Appendix 1: Draft Memorandum of Understanding

Note: The report recommendations suggest that a new organizational structure should be established to oversee the governance of an inter-jurisdictional affordable housing program. The recommendations state that the members of the new program should create a Memorandum of Understanding (MOU), or a formal inter-local agreement, to define the roles and responsibilities for the participants. The following provides a draft of an MOU document, with some sections fleshed out based on the recommendations in the report, and others listing key issues that need to be resolved. The questions in italics represent the topics that should be addressed in each section.

* * * *

This Memorandum of Understanding is entered into by and between _______ [list the initial signers], pursuant to the Interlocal Cooperation Act, Chapter 39.34 Revised Code of Washington, and has been authorized by the governing body of each signer.

1. Rationale

Topics Section 1.1 should address: Why did the signers decide to create this agreement? Who will sign?

1.1. Initial signers. The signers of this Memorandum of Understanding (MOU) are responsible for local and regional planning for housing in their jurisdiction within Snohomish County. The signers find it in their mutual interest to address affordable housing issues on a countywide basis and to increase the supply of affordable housing.

Topics Section 1.2 should address: What actions led to this decision? Why is it in the jurisdictions’ interest to work together to increase affordable housing? What relationship will this initiative have with existing affordable housing organizations and/or programs?

1.2. Background. In 2007, Snohomish County Tomorrow, an inter-jurisdictional forum consisting of representatives from the county and each of the cities as well as from the Tulalip Tribes, successfully applied for a competitive Growth Management Act planning grant from the Washington State Department of Community, Trade and Economic Development. The purpose of the grant was to analyze the potential to increase the supply of affordable housing in Snohomish County through intergovernmental collaboration. The Housing Subcommittee of the Snohomish County Tomorrow Planning Advisory Council (PAC) directed the study. It included review of existing housing plans and policies, interviews with key stakeholders, and research on best practices nationally. Based on this study and on input from stakeholders and Snohomish County Tomorrow members, the PAC recommended that local and tribal governments join together on a voluntary basis to form a multijurisdictional affordable housing initiative in Snohomish County.
Affordable housing needs in Snohomish County have been well documented. Snohomish County Tomorrow estimates that in 2007, 80,000 households, earning 100 percent or less of the county median income, were cost-burdened, that is, spent more than 30 percent of their income on housing expenses. The multijurisdictional initiative will provide new tools for participating members to address the affordable housing needs throughout the county.

The signers of this MOU desire to act cooperatively to establish goals, policies and programs for affordable housing in Snohomish County in order to help them meet their affordable housing needs. This cooperative action will focus attention on affordable housing issues, encourage sharing of information on successful policies and programs, and provide joint planning and a consistent approach that will help attract public and private resources for developing affordable housing.

There is an existing network of private nonprofit housing developers, housing authorities, private developers and lenders who are developing affordable housing in Snohomish County. The new multijurisdictional affordable housing program will assist member jurisdictions to work more effectively with that network.

2. Purposes

Topics Section 2.1 should address: What is the purpose of this agreement? What kind of entity will be created?

2.1. Purpose of MOU. The purpose of this MOU is to establish a new multijurisdictional initiative dedicated to increasing the supply of affordable housing in Snohomish County.

Question to be resolved:

- If the signers want to create a separate legal entity, such as a 501(c)(3), this section should reflect this decision. Currently this proposal contemplates a collaboration among jurisdictions without creating a new, separate legal entity.

Topics Section 2.2 should address: What will be the mission/goals of the new initiative? What outcomes for affordable housing will the initiative work to achieve?

2.2. Goals and outcomes of the initiative. The goals of the initiative are to:

- Facilitate collaborative work by member jurisdictions to increase the supply of affordable housing in Snohomish County; and
- Increase understanding and acceptance of affordable housing needs and solutions throughout all Snohomish County communities.

The initiative shall work to achieve the following outcomes:

1. There will be a measurable increase in the number of affordable housing units throughout Snohomish County, including:
a. More affordable rental housing opportunities for households making up to 50 percent of county median income, especially for seniors, those with disabilities, veterans, families with children, and those working in the service industry and as laborers.

b. More affordable home sales opportunities for home buyers making less than the county median income, especially for first-time home buyers and those working in Snohomish County communities who cannot afford to buy a home (e.g., teachers and public safety workers).

2. More affordable housing (both rental and ownership opportunities) in all participating communities, especially where there is a need for more housing and a lack of affordable housing. Affordable housing shall be located where there is good transportation and access to employment opportunities, amenities and services.

3. Over the long run, local governments shall contribute additional resources toward meeting affordable housing needs in Snohomish County. Resources may include direct financial contributions, fee waivers, donations of land, in-kind contributions, or other forms of support. During the current economic climate, however, local government resources used for affordable housing shall remain about the same.

3. Powers of the Initiative

Topics Section 3.1 & 3.2 should address: How will the initiative assist the members (parties to the agreement) with their local work on affordable housing? What kinds of strategies and activities will the initiative pursue?

3.1. Scope. The initiative shall conduct technical assistance, planning, educational and fund development activities that meet the needs of the members, under a work plan approved by the initiative’s Board of Directors.

3.2. Strategies and activities. The initiative shall use the following strategies to assist the members (signers of this MOU) to better meet their affordable housing goals:

- Research and share information on successful policies and programs that help create affordable housing.
- Provide staff expertise in affordable housing planning, design and implementation to assist the members.
- Provide education about affordable housing for municipal and county officials, and the public.
- Help to identify and secure additional federal, state, local and private resources for the development of affordable housing in Snohomish County.

The following list of activities is a menu of potential work plan items for the initiative. Many of these activities would benefit multiple jurisdictions; some may benefit only a single
member jurisdiction. As noted below, the initiative’s Board of Directors shall approve its annual work plan.

