG, HOME, and loan repayments. However, HASCO discontinued the program several years ago. Reasons for discontinuing the program included trouble finding homeowners with both qualifying repair needs and sufficient home equity after the 2008 housing market crash, as well as growing average loan sizes and construction costs, which made the program very expensive relative to the number of homes that were rehabilitated. In some cases, borrowers reapplied for second and even third loans, as they were unable to maintain their homes even after their first loan. HASCO determined that the program was not an effective use of limited public resources and chose to stop offering the program so the funds could be re-targeted to more impactful projects. These findings may have been market-dependent rather than due to structural challenges. Snohomish County has received input from the community that such a program would still be beneficial for some homeowners outside of the Everett Urban Growth Area and the County has had to increase the number of households served in the minor home repair program in the decade following the recession.

For households with higher incomes, the federally-supported private mortgage industry also provides options for homeowners who may not have the funding up-front to cover needed home repairs but have enough income to pay for an increased mortgage payment. These include the HUD FHA 203(k) loan or Fannie Mae HomeStyle loan. The cost of the home repairs is rolled into a new loan so the homeowner has a single mortgage. It may be that more community education is needed about these options in addition to the dedication of resources to rehabilitation and repair for households that cannot qualify.

Maximum page limit for completed templates: 3 PP.

Exhibit C

HART Work Group Template

To be completed for each item rated 3.5 or higher. Please include ballot item reference number(s).

Workgroup: Funding Work Group

Title: <b>Advocate for expansion of funding of the state public works trust fund</b>	Ballot Item #(s): <b>P28</b> (Moved from Policy & Regulatory)
<p>Brief description:                  The Public Works Trust Fund is a low interest revolving loan fund financing mechanism for city, county and special purpose district infrastructure improvements. Eligible projects include repair, replace or create utility systems, storm water systems, roads, bridges, solid waste and recycling facilities. The maximum construction loan award per jurisdiction is \$10.0 million per biennium. The maximum pre-construction loan award per jurisdiction is \$1.0 million per biennium. Agencies must apply and compete for the use of funds on projects.</p> <p>In 2018 applications were made for 74 projects throughout the state totaling \$248.0 million. The Board approved 30 projects totaling \$85.0 million</p>	
Rating from HART Screening Ballot (scale: 1-5, 5 being very promising): <b>4.14</b>	
Work group ranking and/or score: <b>#13, tie (0/70)</b>	
Potential impact on housing affordability challenge (High/Medium/Low): <b>Low</b>	
Ease of implementation (Easy/Moderate/Difficult): <b>Moderate</b>	
<p><b>Category:</b>                  Goal _____ or Strategy/Tactic <u>  X  </u></p>	<p><b>Check all applicable</b></p>
<p><b>Demand side goal/strategy:</b>                  Reduces demand for affordable housing / helps people stay in their homes</p>	
<p><b>Supply side goal/strategy:</b>                  Targets assistance to build/maintain housing affordable to:</p>	
0-30%AMI	X
30-50% AMI	X
50-80% AMI	X
80%-125% AMI	X
>125% AMI	
Facilitates housing <b>preservation</b> —maintaining current affordable inventory	
Facilitates <b>housing construction generally</b> , providing more units, or units at less cost	
<b>Communication / community engagement strategy</b>	
<b>Advocacy</b>	X
<b>Other</b>	
<b>Analysis:</b>	
<p>1. Area where this concept would be most effectively deployed (cities individually / Cities acting collectively / countywide / urban growth area/ rural cities / urban centers / transit corridors / rural areas, etc.).</p> <ul style="list-style-type: none"> <li>• Advocating expansion of funding requires Cities and Counties lobbying the state legislature for increases in the funds available as well as increasing the maximum dollar award per jurisdiction per biennium</li> <li>• Explore lobbying state legislature to place a priority for funding infrastructure projects associated with affordable housing development</li> </ul>	

2. If the concept is a more general "goal" please list some of the more specific *strategies or tactics* that you recommend be deployed to accomplish the goal. If these strategies appear on the July screening ballot, please note ballot reference numbers. (Conversely, if this template is about a strategy or tactic, what *goal* does it support? Refer to Rough Draft Outline of Major Goals v.7.29)

More specific strategies and tactics related to P28 include;

- Develop and implement outreach and education programs, for both countywide use and use by individual cities, to raise awareness of affordable housing challenges and support for action to address those challenges
- A media plan should be developed

3. Estimated Impact on addressing housing affordability challenge (low/medium/high). Why?

- Medium – the costs of improving and or expanding urban infrastructure (roads, sidewalks, transit shelters, signalization, etc.) are a key elements to facilitating affordable housing in Transportation Oriented Developments, Urban center developments and along transit corridors. Such infrastructure improvements within the Public Road Right-of Way should be eligible for low interest loans through the Public Works Trust Fund program

4. Implementation steps: (requires voter approval; councilmatic action; federal action required; state legislation required, etc.; additional data required)

- Expansion of funding will require local government support and state legislation amendments to the program

5. Community engagement considerations:

- Identify and solicit support from key stakeholders which would benefit from expansion of funding along with prioritizing infrastructure improvements associated with affordable housing projects

6. Lead Agency/ Key Partners:

- Snohomish County and Cities
- Affordable Housing Agencies
- Affordable Housing Developers
- Master Builders Assoc.
- PSRC
- Futurewise

7. Other:

- Critical to garner public support

Maximum page limit for completed templates: 3 PP.