

King County Affordable Housing Committee Meeting Minutes

November 7, 2024 | 2:00 p.m. – 3:30 p.m.

Location: Teams Meeting

Introductions and Agenda Review

Members	Member Present	Alternates Present
Affordable Housing Committee Chair King County Councilmember Claudia Balducci	X	
Affordable Housing Committee Vice Chair Alex Brennan, Futurewise	Absent	
Susan Boyd, Bellwether Housing	Absent	
Jane Broom, Microsoft Philanthropies	X	
Allison Butcher, Master Builders Association of King and Snohomish Counties	X	
Kelly Coughlin, SnoValley Chamber of Commerce	Absent	Michele Catoire, SnoValley Chamber of Commerce
Kirkland Councilmember Amy Falcone on behalf of Sound Cities Association	X	
Kenmore Mayor Nigel Herbig on behalf of Sound Cities Association	Absent	Issaquah Council President Lindsey Walsh on behalf of Sound Cities Association
Thatcher Imboden, Sound Transit	X	
Ryan Makinster, Washington Multi-Family Housing Association	X	
Sunaree Marshall, King County Department of Community and Human Services, on behalf of King County Executive Dow Constantine	Absent	Xochitl Maykovich, King County Department of Community and Human Services, on behalf of King County Executive Dow Constantine
Renton Councilmember Ryan McIrvine on behalf of Sound Cities Association	Absent	Maple Valley Deputy Mayor Dana Parnello on behalf of Sound Cities Association
Seattle Councilmember Cathy Moore	X	
King County Councilmember Teresa Mosqueda	Absent	
Bellevue Mayor Lynne Robinson on behalf of Sound Cities Association	X	
Robin Walls, King County Housing Authority	Absent	
Maiko Winkler-Chin, Seattle Office of Housing, on behalf of Mayor Bruce Harrell	X	

- Affordable Housing Committee (AHC or Committee) Chair King County Councilmember Balducci welcomed Committee members and called the meeting to order.
- Chair Balducci called the roll and confirmed there was quorum.
- Chair Balducci welcomed new AHC member, Master Builders Association of King and Snohomish Counties Senior Policy Analyst Allison Butcher, who replaced Master Builders

Association of King and Snohomish Counties Senior Government Affairs Manager Veronica Shakotko.

- Chair Balducci provided an overview of the meeting agenda which included staff briefings and opportunities to comment from the cities of Des Moines, Milton, Shoreline, and Woodinville, followed by a staff briefing on the draft 2025 state legislative priorities.

Action Item: Adopt October 3, 2024 AHC Meeting Minutes

- Alternate Issaquah Council President Lindsay Walsh moved to adopt the October 3, 2024 meeting minutes.
- Kirkland Councilmember Amy Falcone seconded the motion.
- The Committee unanimously passed the motion to approve the October 3, 2024 meeting minutes.
- Seattle Office of Housing Director Maiko Winkler-Chin arrived after adoption of the minutes. She voted on subsequent motions.

Action Item: Adopt Comprehensive Plan Review Comment Letters

- Chair Balducci shared that staff prepared four draft comment letters for review and potential approval: Des Moines, Milton, Shoreline, and Woodinville. She thanked jurisdictions for their participation, noting how voluminous and thoughtful their draft comprehensive plans were.
 - She noted the letters for review include an acknowledgement of the challenge jurisdictions will face in responding to AHC recommendations by the end of 2024 and encouraged jurisdictions to respond to recommendations and bring their plans into alignment with the Countywide Planning Policies (CPP) Housing Chapter prior to adopting their plans. She noted it wouldn't be possible for all jurisdictions, so she encouraged jurisdictions to do so in 2025 during their annual comprehensive plan update.
- Chair Balducci outlined the briefing process and invited AHC staff member Carson Hartmann to begin the briefing.
- Carson shared that the AHC has approved 22 comment letters encompassing 81 percent of King County's population; staff reviewing eight draft comprehensive plans are under review; three jurisdictions deferred AHC review; seven jurisdictions have not submitted complete draft comprehensive plan submissions.
- Carson provided an overview of the Housing-focused Draft Comprehensive Plan Review Program's process and plan review standards.
- Carson presented on the City of Des Moines, providing a city snapshot, outlining comprehensive plan strengths, and recommendations for Des Moines to align with the CPP Housing Chapter goals and policies.
- Chair Balducci invited City of Des Moines Community Development Director Rebecca Deming to comment.
 - Rebecca thanked AHC staff for their assistance.
- AHC staff member Skye D'Aquila presented on the City of Milton, providing a city snapshot, outlining comprehensive plan strengths, and recommendations for Milton to align with the CPP Housing Chapter goals and policies.
- Chair Balducci invited City of Milton Consultant Jeff Arango to comment.
 - Jeff thanked AHC staff and shared that the City of Des Moines has updated their draft comprehensive plan to reflect the majority of the AHC staff recommendations.