- Identify strategies and goals to address identified affordable housing needs that are specific to each participating jurisdiction.
- Assist in preparing affordable housing components of comprehensive plans, as required by the state Growth Management Act.
- Develop regulatory or incentive strategies to encourage development of affordable housing (e.g., bonus densities, fee waivers, expedited permitting, accessory dwelling units, use of public lands, design guidelines, cottage housing, etc.).
- Serve as a liaison with nonprofit and for-profit developers of affordable housing.
- Conduct grant writing and other forms of fundraising to support affordable housing. Identify and assess appropriate funding opportunities, and work with member communities to pursue these grants.
- Develop means of sharing information among jurisdictions about effective affordable housing strategies, as well as potential pitfalls in designing or implementing strategies.
- Conduct research on regional and national best practices for affordable housing.
- Conduct educational outreach on affordable housing needs and solutions for elected and appointed officials, and the public.
- Monitor affordability conditions/restrictions for affordable housing units created through local incentive programs of member jurisdictions.
- Explore the feasibility and timing of securing potential resources (from local, state, federal and private sources) to create a local housing trust fund, which could be particularly helpful as economic conditions improve.

4. Membership

Topics Section 4.1 & 4.2 should address: Who can be members? Who are the initial members? How do new interested parties join?

4.1. Initial membership. The initial members of the initiative are the signers to this MOU.

4.2. New members. Membership in this initiative shall be open to county, city and tribal governments in Snohomish County that agree to accept the responsibilities listed below and that sign this MOU. Interested governments may apply to the initiative’s Board of Directors, and may join with the Board’s approval, and upon signing this MOU and providing the agreed-upon monetary contribution as their share of the initiative’s annual cost.

Questions to be resolved:
- Should membership be open to any other entities (such as nonprofit and/or for-profit developers), or just governments?
Topics Section 4.3 should address: What are members’ responsibilities?

4.3. Responsibilities of membership. Members agree to make an initial and an annual monetary contribution to the initiative (see 10.2 below), and to serve on the Board of Directors. Members shall be required to secure approval of the MOU from their governing bodies.

Questions to be resolved:
- Will there be other required responsibilities?
- Should each participating jurisdiction be required to secure approval from its own governing body for the initiative’s annual work plan and budget (as ARCH does)?

Topics Section 4.4 should address: How does a member resign?

4.4. Withdrawal from membership. A member may withdraw as of the end of any fiscal year by giving six months written notice to the Board of Directors. The withdrawing member is legally and financially responsible for any obligation incurred pursuant to this MOU while a member of the initiative, and is not entitled to the return of any funds, goods or services contributed to the initiative.

Questions to be resolved:
- What length of notice is needed if a party wants to withdraw? (HEART requires 90 days, ARCH one year.)
- Will withdrawals be allowed mid-year? How would that work? (Neither HEART nor ARCH allows this.)

5. Governance

Topics Section 5.1, 5.2 & 5.3 should address: How many seats will be on the Board of Directors? How will the member jurisdictions (parties to the agreement) be represented on the Board? What officers will there be?

5.1. Board of Directors. The initiative shall be governed by a Board of Directors that gives the members representation and uses collaborative decision making. The Board shall be made up of one representative from each participating jurisdiction signing the MOU.

The governing body of each participating jurisdiction shall select its representative to the Board of Directors. The term of office on the Board shall be two years, with no limit to the number of terms a Board member may serve.

Questions to be resolved:
- Will only elected officials from member jurisdictions be allowed to serve on the Board of Directors? If a board member cannot attend a meeting, will alternates be allowed to vote in their place?
• What will be the Board members’ terms of office? Will there be a limit to the number of terms one person may serve? (HEART has three-year terms with no limit on the number of terms; ARCH has no term length, since the Board members are the CEO of each party.)

5.2 Powers of the Board. The Board shall provide shared decision-making regarding the direction and policies of the initiative and the use of resources. The Board shall approve the initiative’s annual work plan and budget, and oversee the work of the initiative’s staff. The Board shall establish the responsibilities of the initiative’s director, and shall have the power to hire, evaluate and, if it finds necessary, terminate the director.

The Board may adopt Bylaws and/or other rules and procedures it deems useful for the initiative’s governance.

5.3. Officers. The Board of Directors shall have the following officers: Chair, Vice Chair, and Secretary. The Chair shall preside at meetings. The Chair shall be selected by majority vote of the Board. The Board shall appoint a Vice Chair from among its members, who shall preside at meetings in the Chair’s absence. The Board shall appoint a Secretary who may or may not be members of the Board.

Questions to be resolved:
• What officers will there be?
• What are the officers’ responsibilities?
• How will the officers be selected – vote of the Board?
• Will there be standing committees? (Examples: Executive Committee, Member Agency Committee [used by HEART since not all members are on the Board])

Topics Section 5.4 & 5.5 should address: Will there be an Advisory Committee? If so, how will it be constituted? How many members will it have? What is its role and relationship to the Board of Directors?

5.4 Advisory Board. An Advisory Board shall serve as a sounding board for the Board of Directors, and shall provide advice and recommendations to them. The Advisory Board shall have [# to #?] members representing different aspects of the affordable housing field, such as for-profit and non-profit developers, lenders, philanthropy, affordable housing advocates, and special district, state and federal officials. In addition, jurisdictions that are not members and do not have a seat on the Board of Directors may join the Advisory Board.

Advisory Board members shall be appointed by the initiative’s Board of Directors. Each Advisory Board member shall have a two-year term, with service limited to two consecutive terms.

The Board of Directors shall adopt procedures for the convening and administration of the Advisory Board. An Advisory Board member may be removed from the Advisory Board by a majority vote of the Board of Directors.
5.5. **Advisory Board Officers.** The Advisory Board shall have a Chair selected by the Board of Directors. The Chair shall preside at meetings. The Advisory Board shall appoint a Secretary, who may or may not be a member of the Advisory Board.

