

# Stakeholder Advice

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## Phase One Stakeholder Interviews

In order to evaluate the feasibility of inter-jurisdictional collaboration in Snohomish County to assess the climate for housing in the region, this study included two phases of stakeholder interviews. For the first phase, the PAC Housing Subcommittee identified a list of key stakeholders that were knowledgeable and interested in affordable housing and local government issues in Snohomish County. The goal for these interviews was to better understand the needs for housing, the roles that local governments play, the prospects for greater collaboration, and the potential leaders for such collaboration in the county.

The consultants interviewed 23 individuals between August and December 2008, including two County Councilmembers, two members of the County Executive's staff, seven city elected officials and three city administrative staff (Bothell, Everett, Gold Bar, Lynnwood, Marysville, Monroe, Mountlake Terrace, Stanwood, Sultan), a representative of Tulalip Tribes, two nonprofit developers, two housing authorities, the executive director of the Puget Sound Regional Council, and three representatives from the private sector. Each interviewee received a short background document and guiding questions in advance.

### Summary of Phase One Interview Responses

*1. How serious is the affordable housing need in your community? What populations, if any, are having difficulty finding affordable housing and need additional assistance?*

- Most described the needs for affordable housing as serious.
- At least four local elected and appointed officials said the need in their communities was not serious because there was ample supply of a range of housing types, but the need countywide was serious.
- Many felt the needs were most acute for lower incomes (less than 30% and less than 60% of area median income), but that households up to 120% were experiencing affordability challenges.
- The specific populations mentioned most frequently were those on fixed incomes (seniors, disabled, veterans), first time home buyers (young parents), single-parent households, and mobile home park residents.

*2. Do you think that cities and the county should play a role in addressing affordable housing issues? If so, what roles should they play? What roles should local jurisdictions not play?*

- Almost everyone interviewed believes that local government should play an important role.

- Creating development incentives and appropriate zoning regulations for higher densities were often mentioned, including tools that allow municipalities to meet GMA targets.
- The housing developers felt strongly that governments must become partners – some good examples, but more needed.
- Cities and county should work with developers to avoid over-concentration of affordable housing.
- Most believe that local jurisdictions should not develop or manage housing.
- Most said local funding was not likely.

*3. If you think that local municipalities should play a role in supporting affordable housing, what types of housing should be prioritized? Should your community focus on more attainable homeownership opportunities, or on affordable rental units?*

- Most felt there is a need for both more ownership and more rental housing opportunities.
- The elected officials tended to place a greater focus on ownership; private developers are also more interested in ownership in general, with a range of densities.
- *“Cities are generally interested in affordability for the next generation.”*

*4. How does your jurisdiction currently support affordable housing, if applicable?*

- Several cities said they have or are working on incentive programs, and either creating more higher density or mixed use zoning where affordable housing could be located.
- Several said they work closely with HASCO and non-profit developers.
- Few city officials know what other cities are doing with respect to affordable housing.
- Several elected officials observed that although they are interested, affordable housing is not a priority for their council.
- Several rural cities said that their housing stock was already more affordable relative to most of the county.

*5. Are you familiar with effective examples of jurisdictions working together to address important public policy issues, either in Snohomish County, regionally, or nationwide? What are the characteristics that have made that collaboration successful?*

- There was no single example that was mentioned often by participants. Those examples cited included Sound Transit, PSRC, Sno-Isle Library system, and the Evergreen Crescent (an economic development collaboration between Snohomish Valley cities).
- Several mentioned Snohomish County Tomorrow as a model, and one suggested that SCT should develop an affordable housing program. However, another participant cautioned, *“SCT is a good place to have a discussion, but not to get things done.”*
- Most felt that a successful collaboration would have to have several components: 1) some type of sub-regional element so that cities in close proximity could work together, 2) decision making should be done in a fair manner, and 3) the county should be a

participant but not in control of the effort. *“There is a lot of contention in county government right now.”*

- Some believed that leadership from an energetic advocate would be critical to getting a program started.
- Several cities mentioned their participation in the Urban County Consortium process for allocating federal and state pass-through money, through the Technical Advisory Committee (TAC) and Policy Advisory Board (PAB). While some felt that the TAC and PAB provided a good means of getting input on specific projects, cities said that there was a need for a more general forum for municipalities to come together and talk about housing issues and priorities, including “equitable distribution” of affordable housing.