- AHC staff member Christoph Strouse presented on the City of Shoreline, providing a city snapshot, outlining comprehensive plan strengths, and recommendations for Shoreline to align with the CPP Housing Chapter goals and policies.
- Chair Balducci invited City of Shoreline Planning Manager Elise Keim to comment.
 - Elise thanked AHC staff and members. She reaffirmed Shoreline’s commitment to provide affordable housing and respond to historical housing inequities. She shared Shoreline staff are working on the AHC’s recommendations.
- Skye presented on the City of Woodinville, providing a city snapshot, outlining comprehensive plan strengths, and recommendations for Woodinville to align with the CPP Housing Chapter goals and policies.
- Alternate Michele Catoire left the AHC meeting.
- Chair Balducci invited City of Woodinville Planning Manager Amanda Almgren to comment.
 - Amanda thanked the Committee and shared the City of Woodinville will take AHC recommendations into consideration.
- Chair Balducci opened the floor for discussion. There was no discussion.
- Microsoft Philanthropies Senior Director Jane Broom moved to approve the letters.
- Sound Transit Community Development Director Thatcher Imboden seconded.
- The AHC unanimously passed the motion to approve the draft comprehensive plan comment letters for Des Moines, Milton, Shoreline, and Woodinville.
- Bellevue Mayor Lynne Robinson asked when the Committee will be briefed on the monitoring and reporting work.
 - Carson shared AHC staff will share their monitoring and reporting work in mid-2025. AHC staff’s early 2025 plan review work will delay their monitoring and reporting work.

Input: Discuss Draft 2025 Affordable Housing Committee State Legislative Priorities

- Chair Balducci shared that every year since the inception of the AHC, the AHC has developed state legislative priorities to encourage the State to step up and play its part.
- Chair Balducci invited AHC Manager McCaela Daffern to brief the Committee on the AHC’s draft 2025 state legislative priorities.
- McCaela briefed the AHC on state legislative priorities drafting process.
 - McCaela shared staff used the approved 2024 AHC state legislative priorities as the base and removed policies which were not timely.
 - McCaela shared the Housing Interjurisdictional Team reviewed the draft state legislative priorities and provided feedback.
 - McCaela emphasized the draft 2025 AHC state legislative priorities were consistent with possible King County policy priorities and aligned with the AHC’s adopted Shared Revenue Principles.
- McCaela briefed the AHC on the draft 2025 AHC state legislative priorities.
 - Priority 1: McCaela shared that since the beginning, the AHC and has supported policies that help ensure people remain stably housed.
 - The priorities in this area respond to the challenges the affordable housing sector has faced in recent years to operate and maintain their properties as well as provide support for their residents and call on the State to shore up the financial health of affordable housing providers through adequate funding for operations, maintenance, and services funding.

