

SNOHOMISH COUNTY HOUSING AFFORDABILITY REGIONAL TASKFORCE (HART)

Meeting 5 Draft Meeting Summary

Thursday, September 12, 2019 ~ 3:00 p.m. to 5:00 p.m.

City of Everett Training Room (5th floor, Wall Street Building) at 2930 Wetmore Ave.

(Underlined Italics indicate action items/decisions; follow up items in bold italics)

Attendees:

Task Force Members and Alternates Present and Voting					
Agnew, Tom (Bothell)		Mitchell, Elizabeth (Woodway, <i>Alt.</i>)	X	Thomas, Geoffrey (Monroe)	
Earling, Dave (Edmonds)		Nehring, Jon (Marysville)	X	Tolbert, Barb (Arlington)	X
Franklin, Cassie (Everett)		Nehring, Nate (Snohomish County)	X	Wright, Stephanie (Snohomish County)	
Gregerson, Jennifer (Mukilteo)	X	Olsen, Liam (Bothell, <i>Alt.</i>)	X	Brier	
Harper, Nick (Everett, <i>Alt.</i>)	X	Quinn, Mike (Woodway)		Gold Bar	
Hartman, Matt (Granite Falls)	X	Rankin, Dan (Darrington)	X	Index	
Holtzclaw, Brian (Mill Creek)	X	Shipley, Brad (Edmonds, <i>Alt.</i>)	X	Sauk-Suiattle Tribe	
Kartak, John (Snohomish)		Smith, Nicola (Lynnwood)	X	Stillaguamish Tribe	
Kelley, Leonard (Stanwood)		Somers, Dave (Snohomish County)	X	Sultan	
Matsumoto Wright, Kyoko (Mountlake Terrace)	X	Spencer, John (Lake Stevens)		Tulalip Tribes	
Non-Voting Alternates also Present					
Ceniza, Art (Lynnwood, <i>Alt.</i>)	X				
Presenters					
Janinna Attic, Housing Authority of Snohomish County	X	Chris Collier, Alliance for Housing Affordability (AHA)	X	Fred Safstrom, Housing Hope	X
Kristen Cane, Housing Authority of Snohomish County (HASCO)	X	Julie Moore, City of Lynnwood	X		
Staff					
Jackie Anderson, Snohomish County Human Services Department (HSD)	X	Alessandra Durham, Snohomish County Executive's Office	X	Barb Mock, Snohomish County Planning & Development Services (PDS)	
Kelsey Bang-Olsen, HSD	X	Tina Ilvonen, HSD	X	Karen Reed, Facilitator	X
Mary Jane (MJ) Brell Vujovic, HSD	X	Nate Marti, HSD	X	Wendy Roullier, HSD	X

Welcome:

Dave Somers welcomed everyone and called the meeting to order at 3:07 pm. He explained that HART was created to work on housing issues around the County and collect data – there are no pre-determined outcomes because we need to look at the facts before we can make decisions. Questions about HB1406 have been raised – the legislation explains if the County takes action first, the pot of funds available is largest and no city's individual share is diminished. The County has an ordinance pending at Council, with anticipated action on October 2nd following a public

hearing. MJ Brell Vujovic further explained the cities get the funds regardless of who acts first, but if Cities act before the County, the countywide amount is smaller.

Introductions of Taskforce Members, Steering Committee, Staff:

Nicola Smith asked for everyone to introduce themselves and if they participated on a Workgroup, to note which one(s).

Review of Today's Agenda:

Karen Reed provided a brief summary of the meeting packet and explained we will recap the housing affordability challenge, which will be the basis for the Snohomish County Tomorrow (SCT) General Assembly presentation on September 25th; review/edit/approve the "major goals" based on Meeting 4 group work; the Workgroups will present their findings; and we will review the SCT agenda and proposed exercise.

