Executive Summary

The shortage of safe, affordable housing\(^1\) affects an increasing number of families throughout each jurisdiction in Snohomish County. Existing private, nonprofit, and public efforts are struggling to keep pace with the growing needs in the community.

Snohomish County Tomorrow (SCT) undertook this feasibility study to explore options for creating a new program that would allow multiple jurisdictions to work together to expand affordable housing opportunities. Through this study, SCT further seeks to fulfill its Countywide Planning Policies, including HO-3: “strengthen inter-jurisdictional cooperative efforts to ensure an adequate supply of housing is available to all economic segments of the county.”

The feasibility study was led by the Housing Subcommittee of the SCT Planning Advisory Committee (PAC). The study included an assessment of all relevant existing local plans; research on the best practices for inter-jurisdictional affordable housing programs across the country; two rounds of interviews with public and private stakeholders in the community; and discussions with the SCT Steering Committee, PAC, and Managers and Administrators Group. This report summarizes the key findings of the study and recommends next steps for moving forward.

Key Findings

- The need for additional affordable housing throughout Snohomish County continues to grow. Snohomish County estimates that 80,000 households lived in unaffordable housing in 2007, or more than 63 percent of the 126,000 households earning less than the median income countywide (up from 53 percent in 2000). Moreover, evidence shows considerable need for affordable housing persists in virtually every community of the county.

- Private and public stakeholders agree that local governments play an important role in helping to create affordable housing in their communities, and might accomplish more in this regard by collaborating across jurisdictional boundaries.

- Some elected and appointed officials in Snohomish County believe that a new inter-jurisdictional program focused on creating and preserving affordable housing has potential advantages, but that interest is not uniform across all jurisdictions or even within jurisdictions.

\(^1\) The term “affordable housing” is used in different ways and can have different meanings in a variety of settings. For the purposes of this report, housing is considered affordable if a household can live in it without sacrificing essentials such as food, clothing, transportation, and medical care. Therefore, affordable housing includes not just subsidized or income-restricted housing units, but all private and public housing units that are affordable for low- and moderate-income families.
There is general consensus among stakeholders interviewed for this study that jurisdictions should support the creation of new home-ownership opportunities for households earning up to 100 percent of the county’s median income, as well as affordable rental housing targeting those earning up to 50 percent of the county’s median income. Many of those interviewed expressed a preference for creating more home ownership opportunities.

Elected officials consulted for this study agree that location is an important factor for new affordable housing and that those needing affordable housing should have adequate access to employment, education, shopping, services, and amenities. Considerable disagreement persists, however, on policy regarding the most feasible and appropriate locations for new affordable housing.

Only a handful of successful inter-jurisdictional affordable housing programs exist in the U.S.. Some focus on creating new local capital resources for housing development, while others focus on a combination of incentives, technical assistance, and other planning activities to encourage affordable housing development. A few models use both planning activities and creation of new capital resources.

Given current economic conditions, this is not seen as a time when a new local capital funding source can be shifted or created to support development of affordable housing. Instead, those who support the creation of an inter-jurisdictional program believe that a new collaborative program should be focused on a variety of technical assistance, educational, and planning activities. A new program may be eligible for new or existing state and federal funding sources in the future to support capital funding for housing.

The research into other models around the country suggests that creation of a new program requires one (or more) champion to play a leadership role in promoting the new program and recruiting others to participate, or providing funding or in-kind services. To date, no jurisdiction or individual in Snohomish County has expressed an interest in stepping forward to champion a new initiative.

Other national models have created dedicated staff capacity to support a meaningful multi-jurisdictional collaboration focused on affordable housing. This has required funding resources to support the appropriate level of staffing.

Research on other national affordable housing models suggests that new governance structures have been developed to focus on the implementation and management of the inter-jurisdictional program, but existing organizations have been utilized to provide administrative support.
Conclusions

Given the affordable housing needs within the county, and the level of interest in this idea expressed by those interviewed for the study, this study concludes that a new inter-jurisdictional program with the goal of creating more affordable housing in Snohomish County can be successful if four threshold conditions are met:

Condition 1:  A “critical mass” of jurisdictions elects to participate as founding members.
Condition 2:  Sufficient funding is secured to support the program for at least 24 months.
Condition 3:  A host agency is identified to provide back-office administrative support, such as payroll, accounting, and IT services.
Condition 4:  The participating jurisdictions reach agreement on certain fundamental questions in an inter-local agreement, including the program’s purpose and governance structure.