- Priority 2: McCaela shared the second priority is to preserve and increase the supply of affordable housing through four asks:
 - Part a of the second priority asks the State to increase and find a dedicated revenue source for the Housing Trust Fund to repair and preserve aging affordable housing buildings and expand housing options throughout King County that meet a diverse range of community and resident needs.
 - Part b of the second priority additionally asks the State to create or authorize a new permanent funding source for affordable housing that minimizes burden on low-income households, keeps pace with rising costs, and retains local flexibility for:
 - housing affordable to households at or below 50 percent of area median income (AMI); and
 - projects with an affordable housing component that promote access to opportunity, prevent and mitigate displacement, and help build wealth.
 - Part c of the second priority asks the State to exempt publicly funded affordable housing developed by nonprofits and affordable to households at or below 80 percent of AMI from construction and rehabilitation sales tax.
 - Part d of the second priority calls on the State to increase funding for the Connecting Housing to Infrastructure Program.
- Priority 3: McCaela shared that King County jurisdictions are busy finalizing and adopting their comprehensive plan updates, which establish a vision for how King County will grow equitably and affordably over the next 20 years. She noted 2025 is when jurisdictions will begin implementing their comprehensive plans; jurisdictions will need funding for staff time, funding for consultant support, and guidance. Priority 3 asks the State to support comprehensive plan housing policy implementation through the provision of grants and technical assistance.
- Priority 4: McCaela shared the final priority calls on the State to maintain or expand the Housing and Essential Needs program to increase opportunities for tenants to learn about and enforce their rights, increase funding for legal assistance, ban discrimination against renters based on a prior criminal record, and strengthen statewide requirements for notice of residential rent increases.
- McCaela reminded the Committee that the state legislative session begins on January 13, 2025. She shared AHC staff will revise the Draft 2025 AHC state legislative priorities following Committee feedback. She invited AHC members to propose amendments and possibly take action to adopt the priorities at the December 5 AHC meeting.
- McCaela concluded the briefing.
- Seattle Councilmember Cathy Moore left the AHC meeting early. She participated in all votes.
- Chair Balducci opened the floor for discussion.
- Bellevue Mayor Robinson asked about the potential to include add a policy to priority area 3 that would say, “Honor the autonomy of local jurisdictions to use community-based decision, especially for local affordable housing efforts that have proven successful,” or, using the Chair’s language: “Retain flexibility of local jurisdictions to . . . “
 - Mayor Robinson shared that last year, there was a State effort to create a statewide multifamily property tax exemption. She wants to ensure that cities, like Bellevue, that have already created one that is working really well, and that put a lot of time into studying what it should look like, that they are able to retain what they have. The

intent is to honor the autonomy of local jurisdictions and not lose the successful work that cities are doing.

- Chair Balducci said it would be difficult to support a statement that tells the State they've done too much and need to give back local control. Local control got us into the current affordable housing crisis. She expressed concerned about making a statement that sounds like we want to go backward from advances that have been made.
- Mayor Robinson reiterated that she wanted to honor the autonomy of local jurisdictions to use community-based decision making especially for local affordable housing efforts that have proven successful. Mayor Robinson noted she did not want to trigger local control.
- Chair Balducci and Mayor Robinson agreed to wordsmith the proposal.
- King County Department of Community and Human Services Deputy Director of Housing and Community Development, Xochitl Maykovich, on behalf of King County Executive Dow Constantine said, if the goal is to honor the local work of the jurisdictions, then maybe some of it is asking for resources for that local work. There are jurisdictions who can take it to another level if they had the resources and staff to do that.
- Chair Balducci said she could see a statement that includes both concepts: the State should support/honor local efforts that are working and should support them with money.
- Allison asked if the AHC does ongoing advocacy work during the legislative session tor does it end with a letter sent to the King County delegation that serves as a statement of our priorities?
 - Chair Balducci shared that the AHC does not have a lobbyist or a specific lobbying strategy. In her personal capacity as the Chair of the AHC and a King County Councilmember, she's used it as a tool to express the AHC's position on certain matters. Chair Balducci mentioned there may be interest in lobbying in 2025. She shared the AHC typically creates a work plan and approves it as a body. She shared that next year during AHC annual work plan development would be an excellent opportunity to talk about whether we want to have a separate lobbying effort.
- Allison also asked if the AHC took a position on the Housing Accountability Act last session. The Housing Accountability Act seemed to be similar to what the AHC is trying to do with its review of plans and goes in the opposite direction from Mayor Robinson's suggestion. The Act would have given the State the ability to review comprehensive plans and hold local jurisdictions accountable to implementing housing policies in cases where they resist implementation of State housing laws. She expects the 2024 Housing Accountability Act to come back next session and shared it's something her members are interested in. If nothing else, it should be something for the AHC to watch.
 - Chair Balducci shared that the AHC gives cities encouragement and recommendations while the Department of Commerce tells cities what they can and can't do.
 - Xochitl shared that AHC staff drafted the legislative agenda based on what they are aware of what other their jurisdictions or members of the AHC actively support and was not sure that there is universal support on that item.
- Chair Balducci expressed a desire to capture ideas that surfaced during the discussion. She said she kind of liked the idea of accountability but wanted to hear from others who would have to live with it.
- Washington Multi-family Housing Association Director of Government Affairs Ryan Makinster asked King County staff what comments and feedback they got from affordable housing providers? His providers have serious concerns about non-paying residents and residents