Review and Approval of Meeting Summary from Meeting 4 (July 18, 2019):

Dave Somers asked if there were any corrections – there were no comments. *Kyoko Matsumoto Wright made a motion to accept the meeting 4 summary; the motion was seconded by Dan Rankin; the meeting 4 summary was approved unanimously.*

Re-cap of the Housing Affordability Challenge (Preview of SCT Presentation)

Karen explained Dave Somers and Nicola Smith will present this draft presentation at the SCT meeting. Nate Marti shared the presentation slides which identify some of the core issues affecting housing affordability, as has been shared in prior HART meetings. The presentation included the draft HART goals; a sample idea matrix that could show possible action items for each goal; and the questions that would be discussed at the SCT meeting. Karen asked if there were any comments about the presentation:

- Brian Holtzclaw suggested changing "homes" to "units" on slide 9
- Jennifer Gregerson suggested only including the number of full-time jobs a household would need to have to afford a 2-bedroom unit (slide 10)
- Brian suggested we include information about the housing stock in the county (i.e. 63% single-family homes) and how it would change to meet the goals

Remaining Steps in HART Process:

Karen explained the remaining steps and important dates for HART:

- SCT General Assembly presentation and exercise – 9/25/19
- Meeting 6 – 10/3:
 - Discuss SCT meeting input
 - Introduction of a 2nd "screening exercise" – poll will be conducted between meeting 6 and 7
 - Discussion of options for tracking/monitoring HART action plan
- Meeting 7 – 11/7:
 - 2nd screening exercise results
 - Review & discuss draft action plan
 - Continued discussion on tracking/monitoring
 - Review report outline/problem statement
- Meeting 8 – 12/5:
 - Karen will draft report to be reviewed and HART members will provide direction to finalize report and action plan
 - Review draft PPT for use by Cities/County in presenting the HART action plan

Review and Approval of draft “major goals” for Action Plan developed from HART Meeting 4 Exercise

Karen introduced the overarching goal for the Action Plan (redefined mission statement) and 5 major goals developed from the HART exercise in meeting 4 (not word-smithed or prioritized yet):

- Develop and implement outreach and education
- Promote greater housing growth and diversity to achieve a variety of housing types and improve job/housing connections
- Identify and act on strategies to preserve existing affordable housing, as a cost-effective method
- Take steps to increase density of housing on transit corridors and in job centers
- Identify an ongoing means of tracking our progress

Karen asked for consensus if these are on the right track? She further asked if there were any suggestions for tweaking this document before sharing with SCT. Jennifer Gregerson asked for word-smithing and clean-up, Nicola Smith reiterated this is high-level and still in draft form. There were no further concerns expressed. Karen confirmed that these goals will be presented at the SCT meeting next week.

Presentation & Discussion / Q&A of Workgroup Reports

Karen reminded everyone there were three Workgroups, with over 40 volunteers; they completed templates on items that HART rated 3.5 or greater (on a scale of 1-5) or that HART voted to include despite the ratings. Workgroups were also given an opportunity to add additional templates if they felt strongly a concept needed to be included and they had time to submit them. All groups used the same template/form. Wendy Roullier explained the Workgroup PowerPoint presentation was not included in the meeting packet but will be posted to the HART website after the meeting.

Outreach & Community Engagement Workgroup: Julie Moore, Chris Collier

Julie and Chris introduced themselves. Julie explained the need to develop meaningful, strategic, community engagement and outreach which also creates a better relationship with government.

Chris explained the Workgroup’s highest ranking item is E1/E2/E6 – develop messages and tools to educate residents about the need for, and benefit of affordable housing. This is challenging and takes political capital to make big changes; outreach is undervalued and underserved – needs to be proactive; think about how we can develop the tool box and messaging for changes you think aren’t possible now, to make them more likely to be made in the future. Chris mentioned BC Housing has a great tool kit that is available for this purpose. Julie added everyone should make sure to include engagement when talking about outreach.

The next highest rated template is E5 – authentically engage communities of color and low-income. We should develop a race and ethnic toolkit to have more inclusive decision-making processes.

Chris described E8 – educating communities about the benefits of density – as a tool in the toolbox; we need to explain that density is not a bad word – it means your local service providers are able to live in the same city/town as they work, can arrive to work on time, it increases community engagement. Need to think about how to increase density without displacing many and changing the feel of the jurisdiction.