Recommendations

The project team recommends that Snohomish County Tomorrow and the Housing Consortium of Everett and Snohomish County co-convene an Implementation Task Force that would work to resolve the four conditions described above. The Task Force would include public, private, and nonprofit advocates, actively invited and recruited by the convening agencies.

The role of the Task Force would be to determine the most effective way to move this proposal (or an alternative) toward implementation. In particular, the Task Force would need to work with potential member jurisdictions to determine the founding participants and their common goals. In addition, the Task Force would work with potential funders to secure funding support for the program, and have discussions with potential “host” agencies to find an organization willing to provide administrative support. In light of the current economic climate, the Task Force should plan on taking approximately a year to secure the necessary commitments for the new program.

The project team suggests that the Implementation Task Force use the following program framework as its starting point. The Task Force and any potential participants in the new initiative would, of course, be free to diverge from any or all parts of the framework.

- Participating jurisdictions would establish the program through a formal inter-local agreement (ILA), which defines roles and responsibilities and secures commitments from the jurisdictions, and must be adopted by each local governing body to be valid. Based on stakeholder input, the ILA should provide a means whereby other jurisdictions can join later, at mutually beneficial times.
Membership in the inter-jurisdictional program would be voluntary and open to all county, city and tribal governments in Snohomish County. Because of the different levels of local support for this program concept, membership may be phased in over time. The “critical mass” of jurisdictions needed to initiate the program could be as few as three, but may require four or more, depending on the resources and objectives of the jurisdictions that choose to join.

The primary purpose of the program would be to achieve the housing objectives of the participating jurisdictions. Member jurisdictions may discover that through the collaboration, they can achieve objectives that cross municipal boundaries. The ultimate impact, hopefully, would be that many more Snohomish County households obtain affordable housing; but the program would focus on meeting the needs defined by its members.

Given the consensus among stakeholders regarding program outcomes and parameters, the project team drafted the following outcome policy statements:

“The program exists to help participating jurisdictions meet their affordable housing objectives, especially:”

- “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.”
  - “More affordable rental housing opportunities for households making up to 50 percent of the county’s median household income, especially seniors, people with disabilities, veterans, families with children, and people who work in our communities (such as service workers and laborers).”
  - “More affordable home ownership opportunities for households making less than the county’s median household income, especially first-time homebuyers and people working in our communities (such as teachers and public safety workers).”
- “Neighborhoods with affordable housing supported by the program are safe and have stable property values.”

The program would begin with commitments for at least two years of operating resources, funded by a combination of monetary contributions and in-kind support of participating jurisdictions, grant funds, and other sponsorships. During the current economic climate, local government resources for affordable housing will remain about the same as today, but over the long run, participating jurisdictions would contribute additional resources.
• Governance of the new program would be provided by the participating members through a semi-independent board. This board, having representatives appointed by and from among the governing bodies of the participating jurisdictions, would set policies for the program supplemental to those of the jurisdictions. The board would also hire its own staff, make decisions regarding budgets and work plans, and take input from the public and advisory boards as they see fit. The board would not, of course, take any statutory powers away from the local governments that they are not authorized to delegate. An outline of an MOU that could be used to establish the governance model is included in the Appendix 1 as a template.

**Potential Work Plan Activities for Program Staff**

Unless and until funding for other programming (e.g. a housing trust fund) becomes available, a new inter-jurisdictional affordable housing program should focus on a set of technical assistance, education, and planning activities that would assist member jurisdictions to meet their affordable housing goals. A dedicated staff position (1 FTE) would be able to achieve significant progress for a number of jurisdictions, provided staff has clear direction and an adequate level of back office support. The following list of activities serves as a “menu” of potential work plan items for the new program. Final decisions about the work plan for the new inter-jurisdictional program should be determined in conjunction with members, based on their affordable housing needs. The following list is not in any priority order:

• 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.
• Serve as a liaison with non-profit and for-profit developers of affordable housing.
• Write grant applications and other forms of fundraising to support affordable housing.
• Develop means of sharing information among jurisdictions.
• Conduct educational outreach 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 to create a local housing trust fund, which could be particularly helpful as economic conditions improve. Pursue opportunities as they arise.