Questions to be resolved:
- How many members or what range (e.g., seven to 20) will the Advisory Board have?
- Will it include representation outside the affordable housing field?
- What will be their terms of office?
- Will the Advisory Board Chair be selected by the Board of Directors or elected by the Advisory Board itself?
- Will the Chair have other duties besides presiding at Advisory Board meetings?
- Will the Advisory Board have a Secretary and/or other officers?
- How may an Advisory Board member be removed?

6. **Personnel**

*Topics Section 6.1 should address: What kind of staff will manage the initiative?*

6.1. **Initiative Director.** The initiative shall be managed by a full-time (1 FTE) director, who shall report to the Board of Directors. The director shall be responsible for providing day-to-day organizational leadership, proposing the initiative’s annual work plan to the Board, implementing the work plan, and representing the initiative to the community. In addition, the director shall provide staff support on affordable housing issues for all member jurisdictions.

The director shall be selected by the initiative’s Board of Directors. Qualifications for the position include: (1) extensive knowledge about affordable housing development programs, and issues; (2) experience with and knowledge about local government; (3) the ability to work collaboratively with city, county and tribal planning staff; (4) experience working with elected officials and community groups; and (5) program/project management experience.

Questions to be resolved:
- Will the initiative be managed by a paid staff person (director), or through a contract with an existing organization, or some other method?
- What are the director’s responsibilities and authority?

6.2. **Administrative support.** One or more entities shall serve as a “host” organization to provide administrative support for the initiative. This role may include such functions as: administrative assistance, information technology, contracting, accounting and payroll services, human resources, and use of space and equipment. This administrative support may be provided as an in-kind contribution or on contract to be paid/reimbursed by the other initiative members.
Questions to be resolved:
- What entity will provide administrative support functions?
- What are the terms of the agreement with the entity that provides administrative support?

7. Meetings of the Board of Directors

Topics Section 7 should address: How often will the Board meet? Who will preside? What constitutes a quorum? What vote is needed to make a decision? How and by whom will the meetings be documented?

The Board of Directors shall meet at least monthly. The Chair of the Board shall preside. A quorum is defined as a majority of Directors. No action may be taken except where a quorum is present.

Each Director shall have one vote on any matter presented to the Board for a vote. All decisions and actions shall be by affirmative vote of a majority of the Directors representing a quorum at the meeting.

The Secretary shall create a meeting summary or minutes for each meeting and ensure that copies are forwarded to the other Board members.

Questions to be resolved:
- Will meetings be open to the public?
- What vote is needed to approve/disapprove an action? HEART requires a majority of the total number of Directors; ARCH requires a majority of the Directors present at the meeting (as long as a quorum is present).
- How and by whom will the meetings be documented?

8. Meetings of the Advisory Board

Topics Section 8 should address: How often will the Advisory Board meet? Who will preside? What constitutes a quorum? What vote is needed to make a decision? How and by whom will the meetings be documented?

The Advisory Board shall meet quarterly. The Chair of the Advisory Board shall preside. A quorum is defined as a majority of Advisory Board members. All decisions and actions shall be by affirmative vote of a majority of Board members present, assuming a quorum is reached.

The Advisory Board Secretary shall create a meeting summary or minutes for each meeting and ensure that copies are forwarded to the other Advisory Board members and to the initiative’s Board of Directors.
Questions to be resolved:
- What constitutes a quorum?
- Will meetings be open to the public?
- What vote is needed to approve/disapprove an action?
- How and by whom will the meetings be documented?

9. Budget and Work Plan

*Topics Section 9 should address:* What will the initiative’s fiscal year be? How will the annual work plan and budget be developed? What approvals are needed?

9.1. Budget and work plan development. The initiative’s fiscal year shall be _________. The initiative’s director shall develop the annual work plan and budget, which shall include an itemization of each member’s contribution. The annual work plan shall include measurable objectives based on a sound needs analysis. The initiative’s director shall work with the Board to ensure that the work plan meets the needs of the member jurisdictions.

9.2. Review and approval. The Board of Directors shall review and vote to approve the annual budget and work plan at a scheduled Board meeting.

9.3 Progress reports. The initiative’s director shall conduct evaluation activities and report to the Board quarterly on the budget and on the initiative’s progress toward achieving the desired objectives and outcomes.

Questions to be resolved:
- What shall the initiative’s fiscal year be?
- Should the governing bodies of the member jurisdictions approve the budget, as ARCH does, since they shall be making a contribution to fund the work?

10. Funding and Contributions from Members

*Topics Section 10 should address:* How is the initiative funded? What is the required contribution from members? How is the amount determined? Can in-kind contributions substitute for cash? How will delinquencies be handled?

10.1. Sources. Funding to support the initiative shall come from multiple sources, including a contribution from each member and funds from grants, such as Community Development Block Grant (CDBG) funds, State funds, and private philanthropy.

10.2. Member contributions. Every member of the initiative is required to make an annual monetary contribution to support the initiative’s operation. Each member’s contribution shall be its pro-rata share of the revenue needed for the initiative’s operating budget, as adopted by the Board of Directors. The pro-rata share of each member shall be based on its
population. Member contributions are to be paid quarterly by the first day of the quarter. Member contributions are to be in the form of money, unless the Board of Directors approves another form of contribution, such as services, personal property, use of real or personal property, or other in-kind contributions. The acceptance and valuation of any such non-monetary contributions shall be as determined by the Board of Directors.

Questions to be resolved:
- Should the program require annual contributions from members? If so, how are the amounts determined, and will this be payable on an annual or a quarterly basis?
- How will the initial contributions be determined?
- Can in-kind contributions substitute for cash contributions? (Sample language above on non-monetary contributions is from HEART)
- Will there be separate dues or assessments?