Julie described E7 – expand engagement of non-government partners – how to collaborate and amplify our ability to increase affordable housing. Can leverage our shared talents and resources. Improves our overall messaging.

Chris concluded that outreach does take money and staff time. If something we talk about seems impossible, we can make it more possible by getting in front of it and educating the public to increase acceptance for future opportunities.

Policy & Regulatory Workgroup: Chris Collier, Kristen Kane

Chris explained this Workgroup had 20 members who compressed 36 highly rated templates into 28 completed templates. He reminded everyone that “change is the only constant” and showed a picture of the Lynnwood crossroads from the 50s (showing Highway 99). Change should be embraced rather than opposed.

Kristen introduced herself and thanked the Taskforce for allowing volunteers to do the work on the Workgroups. She showed the Housing Spectrum (types of housing and the related AMI ranges). She reminded everyone that housing for 50% or less than AMI requires policy and funding solutions working together. She noted that increased residential density can support development of housing for all income levels. Family make-up and wants have changed, but development patterns have not; new housing today will become the affordable housing of the future. It is important to require or incentivize market rate developers to produce affordable units, and to find ways to reduce construction costs for housing for 50% AMI. Anti-displacement strategies for communities of color and low-income households are important. Displacement often happens near transit centers.

Kristin continued that we can lay the groundwork for continued progress towards housing goals through jurisdictional collaboration; maybe a strategy could be used for a specific neighborhood if not able to be done city-wide. The over-arching goals for this Workgroup include:

1. Protect communities of color from displacement (P2) – keeping families together is essential for cultural survival – need to identify those locations in the county to target these strategies
2. Prioritize affordable housing near transit (P5/21)
3. Increase housing for households at 50% AMI and below (P6)
4. Provide a variety of housing options (P1/27/53)

Chris explained they reviewed the templates and put them in overarching categories

- Affordable housing
- Long-range planning
- Taxes, fees and incentives
- Process improvements
- Zoning, regulations, uses and density.

There are many interrelated policies (overlap); there are opportunities to expand and adjust. He then presented the following categories of templates:

Zoning, Regulations, Density in Transit and Urban Centers:

- Priority #1 – Density Along Transit (P8/24) & Incentivize Affordability (P9/39)
- Priority #2 – Parking (P12/18/44/45) – related directly to housing and number of units.

Chris noted that parking stalls cost approximately \$5000 per stall in unbuilt housing units; he shared some pictures of actual examples of developments with increasing density for 50 units per acre, 85-156 units per acre; >160 units per acre. He explained walkability and access to transit are important and showed pictures for developments with 300-325 units per acre that have access to transit, shopping, and park space. He explained both millenials and older generations prefer these due to lower maintenance needs. This density can also utilize incentive zoning.

Zoning, Regulations Density in Cities and Neighborhoods:

- Priority #1 – Variety of housing options (P1/27/53); Increased Multifamily Zone Impact (P37)
- Priority #4 – Increase ADU Utilization (P29)
- Priority #5 – Revise Single Family Zoning Code (P27) – look at where it works in your city and where it could be holding you back.

Chris showed pictures of various densities of development and asked members if they felt any of these examples had no place in city (what would be accepted by the community). He said the pictures are all “missing middle” housing options (duplex, 6-13 units/acre; courtyard apartments, bungalow court, 8-31 units/acre; live/work, 34 units/acre; and midrise apartments, 50-60 units/acre).

Process Changes:

Items in this category include:

- Appeals & Approvals
- Reviews, hearings, determinations
- Project Assembly & Application

For developers to change a property from single-family home to multi-unit dwelling, they currently have to go through a paragraph-long list of tasks need to be completed. The Workgroup suggested finding ways to reduce the number of processes, which then reduces time and ultimately money for the developer. However, process is just a piece of the puzzle.