6. *What is your assessment of the prospects for establishing a program in which multiple jurisdictions pool resources to address affordable housing in Snohomish County? What are the potential challenges that a new program may have to overcome in order to be effective?*

- A majority felt the prospects are good. *“The prospects are good if the county can commit some funding to empower cities.” “Elected officials are getting it more.”*
- Several said they weren’t certain if the political will exists to create such a collaboration. *“I have not seen the critical mass of elected officials that have an interest in this issue.”*
- Challenges included the following: overcoming concerns about over-concentration of affordable housing, creating affordable housing that has high quality design, and securing funding to support such an initiative. *“It’s hard to get elected officials to think beyond their immediate boundaries.”*

7. *What would interest your government or organization in participating in such a program?*

- Education of city officials and citizens was mentioned by many participants.
- Staffing, technical assistance, and research to help cities work on incentive programs, zoning for higher densities, design regulations, meeting the housing requirements within GMA, and credit enhancements.
- Most of the city officials and non-profit developers interviewed said they would like to be involved.
- The nonprofit developers said they have the expertise to form partnerships with cities.
- Both nonprofit and for-profit developers are interested in municipalities making development easier, such as expediting applications for permits or waiving fees.
- The program would need to be flexible to tailor ideas to specific needs of each city; present a “menu” of options for cities to implement.
- Several cities were interested in establishing a forum for talking about housing policies and priorities, including learning what other cities are doing and evaluating existing affordable and market-rate housing stock in each city.

8. *Under what circumstances, if any, would new local funding resources be desirable? Under what circumstances, if any, should voluntary incentives for developers be used across multiple jurisdictions to encourage new affordable housing?*

- Creating a new local funding source at this time was not seen as likely/possible.
- Most participants felt incentives are an important tool for creating affordable housing.
- Several suggested that cities and county should work together to lobby for additional federal and state funding.
- Interest from developers in linking new infrastructure funding with housing.

9. *If a multi-jurisdictional program were implemented using a phased approach, what might be some initial steps for implementation and developing momentum?*

- Several participants suggested the first phase should be an analysis to find out what cities need, and then set measurable, concrete goals for a work plan.
- Several said that education for elected officials and the public is needed to show the importance of housing, how affordable housing works, and whom it serves in the community.
- Several suggested creating a structure with a sub-regional component so neighboring cities can work together.
- Several participants had specific suggestions for the types of technical assistance that would be useful, including: study use of city and county surplus property; implement a transfer of development rights (TDR) program in mixed use zones; focus on zoning for lands just outside city boundaries; and analyze the relationship between job creation and the need for affordable housing.
- Several suggested that the county could create an incentive for sub-regional cooperation on affordable housing by letting local jurisdictions make decisions about the using of federal and state housing funds (CDBG, HOME, and 2060). *“If the county is really interested in this approach they will have to allocate resources.”*

10. *Are there specific jurisdictions in Snohomish County that you believe would be particularly interested in participating in a multi-city affordable housing program? Are there cities that may be leaders on this subject in the county?*

- The cities mentioned most frequently were Everett, Monroe, Marysville, Arlington, Stanwood, and Lynnwood. One elected official cautioned, *“The issue isn’t on the radar of most cities.”*

11. *Who are the likely advocates and leaders in the community, including elected and appointed officials, business leaders, and other community members?*

- Individuals mentioned by several participants included: Ed Petersen (E.D. Housing Hope), Tony Balk (Monroe Council Member), Lyle Ryan (Frontier Bank and Board

member of Everett Housing Authority), Dennis Kendall (Marysville Mayor), Mark Smith (Lynnwood City Council), and Carl Zapora (President of United Way).

- Several mentioned the importance of leadership coming from the private sector.

## **Phase Two Stakeholder Interviews**

For the second phase, the list of key stakeholders included some individuals who were interviewed in the first round, and others who were not. The list of interviewees was determined by the input from the first round of interviews, and feedback from the Housing Subcommittee.

The goal for the Phase Two interviews was to test the essential program outcomes and program design features, discuss the interest of local governments in participating in a potential program, and solicit ideas for next steps in developing such a collaboration. The consultants interviewed 18 individuals between February and April 2009, including five elected officials from cities, a County Councilmember, two state representatives, five city management and planning staff, a representative from County Executive's office, the directors of Snohomish County Human Services and Planning and Development Services, the director of the Economic Development Council, and one representative from a nonprofit housing agency. Each interviewee received a short background document and guiding questions in advance.