10.3 Delinquencies. If a member fails to pay its required contribution by the due date, the member shall not be entitled to vote on matters before the Board of Directors until the contribution has been paid.

Question to be resolved:
- How will payment delinquencies be handled? HEART says that failure to pay by the due date forfeits the right for the entity to have a director on the Board. ARCH says failure to pay for three months means the entity is not entitled to vote on the Board.

11. Term of Agreement

Topics Section 11 should address: How many signers are required for the agreement? What is the effective date and term of the agreement?

11.1. Effective date and term. This MOU shall be considered in effect once it is signed by at least [three?] jurisdictions. The signers agree to participate for at least two years.

Questions to be resolved:
- How many signers are required for the agreement? Or will some other measuring stick be used, such as the county plus a certain number of cities, or enough jurisdictions to provide $____ for the initial operating budget?
- What is the effective date and term of the agreement?

11.2. Renewal. At the end of two years, the Board of Directors shall evaluate the initiative's progress. The Board of Directors shall make a recommendation to the governing bodies of the member jurisdictions as to whether the Memorandum of Understanding should be renewed and whether the initiative should continue.
Questions to be resolved:
- How will the decision be made to renew the initiative/MOU?

11.3. Termination. The initiative can be terminated by an affirmative vote of a majority of the Board of Directors. If the initiative is terminated, its assets and liabilities
_______________.

Questions to be resolved:
- What are the procedures for termination?
- If terminated, what will happen to the initiative’s assets and liabilities?

12. Amendments

Any amendments to this MOU must be in writing, authorized by the governing bodies of all parties to the MOU, and evidenced by the authorized signatures of all parties.

Question to be resolved:
- How can the MOU be amended?

13. Liability of members

Each signer of this MOU shall be jointly and severally liable for any claims, damages or other causes of action arising from the activities of the initiative, its officers, employees and agents, except as expressly set forth in Section 6.2 of this MOU with regard to personnel directly provided to the initiative by an initiative member; provided that the initiative shall take all steps reasonably possible to minimize the potential liability of the signers, including but not limited to the purchase of liability, casualty, and errors and omissions insurance, and the use of sound risk management techniques. To the extent reasonably practicable, all signers shall be named as additional insureds on all insurance policies of the initiative.

14. Severability

The invalidity of any clause, sentence, paragraph, subdivision, section or portion thereof, shall not affect the validity of the remaining provisions of this MOU.

15. Counterparts

This MOU may be signed in counterparts, and if so signed, shall be deemed to be one integrated MOU.
Questions to be resolved:
- Sections 13 – 15 above come from sample agreements as examples of language on legal issues.
- Are there other legal issues that need to be addressed?

_______________________
Name of Party
By: ____________________
Date: ___________________

_______________________
Name of Party
By: ____________________
Date: ___________________

_______________________
Name of Party
By: ____________________
Date: ___________________
Appendix 2: Logic Model of Proposed Inter-jurisdictional Housing Program

Introduction to Logic Models

A “logic model” is a shorthand method of presenting and tying together key elements of a program's design and goals. These elements typically include: the resources needed/available to operate the program, the proposed activities to be undertaken, the amount of product or services to be delivered, and the changes or results that the program hopes to achieve.

Ideally, a logic model provides a “road map” that visually connects the identified need with the planned program’s desired results. This mapping can help stakeholders in a program visualize and understand the relationships between the proposed human and financial investments, planned work and intended results.

A typical five-part logic model would look like this:


The logic model on the following page illustrates the program concepts, resources, activities and outcomes for the Proposed Interjurisdictional Affordable Housing Program in Snohomish County.
## Feasibility Study of Inter-jurisdictional Housing Programs for Snohomish County