Preservation of Affordable Housing:

Chris stated that Snohomish County is losing lots of naturally occurring affordable housing. He shared some examples:

- Carvel, Mukilteo (230 units): garden style apartments, close to Boeing. All units were affordable to households at 80% AMI; the property was put up for sale as a value-add acquisition in 2016; 115 units were renovated and were no longer affordable to 80% AMI; owner attempted another sale for value-add acquisition, but HASCO purchased the property to preserve the remaining 115 units as affordable housing
- Greenview Apartments, Mountlake Terrace (112 units): rents were affordable to 40% AMI (many elderly and disabled occupants). It was acquired as value-add in 2019; occupants received 20-day notice to vacate; renovated unit rental price is now 200% higher.

Taxes, Fees, Incentives:

- Priority #2 – Surplus Land (P23/48) – provide surplus and underutilized land for housing for 50% AMI; examples noted include:
 - Centennial Trails Senior Housing, Snohomish (21 units) – developer approached city to utilize old railroad yard for housing rather than developing it as parking lot; purchased property for \$1 per year for 75 years; housing is restricted to seniors at or below 60% AMI
 - Clare’s Place, Everett (65 units) – this development will be discussed later
- Priority #3 – Fee Waivers (P13/19/20/33) – waive or reduce impact, mitigation and utility connection fees for housing developed for 50% AMI. Reduced fees can aid unit development or if not done, can make a project too expensive to complete; example:
 - Monroe Family Village (47 units) – Housing Hope received waivers of traffic mitigation, school impact, and park impact fees; these waivers reduced the funding gap by \$5,000/unit (\$240,000); housing is restricted to those at 30% or 50% AMI and formerly homeless families.
- Priority #4 – Multifamily Property Tax Exemption (P40) – exempt in transit and job centers, in exchange for housing for lower income levels; various options are available at different incentive levels

Long Range Planning:

- Priority #4 – Regional Collaboration (P7) – share information and resources in a regional collaboration to produce affordable housing. The Alliance for Housing Affordability (AHA) is a current resource in the County that has been operating for 6 years. It was created after an SCT report and members includes 13 cities and the county. AHA could expand the scope of work.
- Priority #4 – Housing Authority Cooperation Agreements (P4) – agreements between cities and the Housing Authority support development of affordable housing within each city (ex. Carvel).
- Priority #5 – Housing Goals (P22/47) – establish specific affordable housing goals and provide more accurate information in Comprehensive Plans. Every city has a number of cost-burdened households. The Workgroup recommends HART conduct a gap analysis for current housing needs compared to future housing needs in each jurisdiction. Setting goals says you are committed to meeting those goals by developing strategies to meet them and specifying how you can track the progress.

Brian Holtzclaw commented that it would be helpful to know what the existing housing stock (units) is for each of the types shown on the housing spectrum slide. He asked if we have reached out to private developers to see what is holding them back and what government can do to make changes. We need to focus on process issues and shared a phrase from Vision 2050, “business as usual is not going to get it to this.” He shared an example that a resident couldn’t get a short-plat approved and found out that the Association of Washington Cities (AWC) had lobbied against legislation that would have allowed it to go through. The SEPA review process only adds time – developers are already doing the other tasks required to comply with other plans – should be exempting project from SEPA review. He liked all the pictures shared as examples – community members say they don’t like “density” but say “that’s not bad” when they see the pictures – or they say, “build it over there.” He noticed the buyer market hasn’t switched over yet – if a household is looking for a house they can afford, they don’t change the type they look for, but instead, look at where they can find what they want (including moving out of the area). He thanked the Workgroup for their work.

Liam Olsen asked if there is an approach to preserving older homes and have tools been developed about educating the public especially with pictures to show what it might look like. Chris responded yes, they are doing community outreach events and bus tours to provide examples. Older homes were not included in the templates, but there are some strategies within funding that could address renovating and preserving older homes. At the state level there is proposed legislation for creating a rehabilitation tax exemption for cities that may not result in zoning changes, however, could allow developers to demolish and rebuild. This could be negative if a developer demolishes a multifamily property and builds as single family property.