Phase One interviewees were also given the opportunity to respond to the interview questions from Phase Two using an online survey, and seven individuals completed the online survey, including three representatives from cities, one from a nonprofit housing agency, one from a housing authority, and two from the private sector.

The summary below of the Phase Two interviews includes both the 18 in-person interviews and the seven online survey responses.

### Summary of Phase Two Interview Responses

*1. Do the "Essential Program Outcomes" (listed on pages 1 & 2) correspond to the affordable housing goals in your community and countywide?*

- In general there was support for the proposed program outcomes. *"We should want to create a ladder of housing opportunities."*
- There is support for locating affordable housing where it is accessible to employment, services, amenities, and transportation. Some reacted positively to language stating that affordable housing should be located where there is the greatest lack of housing. Others felt the statement should emphasize the location of housing where there is the greatest need.
- Several jurisdictions felt they have more than their fair share of affordable housing.

- *“It’s important to spread housing around. A program should be geared toward distribution of affordable housing.”*
- *“With regard to the desire to avoid over concentration of affordable housing, no city is meeting all the affordable housing needs of their citizens. Some cities are doing better than others and they don’t think it is fair that some cities don’t provide enough affordable housing.”*
- Several cited concerns in their community regarding affordable housing locations being perceived as high crime areas – particularly privately owned and managed rental housing. *“What comes along with affordable housing is more crime.”*

2. *What outcomes in particular interest you? What outcomes offer little or no value to your community? Would you add or modify any outcomes to benefit your community or the county at large?*

- There was a mixture of reactions about priorities. Some would prefer a focus on rental housing for low income, others would prefer a focus on home ownership opportunities, others see need for both.
- In general, there was more support for creating new home ownership opportunities. *“Home ownership is where we need to be. There are enough non-profits focused on creating more rental housing.”*
- There was some interest in a broader continuum of housing choices – up to 120 % of median income. *“We would like housing opportunities for home ownership for teachers, fire fighters, and others who may be above 100% of area median income. Maybe we need to raise the income level to 120% of median income.”*

3. *Do the “Program Design Features” (listed on pages 2 & 3) provide sufficient direction and limitations on the activities of an inter-jurisdictional program that are realistic for Snohomish County? Would you add or modify any of these elements?*

- Most said the minimum number of jurisdictions needed to initiate the program depends on which jurisdictions they are. Many felt the County needs to be a participant
- There was support for the idea that decision making should not be controlled by the County or any one city
- Educational efforts are important – both for the public and elected officials
- The program should be voluntary, but not so easy to withdraw that jurisdictions can come and go with every new election
- The private sector needs to be encouraged. The solutions to affordable housing issues will not be found solely through government actions.
- A distinction was made between creating a new organizational structure to govern a new program, and creating a bureaucracy to administer a new program
- The selection of staff will be key to the success of a new program

- If a new program is created housing developers should participate in some fashion
- Several suggested that local governments should not be prohibited from owning or managing affordable housing units if they felt it was in their best interest to do so.

4. *Do local governments have a responsibility to create and preserve affordable housing? If so, what is the role of local governments? (This question was asked in the first round of interviews, so it was not included for those individuals interviewed earlier.)*

- All agreed that local governments play several roles in creating and preserving affordable housing, including creating zoning regulations, housing and building codes, and facilitating the use of public and private resources. *“Local government’s role and duty is to create opportunities for affordable housing.”*
- Many said that Growth Management Act (GMA) requires local governments to include a housing element in their Comprehensive Plans. *“Any city doing an objective and comprehensive job of planning will play a role in meeting housing needs.”*
- However, at least one said the housing elements of most Plans are weak, and used to avoid doing any substantive work on affordable housing issues.

5. *Is a local government’s role in creating or preserving affordable housing enhanced by collaborating with multiple jurisdictions? Why, or why not?*

- Most of those interviewed said that the region’s ability to create more affordable housing would be enhanced through an inter-jurisdictional collaboration.
- *“Absolutely. It’s good to know what others are doing and good for them to know what we’re doing.”*
- *“Increasingly, finding solutions to issues related to jobs, housing and transportation cross boundaries.”*
- *“Most of the smaller jurisdictions are running as fast as they can to keep up with current obligations. They don’t have time or resources to work on affordable housing. Working together allows them to learn about affordable housing strategies at a relatively low cost. An inter-jurisdictional approach would bring together jurisdictions of like minds to work on this issue.”*

6. *Would your jurisdiction be interested in collaborating with other jurisdictions to achieve the outcomes described? If so, what do you think could be accomplished? If not, why not?*

- Most of those interviewed expressed interest in participating, although they made it clear that they could not commit on behalf of their councils, and several said that funding a new program would be a substantial challenge.
- *“We are interested in collaboration, but not if we have to make a financial contribution at this time.”*

- Affordable housing is not a “top tier” issue for the Snohomish County business community, although some realize that county needs broad spectrum of housing options to support a healthy economy.