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources dedicated to or consumed by the program:</td>
<td>What the program (i.e. the Board, its staff, or the PJ) does with the inputs to fulfill its mission:</td>
<td>The direct products of program activities:</td>
<td>Benefits for participants during and after program activities:</td>
<td>Desired long term result of the program:</td>
</tr>
<tr>
<td><strong>Dedicated Financial Resources</strong></td>
<td>Identify strategies to address identified affordable housing needs specific to each PJ.</td>
<td>GMA compliance and consistency of local plans with CPPS.</td>
<td>The Snohomish County Inter-jurisdictional Affordable Housing Program exists to help PJ's meet their affordable housing goals.</td>
<td>Everyone in Snohomish County has a variety of decent, safe, and affordable housing opportunities.</td>
</tr>
<tr>
<td>Participating jurisdictions' (PJ's) own monetary sources.</td>
<td>Assist in preparing affordable housing components of comprehensive plans, as required by the State GMA.¹</td>
<td>Land use and development controls (incl. impact fees) that achieve their intended benefits with the least additional cost to housing.²</td>
<td>1. More affordable housing in all participating communities, especially where the need is greatest and where there is good transportation and access to employment opportunities, amenities, and services.</td>
<td>Decrease in households experiencing housing cost burden, especially for priority populations and economic segments.</td>
</tr>
<tr>
<td>State and federal (pass-through) grants.</td>
<td>Develop regulatory or incentive strategies to encourage affordable housing.</td>
<td>PJ's are able to implement incentive and regulatory programs that effectively realize intended purposes for spurring creation of affordable housing.</td>
<td>a. More affordable rental housing opportunities for households making up to 50% of the county's median income, especially seniors, people with disabilities, veterans, families with children, and people who work in our communities (such as service workers and laborers).</td>
<td>Decrease in homelessness throughout the county.³</td>
</tr>
<tr>
<td>Philanthropic sources.</td>
<td>Liaison with nonprofit and for-profit developers.</td>
<td>Improved conditions for housing developers to preserve and create new affordable housing units, resulting in increased production of low-cost housing.</td>
<td>b. More affordable home ownership opportunities for households making less than the county's median income, especially first-time homeowners and people working in our communities (such as teachers and public safety workers).</td>
<td>Everyone in Snohomish County has fair and equal access to housing, regardless of race, color, religion, gender, sexual orientation, age, national origin, familial status, source of income, or disability.⁴</td>
</tr>
<tr>
<td>Dedicated Staff Capacity</td>
<td>Write grant applications and other forms of fundraising to support affordable housing.</td>
<td>Preservation of low-cost housing, including mobile home park housing, SRO housing, and manufactured housing.⁵</td>
<td>All residential communities in PJ's enjoy sustained vitality and character.</td>
<td></td>
</tr>
<tr>
<td>Professional staff that complements existing local expertise and authority.</td>
<td>Develop means of sharing information among PJ's + conduct research on best practices.</td>
<td>Increased awareness and understanding of affordable housing among the general public, elected officials, private developers, lending institutions, and philanthropy.</td>
<td>2. Neighborhoods with affordable housing supported by the program are safe and have healthy property values.⁶</td>
<td></td>
</tr>
<tr>
<td>In-Kind and Non-Monetary Contributions</td>
<td>Conduct educational outreach on affordable housing needs and solutions.</td>
<td>A wider range of densities, housing types, and prices within communities, where needed.⁷</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land donations/discounts, fee waivers/discounts, development incentives, loan guarantees, etc. that provide monetary value toward affordable housing construction or preservation.</td>
<td>Monitor affordability conditions for units created through local incentive programs of PJ's.</td>
<td>A host agency for office space and back office support.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A host agency for office space and back office support.</td>
<td>Pursue opportunities to secure resources for a local housing trust fund.</td>
<td>Governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Other planning identified by PJ's.</td>
<td>Governing board to include representatives of cities, county, and tribes who voluntarily join the program.</td>
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<td></td>
</tr>
<tr>
<td>Professional staff that complements existing local expertise and authority.</td>
<td>Communication and education by elected officials to peers and general public.</td>
<td>Advisory board(s), which may include participation by nonprofit and for-profit industries, other government agencies, and other stakeholders or experts.</td>
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<td></td>
</tr>
<tr>
<td>Existing staff support for specific tasks.</td>
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<td></td>
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</tbody>
</table>

**Note:** The list of Activities is speculative, and not meant to be exhaustive. “PJ” stands for Participating Jurisdiction.
Notes

i Growth Management Act of Washington (RCW 36.70A).

ii Countywide Planning Policies; local comprehensive plans must be consistent with these (RCW 36.70A.210).

iii CPP HO-15 and HO-18.

iv CPP HO-8.

v CPP HO-12.

vi CPP HO-4.

vii CPP HO-11 (paraphrased).

viii CPP goal. Also consistent with GMA goal: "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock," (RCW 36.70A.020(4)), and MPP goal: "The region will preserve, improve, and expand its housing stock to provide a range of affordable, healthy, and safe housing choices to every resident. The region will continue to promote fair and equal access to housing for all people" (Vision 2040). "Affordable housing" is decent shelter that can be rented or owned without paying more than 30 percent of the occupants' monthly gross income (CPP HO-10). 'Good access' means the ability to move safely, reliably, and affordably between home and other important destinations.

ix See “Everyone at Home Now,” Snohomish County’s ten-year plan to end homelessness.

x CPP HO-1.
Appendix 3: Affordable Housing 101 Presentation

The project team developed this presentation at the request of the Snohomish County Tomorrow Steering Committee. The presentation provides background on affordable housing in Snohomish County; questions for discussion included: what is affordable housing, who needs affordable housing, where is it located in Snohomish County, and how is affordable housing financed and created? This presentation was delivered to the Steering Committee in January 2009, and to the Lake Stevens City Council in June 2009.
Affordable Housing 101

Presentation to SCT Steering Committee
January 2009

Tonight’s Topics

• What is affordable housing?
• Who needs it?
• Where is it and what’s it really like?
• How is affordable housing created?

Why "Affordable Housing 101?"

• Context: CTED grant to study feasibility of inter-jurisdictional collaboration
• Today: Affordable housing background info, requested at November Steering Committee
• Next: February Steering Committee discuss findings of our feasibility study
Affordable housing is more than a structure.

- Housing is affordable if a household can live in it without sacrificing food, health care, and other essentials.
- “Housing cost-burdened” – household earning less than the median county income and paying more than 30% of their income on housing (SCT and national standard)

Many whose work serves us or our children cannot afford to live near those workplaces.

- Sandra has three kids and earns $41,000 per year as a teacher.
- Average rent, 3-br apartment where she teaches = $1,395.
- To afford that rent, she’d need to make at least $53,240.

There are thousands of working families like Sandra’s in Snohomish County.

<table>
<thead>
<tr>
<th>Average Pay</th>
<th>More than $35,000 but Less Than $50,000</th>
<th>More than $50,000 but Less Than $65,000 (Median Income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Bus Drivers</td>
<td>Most Teachers</td>
<td>Fire Fighters</td>
</tr>
<tr>
<td>Retail Sales People</td>
<td>Construction Laborers</td>
<td>Patrol Officers</td>
</tr>
<tr>
<td>Child Care Workers</td>
<td>Bus Drivers (Transit)</td>
<td></td>
</tr>
<tr>
<td>Waiters, Waitresses</td>
<td>Dental Assistants</td>
<td></td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>Licensed Nurses</td>
<td></td>
</tr>
<tr>
<td>23,800 households (74%) in this income bracket are cost-burdened.</td>
<td>17,100 households (53%) in this income bracket are cost-burdened.</td>
<td>15,800 households (44%) in this income bracket are cost-burdened.</td>
</tr>
</tbody>
</table>
Many other kinds of households lack affordable housing options.