Brian Holtzclaw asked if ½ mile within transit is considered “walkable” and if that is an industry standard because he thought Community Transit used a ¼ mile reference point. Kristen thought ½ mile was primarily used for train or rapid transit and ¼ was used for standard/local bus stop transit (i.e. a 10-minute walk to the bus).

Elizabeth Mitchell expressed having difficulty reconciling the different explanations of what millennials desire and the comment that single-families will continue to look farther out for what they want. Kristen explained the demand is also based on what is available and allowable, but she would expect that there would be more demand for local housing if there were more options for the missing middle. Chris explained the “drive until you qualify” is already beyond Snohomish County borders (i.e. median housing purchase price requires \$125,000 income so people drive outside the County to find housing they can qualify for).

Brian Holtzclaw stated the need to take timing into consideration of adopting these ideas (i.e. zoning changes will have longer-term impact) and HART will need to prioritize recommendations for some short-term ideas for the plan as well. Since 2023 is the next Comprehensive Plan (Comp Plan) update, density changes cannot be completed before then. Dave Somers explained the County is looking at Accessory Dwelling Units (ADU) and other density options that we can act on prior to 2023.

Funding Workgroup: Janinna Attick, Fred Safstrom

Fred explained they had 19 members working on 17 templates. He explained ballot items were grouped into categories:

- new local resources
- priorities for resources
- maximizing external resources, and
- streamlining efficiencies

New Local Resources includes F07 (Surplus and underutilized property), F17 (Multi-Family Tax Exemption – MFTE), F23 (Sales Tax Offset – HB 1406), and F03 (Housing Levy).

Maximize External Resources includes a new concept to increase competitiveness for State and Federal funds and F24 (Planning Grants – HB 1923). He explained there are many application criteria that can increase our competitiveness.

Streamlining Efficiencies includes F20 (Condo Projects) and F19 (Lobbying for changes in State and Federal Law to enable streamlined and/or consolidated funding).

Priorities for Resources includes F09 (maximize resources for Transit-Oriented Developments), F01 (target CDBG and HOME funds for housing), F21 (stabilizing funding for housing and homeless programs), F11 (expand supports for low-income renters and people with disabilities), F15 (support creation of Community Land Trusts), F08 (develop a short-term acquisition loan fund for preservation), F22/F02 (fund home repair programs for low-income homeowners), and F12 (increase investments in communities of color and low-income communities at risk of displacement).

The *Key Findings* of the Workgroup focused on the areas of affordable housing that require government support since changes for those with 50% AMI or above are primarily addressed through policy. In addition, the State Constitution limits local government housing support at 80% AMI or below. Snohomish County needs more housing at 50% AMI or below – in 5 years, only 207 units for 0-30% AMI and 120 units for 31-50% AMI were created. Also need to preserve existing affordable housing.

The Puget Sound region is losing low-rent stock rapidly with a 50-67% decline in units with rents under \$800 between 2011 and 2017. We need funding to create and preserve units, for operational support, and services for residents: for every \$1 of local funding, at least \$5 can be leveraged. Fred added that Housing Hope leverages approximately \$20 for \$1 of local funding.

Janinna explained the Workgroup's top concepts of six priority items, noting that they are difficult concepts to put into action:

1. F03 – Countywide Affordable Housing Levy – ranked #1 as most impactful strategy, allows us to better leverage external resources to build and preserve housing and fund HART's priorities
2. F07 – Surplus/Under-Utilized Property – land can be 10-20% of the cost of an affordable housing development; developers may be given access to public land dedicated to affordable housing that would typically be purchased by private developers