7. *Would your jurisdiction be interested in participating in the program outlined in the “Initial Program Ideas” (listed on pages 3 & 4)? Which program elements would you or your jurisdiction find most useful, and which might dissuade you from participation?*

- There was support for the list of eight potential work plan elements. *“This looks like what we need to do.”*
- Several interviewees said that most small to mid-sized communities do not have expertise on affordable housing issues. It was suggested that a new program could be useful in providing technical assistance to those jurisdictions.
- The education of local officials and the public about affordable housing issues was mentioned by many as a useful potential work plan element. *“Neither electeds nor planners have a real good understanding of affordable housing issues or the resources available for affordable housing.”*
- At least one participant said they would strongly favor creation of a new local trust fund to build new units of affordable housing.
- Several of those interviewed questioned whether any additional planning work needs to be accomplished. They stated a preference for providing technical assistance to jurisdictions on housing and zoning proposals.

8. *For those portions of the Initial Program Ideas that suggest options (H. Supporting organizations and J. Funding) do you have a preferred approach? Why? Would you suggest other options?*

- Everyone interviewed acknowledged that finding funding for this program will be a challenge. However, many suggested that it will likely be easier to secure CDBG funds for the program than local government general funds. Several mentioned the potential use of new CDBG funds included in the stimulus package, although it was also noted that competition for new CDBG funds will be intense.
- There was no consensus about which organization should serve as the “host” to provide administrative support for the program. Several mentioned that neither the County nor SCT would be preferable because the program should not be perceived as being controlled by the County. Several suggested that the Snohomish County Economic Development Council (EDC) or one of the two housing authorities might serve as hosts.

9. *If you support the program outcomes, but have concerns about the initial program ideas, are there suggestions for structuring a program that could make meaningful progress toward the outcomes?*

- Several of those interviewed suggested that members of the Snohomish County building and development community should be involved in the new structure in some way. *“What’s really missing is a focus on the private sector.”*

*10. Can you think of potential leaders or “champions” that may be willing to play a leadership role in creating such a program?*

- There was general agreement that no one individual or organization is currently playing a leadership role to promote this idea. *“No one has stepped forward to propose this idea.”*
- A number of individuals and organizations were mentioned as having potential to play a leadership role in creating an inter-jurisdictional collaboration. Those included the following: Bob Drewel (\*), Marysville Mayor Kendall (\*), Gary Weikel, Sam Anderson and/or Greg Tisdale (from the Master Builders), Gail Larsen (former CEO of Providence Medical Center), Anne Steves (Edmonds resident and owner of transitional housing units), Gary Oakley (CEO Boeing Employee Credit Union), John Caulfield (\* City Administrator for Mountlake Terrace), The Housing Consortium (\*), County Executive Aaron Reardon, the County Council, Everett Councilmember Brenda Stonecipher, Stanwood Mayor Diane White, Monroe Mayor Donnetta Waker, Sultan Mayor Carolyn Eslick (\*), Bob Davis (HASCO Executive Director), Bud Alkire (Everett Housing Authority Executive Director), Lynnwood Councilmember Mark Smith, Lynnwood Councilmember Stephanie Wright.

(\* ) Mentioned by more than one individual

*11. What do you see as possible next steps for bringing jurisdictions together on affordable housing issues?*

- Many interviewees supported the creation of an implementation group to pursue the creation of an inter-jurisdictional program during the coming year. Several said they would be willing to participate.
- *“It will be important to keep the dialogue going and create a more visible forum.”*
- *“A steering committee is a good next step.”*
- One participant suggested that a focus group of supporters should be organized, and the group should be asked, “How can this idea best be moved forward?”
- *“The only way cities and the County will get more involved in this issue is through political pressure. The Housing Consortium is key to that effort.”*
- It was suggested that it may be possible to work with the legislature next year (a supplemental budget year) to secure some funding support for a pilot project.