- First-time homebuyers.
- Seniors.
- People with disabilities.
- Veterans.
- Homeless individuals and families.

Housing cost burden is growing.

Affordable housing needed in everywhere in Snohomish County.

<table>
<thead>
<tr>
<th>Unmet Housing Need: 55,400 Cost-Burdened Households in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington</td>
</tr>
<tr>
<td>Bothell</td>
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<tr>
<td>Brier</td>
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<tr>
<td>Darrington</td>
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<td>Edmonds</td>
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<td>Gold Bar</td>
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<td>Granite Falls</td>
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<td>Index</td>
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<tr>
<td>Lake Stevens</td>
</tr>
<tr>
<td>Lynnwood</td>
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</tbody>
</table>

Even those who already have affordable housing benefit when others have it.

- People with decent, stable, affordable shelter are better able to manage their lives.
- Positive effects carry over to:
  - TEACHERS & STUDENTS
  - EMPLOYERS
  - HEALTH CARE SYSTEM
  - CRIMINAL JUSTICE SYSTEM
Affordable Housing 101

Where is the affordable housing in Snohomish Co., and what is it like?

Where is assisted rental housing located in Snohomish Co.?

<table>
<thead>
<tr>
<th>Public/nonprofit-owned units, or vouchers (January 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington</td>
</tr>
<tr>
<td>Bothell</td>
</tr>
<tr>
<td>Brier</td>
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<tr>
<td>Darrington</td>
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<td>Gold Bar</td>
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<tr>
<td>Index</td>
</tr>
<tr>
<td>Lake Stevens</td>
</tr>
<tr>
<td>Lynwood</td>
</tr>
</tbody>
</table>

Affordable housing comes in many different forms.

- Both rental and ownership housing.
- Variety of building styles & types.
- Publicly or privately owned.
- Private market housing can be affordable.
Virtually everyone with housing in the U.S. gets some kind of subsidy.

Private market not producing enough affordable housing.

**RENTAL MARKET (2007)**
- 2-BR apartments built 2000 or later, avg. rent = $1,200
- 2-BRs built before 2000 avg. rent < $900
- 50% of median income = $32,000
  Can afford $800 rent.

**SALE MARKET (2005-2006)**
- New homes:
  - 200 (1%) were affordable at income of $63,000 (median)
  - Price = $195,000

Private, non-profit corporations provide affordable housing.

- Combination of public and private financing.
- Dedicated for people with incomes below the median (or lower).

New affordable housing projects have very complex financing.

**ACTUAL PROPOSED PROJECT**
- New apartment building
- 2-br and 3-br homes
- Family of 4 earning $40,000 in 2007 could live there paying $1,000 (market average $1,215).
- Bridge loans & construction loans also required

**GRANTS & TAKE-OUT LOANS**
- Tax-exempt bond financing: $2.3 million
- Low-Income Housing Tax Credits: $1.95 million
- Low Interest loan from WA State Housing Trust Fund: $1.2 million
- Snohomish County housing funding: $860,000
- Private philanthropy and contributions: $1.3 million
Despite difficulty & declining funding, non-profits and public authorities have:

- Added 2,019 affordable housing units since 2002.
  - Private market builders produced 2,023 apartments in same period at all different rent levels; some have been converted to condos.
- Served 14,000 households in 2008.
  - 3,104 units for seniors.
  - 4,921 units for other families.
  - 844 units for other individuals.
  - 5,131 housing vouchers (any household type).

Public housing authorities also provide affordable housing.

- Create (or buy) and manage affordable housing units.
- Also federal housing (Section 8) vouchers for families to rent private market housing.

How public funding decisions are made by Urban Consortium
(Everett has own system)

- County OHHCD (staff)
- Tech. Advisory Council
- Policy Advisory Board
- County Council

City officials and other citizens participate on both advisory boards

Snohomish Co. Human Services
Office of Housing, Homelessness & Community Development

- Administers 11 federal, state & local funding sources and maintains compliance with regulations of each.
- Allocates over $11 million per year for:
  - Capital projects (housing construction)
  - Operating
  - Supportive services
  - Homeless and shelter facilities
  - Public facilities & infrastructure
  - etc.
What aspects of housing affordability do local governments impact?

- **Supply**: controlling housing types and lot sizes, and where they can go.
- **Development costs**: infrastructure & approval times.
- **Construction costs**: choices of building materials.
- **Transportation costs**: access from home to work, and other necessities.

What kinds of tools do local governments have to impact affordable housing?

- Zoning
- Accessory Dwelling Units (ADUs)
- Expedited permitting
- Fee Waivers
- Density bonus

Affordable Housing 101

Questions?
Appendix 4: Annotated Bibliography of Relevant Plans, Policies, and Data Reports

Housing Evaluation Report (SCT)

SCT produces the Housing Evaluation Report, which analyzes the efforts made to achieve countywide and local housing goals, as set forth in the Countywide Planning Policies (CPPs). The 2007 Housing Evaluation Report describes tools and strategies that each jurisdiction has implemented to support affordable housing, using findings from a survey of SCT jurisdictions. The report found that although nearly all jurisdictions have some incentives for housing in the regulations, the majority of these incentives are not utilized by developers. The report also stated:

“Our CPPs also call for inter-jurisdictional effort to achieve affordable housing goals and objectives. Unfortunately, little of this nature has occurred. Likewise, little action has been taken on the ‘recommendations for working together’ of the 2002 Housing Evaluation Report.”