3. F21/F06 – Stabilize Funding / County Growth Fund – property tax revenue from new construction (new growth) should support filling the growing affordable housing need; it addresses the lack of funding but does not require a public vote; consider that the associated funds may have been earmarked for other things
4. F11/F26 – Expand supports for renters/Fund Operating Costs – provides a way to support the continued operations for affordable housing developments (i.e. serving those at or below 50% AMI) to help the agency with rental unit cost as well as supporting residents to maintain their housing and/or move up through the housing spectrum. An example is Clare’s Place (65 units): the land was donated by City of Everett; various funders for development costs; project-based vouchers help with total unit cost; services provide with funds from Everett and Snohomish County
5. New – Implement Changes to Increase Competitiveness for Funding – state and federal funders give priority to various criteria within projects; project applicants can gain additional points in application if they meet the priority criteria; criteria may align with other HART priorities like housing near transit. For example, the State Housing Trust Fund gave extra points for projects that included child care facilities
6. F15 – Support Creation of Community Land Trusts (CLT) – they take long-term ownership of land and agree to long-term leases for housing on the land; this can restrict the purchase price to address maintaining the affordability longer term; organizations and/or jurisdictions could provide funds to start up a CLT and/or donate surplus land to a CLT

Brian Holtzclaw asked why HB 1406 (sales tax rebate) was not a high rated item. Janinna explained it is a new local resources and in the process of being implemented, so the Workgroup did not feel it was a high-priority for their recommendations. Brian asked if it would be worthwhile to have conversation about how cities and the County collaborate and if there is an idea of how much would be available. Alessandra explained it is up to \$2.3 million per year for 20 years, however, if not sequenced right it could only garner up to \$1.6 million per year for 20 years (it is all dependent on sales tax). MJ explained we also need to figure out what to do with the funds (other than it must be used for those at 60% AMI or below); for example, any city (except Everett, which is too large of a population) could use the funds for housing vouchers. Brian noted that Mill Creek determined they would receive \$24,000. Barb Tolbert asked if this discussion would be included in a future HART meeting. Dave Somers responded it could be added. Barb said it would be good to have some “if-then” and “what does it look like” scenarios, especially with the different layers of funding that could be used. MJ suggested it could be done in an action workgroup once the funding is determined. Alessandra added we could poll the various cities to determine their intents. Barb explained she doesn’t currently have enough information to even take it forward to her council to determine their city’s intent. Jennifer Gregerson stated Mukilteo will likely use some collaboration (i.e. give fund to the AHA Trust Fund), which would be especially helpful for those jurisdictions that do not have the capacity to manage the funds on their own. Dave suggested having a separate conversation specifically for this topic where we can look at the pros and cons of all options and discuss what can be done by each jurisdiction. He added it would make sense to include those that would write the legislation for each jurisdiction. He offered to pull together a Workgroup.

Brian Holtzclaw asked about the housing levy. He expressed concern that the community support is waning and the community complains about other infrastructure issues (not affordable housing). Janinna explained it would require a robust community outreach and engagement process to explain the need, ask what they see as issues, etc. Karen explained there will be major work to be done before a levy would be put forth to a vote of the people. She suggested HART members could either include it in the action plan as a long-range item, acknowledging there would be a bunch of work prior to a vote, or could choose to leave it out of the action pan completely.

Review of SCT Exercise for September 25 General Assembly:

Karen shared the HART presentation for the SCT. She explained we may use some of the slides from the Workgroup Presentations, in finalizing the presentation shared with HART at the beginning of today's meeting. The materials will include some sample of things that we talked about today, to get SCT attendees' feedback about the five goals and sample tactics. We will clarify that there is no final endorsement by HART of any particular ideas. In terms of deciding what sample ideas to present, we could share HART's top rated ideas. Karen gave some examples.

Nicola Smith commented she does not see the Levy listed, but HART could include it to get SCT attendees' reaction. Dave Somers agreed the samples should include the priorities of the Workgroups as well as higher rated ideas from HART. Barb Tolbert agreed using a chart to show the Workgroup priorities would be helpful (similar to the "New Local Resources" diagram in the Funding Workgroup presentation). Karen asked how many HART members would be in attendance. She hoped for Taskforce members to be able to clarify discussions at the tables. We will be asking for written comments from SCT table groups.

Next Meeting: Thursday, October 3, 2019 at 4:00 pm. at the City of Everett Training Room (5th floor, Everett Municipal Building) at 2930 Wetmore Ave.

The meeting adjourned at 6:00 pm.