Housing within Reach (Housing Consortium)

In 2008, the Housing Consortium of Everett and Snohomish County developed a report that included strategies to more than triple the rate of housing production and double the number of affordable housing opportunities in Snohomish County by 2017. The Housing within Reach plan was sponsored in part by Snohomish County and the City of Everett, and was led by a committee of public, private, and nonprofit leaders.
Figure 3 (taken from Housing within Reach) identifies the total housing needs in Snohomish County and the projected number of households assisted through strategies in that plan, versus “under historical production rates” without new affordable housing strategies. The two bars on the left represent the number of cost-burdened households reported in 2000 and projected for 2017. The two bars on the right project the number of households receiving housing assistance through new and existing resources over ten years.

**Figure 3:**
Households with Housing Needs and Projected Households Receiving Housing Assistance

<table>
<thead>
<tr>
<th>Number of Households</th>
<th>New Households Assisted 2008-2018</th>
<th>Existing Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>53,676</td>
<td>18,630</td>
<td>14,000</td>
</tr>
<tr>
<td>73,400</td>
<td></td>
<td>14,000</td>
</tr>
<tr>
<td>0</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

The plan includes three sets of recommendation in the categories of (1) providing incentives for developers, (2) building capacity of local housing providers, and (3) creating new local resources for housing. The plan includes 12 first-year action steps that are currently in various stages of implementation.

The Housing within Reach plan estimated that the total costs of meeting its goal of serving over 32,000 households would be about $1.03 billion over ten years, including both existing (55 percent) and new (45 percent) resources. The proposed new resources include
new sources of direct public financial assistance; increased leveraging of state, federal, and private loans and investment; and the value of development incentives for new affordable housing.

The plan also described the costs of providing housing using a variety of approaches, using estimates from real projects in the county from 2006. New construction of subsidized rental units are estimated to cost $262,000 per unit, and acquisition and rehabilitation of existing rental buildings costs $119,000 per unit. Short-term assistance to preserve homeownership (in other words, to keep a family from losing their home) costs an estimated $6,000 per household. Long-term tenant-based rental assistance costs an average of about $7,000 per household per 12 months of rental assistance.

The Housing Within Reach plan compared these cost estimates to the value of existing resources and potential sources of new resources over a ten year period. For greater detail on the financial modeling of the impacts of the proposed strategies, please see the complete Housing within Reach report, including the sections on “Strategies to Support Housing Stability,” and “Funding Projections.”

**Fair Share Housing Allocation (SCT)**

Based on Countywide Planning Policy HO-4, SCT is responsible for developing the Fair Share Housing Allocation report. The object of the Fair Share Housing Allocation report is to inform all jurisdictions of their “fair share” of housing for the number of low- and moderate-income households who are projected to be cost-burdened by 2025. In other words, the model describes the “fair share” of housing need for which each jurisdiction should plan, and includes both existing and projected housing needs. The most recent allocation was released in 2005. (See note on page five of this report regarding the Fair Share Housing Allocation.)

**Countywide Planning Policies (SCT)**

SCT is responsible for developing and updating the CPPs, which provide a guiding framework for the comprehensive plans of the County and cities. CPPs are designed to ensure that city and County comprehensive plans are consistent, and fulfill the requirements of the Growth Management Act.

The CPPs currently include 21 policies specifically related to housing. Most of these policies would be relevant to the activities and objectives of an inter-jurisdictional housing collaboration, and five policies in particular are essential to the creation and implementation of such a program. These CPPs clearly demonstrate the commitment of cities and the County to seek ways to increase the supply of affordable housing, and to work inter-jurisdictionally on meeting these goals:

**HO-2: Make adequate provisions for existing and projected housing needs of all economic segments of the county.**
HO-3: Strengthen inter-jurisdictional cooperative efforts to ensure an adequate supply of housing is available to all economic segments of the county.

HO-4: Adopt and implement a fair share distribution of low-income and special needs housing so as to prevent further concentration of such housing into only a few areas.

HO-5: Each jurisdiction's comprehensive plan housing element will include strategies to attain the jurisdiction's fair share housing objectives.

HO-6: Production of an adequate supply of low and moderate income housing will be encouraged by exploring the establishment of inter-jurisdictional private/public financing programs which involve local lenders and foster cooperative efforts with non-profit housing developers.

The intent of the CPPs is that each jurisdiction incorporates these policies into their comprehensive plans. For example, the County Comprehensive Plan includes several strategies related to the provision of affordable housing, including encouraging building capacity of nonprofit housing developers; analyzing alternative funding for low-income housing, such as bond levies and partnerships with housing authorities and providers; and revising density and zoning regulations to increase land capacity. The County Comprehensive Plan also includes the objective to “strengthen inter-jurisdictional cooperative efforts to ensure an adequate supply of housing is available to all economic segments of the county.”

Consolidated Plan (County OHHCD)
The Snohomish County Consolidated Plan (Con Plan) describes the housing conditions in Snohomish County and provides funding priorities for the federal HOME and CDBG funds administered by the Urban County Consortium. The Con Plan is updated every five years by OHHCD and incorporates public input. OHHCD also develops an annual action plan that describes implementation of the Con Plan objectives and goals.

Affordable Housing Production Plan (County OHHCD)
In 2007, OHHCD developed its Affordable Housing Production Plan. That plan set a housing goal of ensuring housing affordability for 6,025 additional households from 2007-2017, through a variety of types of housing assistance, using existing housing resources. The recommendations of the AHPP provided the foundation for the Housing within Reach report. The five main recommended strategies included:

1. Create a new local housing voucher program for homeless households
2. Promote home ownership: Incorporate a “community land trust” model; employ “self-help” home ownership programs; provide first time home buyer assistance
3. Reprioritize the ratio of OHHCD funds allocated to new construction versus acquisition/rehabilitation to reduce per unit costs, thereby creating more units
4. Prioritize permanent housing for households earning at or below 30% of Area Median Income, special needs population groups based on need, and preservation of existing affordable housing units
5. Build community capacity to develop affordable housing through enhanced public/private partnerships, education to key development and infrastructure participants, and increased support and technical assistance

Regional Housing Strategy Workgroup Report (Prosperity Partnership)

The Prosperity Partnership, a program of the Puget Sound Regional Council, is a coalition of over 250 government, business, labor, education, and community organizations from King, Kitsap, Pierce, and Snohomish counties dedicated to developing and implementing a common regional economic strategy. The Prosperity Partnership formed the Regional Housing Strategy Working Group in May 2007, including non-profit developers and public housing authorities, private developers and real estate professionals, local and state government housing officials and planners, local elected officials, employers, labor, and various non-profit organizations with an interest in housing issues. The Working Group made consensus recommendations on a list of specific strategies to improve housing affordability in the region.

The Working Group identified three specific strategies for the Prosperity Partnership's 2008 Action Items list for implementation in the short-term. The three strategies include: (1) State funding for infrastructure to accommodate growth and promote affordability, (2) a waiver on the state portion of the sales tax for low income housing projects, and (3) the creation of a program to encourage jurisdictions to enact available strategies, such as land-use and regulatory incentives.

Pierce County Housing Affordability Report

In 2006, the Pierce County Council and Executive created the Housing Affordability Task Force to explore the affordable housing needs of Pierce County residents, review the costs of developing housing units in the county, and recommend strategies to increase the supply of affordable housing. The Task Force included for-profit and non-profit housing developers, low-income housing advocates, realtors, housing authorities, bankers, mobile home park advocates, and elected and appointed officials from Pierce County government.

The Task Force recommended a broad range of strategies, including changes to Pierce County land use regulations, incentive-based approaches to encourage developers to construct more affordable housing, state legislative action, and local funding strategies. The following seven strategies were identified as high priorities for Pierce County:

1. Planned Development Districts to create mixed income communities within the Urban Growth Area
2. Inclusionary Zoning: both voluntary and required (in some circumstances)

3. Incentives to assist developers create affordable housing, including: density bonuses, fee waivers, reduced zoning requirements, and expedited permitting

4. Encourage development of Single Room Occupancy (SRO) housing

5. Encourage development of transitional housing

6. Create new local dedicated revenue source for populations below 80% AMI

7. Provide property tax relief for commitment to build and maintain affordable housing
Appendix 5: List of Stakeholder Interviews

The consultant team interviewed local private and public leaders identified by the Housing Subcommittee to inform this study. During the first phase of interviews (from August through December 2008), the 22 interviewees included elected officials, private and nonprofit developers, staff from housing authorities, and staff from city and county government:

Bud Alkire, Everett Housing Authority
Tony Balk, City of Monroe
Bob Davis, Housing Authority of Snohomish County (HASCO)
Deanna Dawson, County Executive's Office
Bob Drewel, Puget Sound Regional Council
Nathan Gorton, National Association of Realtors
Crystal Hill, City of Gold Bar
Deborah Knight, City of Sultan
Dave Koenig, City of Everett
Mark Lamb, City of Bothell
Rebecca Lind, City of Stanwood
Mike Pattison, Master Builders of King and Snohomish Counties
Ed Petersen, Housing Hope
Carmen Rasmussen, City of Marysville
Paul Roberts, City of Everett
Michelle Robles, City of Mountlake Terrace
Dave Somers, Snohomish County Council
Ken Stark, Snohomish County Human Services
Brian Sullivan, Snohomish County Council
Phil Sullivan, Senior Services of Snohomish County
Larry Sundquist, Sundquist Homes
Lisa Utter, City of Lynnwood
Herman Williams, Tulalip Tribes Housing Department

The second phase of interviews, from February to March 2009, included some interviewees that participated in the first phase. Other phase one interviewees were given the opportunity to provide input during the second phase through an online survey, and seven individuals contributed their feedback through the survey. The second round of in-person interviewees included 18 individuals:

Allan Giffen, City of Everett
Dennis Kendall, City of Marysville
Gloria Hirashima, City of Marysville
Tony Balk, City of Monroe
Margaret Larson, City of Arlington
Steve Baker, City of Arlington
Feasibility Study of Inter-jurisdictional Housing Programs for Snohomish County

Dave Kuhl, City of Arlington
John Caufield, City of Mountlake Terrace
Shane Hope, City of Mountlake Terrace
Terry Ryan, City of Mill Creek
Dave Gossett, Snohomish County Council
Brian Parry, Snohomish County Executive’s Office
Craig Ladiser, Snohomish County Planning and Development Services
Ken Stark, Snohomish County Human Services
Deborah Knutson, Economic Development Council
Ed Petersen, Housing Hope
Mike Sells, State Representative
Marko Liias, State Representative
Appendix 6: List of PAC Housing Subcommittee participants

Over a ten month process, the Housing Subcommittee of the Snohomish County Tomorrow Planning Advisory Council met monthly to oversee the inter-jurisdictional feasibility study and the development of this report. Housing Subcommittee participants included representatives from eight cities, the County, and the nonprofit Housing Consortium:

Becky Ableman, City of Lake Stevens
Rob Chave, City of Edmonds
Angela Gemmar, City of Marysville
Allan Giffen, City of Everett
Gary Hasseler, City of Bothell
Chris Holland, City of Marysville
Dave Koenig, City of Everett
Carla Nichols, Town of Woodway
Glen Pickus, City of Mukilteo
Tom Rogers, City of Mill Creek
Karen Watkins, City of Lake Stevens
Hiller West, City of Monroe
Mike Stanger, Snohomish County Planning and Development Services
Steve Toy, Snohomish County Planning and Development Services
Dean Weitenhagen, Snoh. Co. Office of Housing, Homelessness & Community Development
June Robinson, Housing Consortium of Everett and Snohomish County
Bill Mandeville, Washington State Dept. of Community, Trade & Economic Development