with behavioral health issues. He noted the difficulty in getting sufficient resources from the State this year to keep struggling properties open. He represents two properties who are looking at turning their keys back into their funders in the next eight months. He asked staff to confirm they didn't hear anything from providers about what they need to stay solvent.

- Xochitl expressed a need for more resources to reduce cost burden and help stabilize residents. She shared that the proposed policy language was informed by research King County has done into housing providers and its own portfolio. Early results point to this being a structural issue:
 - Housing cost burden among tenants has risen significantly and continues to worsen.
 - Over 40 percent of tenants in King County and Seattle's portfolios are cost burdened.
 - The rents are set lower than what the providers could be charging.
 - King County and Seattle have 80 percent AMI units with 30 percent AMI households living in those units.
 - There is an increase in acuity of residents.
- Ryan asked Xochitl to confirm that none of the affordable housing providers mentioned their concerns with the eviction process and are going to turn in their keys.
- Xochitl replied that some folks have mentioned concerns about the evictions process, such as having to prove an allegation, noting that's how the judicial process works.
- Chair Balducci shared that the City of Seattle recently shared findings from a survey they conducted of affordable housing providers within Seattle. Providers report:
 - A widespread of experience of decreased financial health among the affordable housing providers that they attribute to increased operating expenses and decreased rental revenue;
 - An increasing trend of buildings operating in the red;
 - Struggling to find people who can afford the rent; and
 - Affordable housing residents are struggling to pay the rent.
- When asked about challenges of collecting rents, providers widely say that their challenges are related to the regulatory environment. Providers pointed out the backlog in the court system, tenant eviction laws, and regulations. She noted that Seattle infused cash to stabilize affordable housing providers once already and are considering doing so again. These are temporary measures that won't solve the problem. Chair Balducci validated that there are real challenges with current operations that require support and wondered if we could work at our next go of the language to capture some sense of that.
- Ryan thanked the Chair. He was aware of the report but hadn't seen it. Ryan emphasized his concerns regarded process, not a specific program. If there's a way to stay process-agnostic, there would still be value in saying in the legislative priorities that process concerns need to be addressed.
- The Chair, reflecting on the complexity of the conversation, said there's so much that needs doing in this space, commenting on the higher acuity of residents in affordable housing properties. Derrick Belgard, the executive director of the Chief Seattle Club, who has been in the business of affordable housing for decades, is quoted in a recent article as saying that the people who are currently in affordable housing, when started out, would have been in permanent supportive affordable housing and the people who are currently in permanent supportive housing would be in something

more like a hospital. To further illustrate the complexity, she also understands that there has been some success in driving down market rate rents, which is causing some overlap at the high end of affordability, making market rate units easier, if not cheaper to rent in some cases. Chair Balducci suggested making a broad ask of the legislature to stabilize housing providers.

- Maiko clarified that the report is not out there. She shared that it's really about the way you look at things--the high cost of insuring affordable housing properties and the way that rents are set that makes it increasingly difficult for renters in affordable housing to afford their rents, are also contributing factors. Rents are set for affordable housing units using HUD's AMI charts. The City of Seattle's average renter made 77 percent of the AMI reported in those charts (as opposed to homeowners, who are at 175 percent) and that rents have increased almost 30-40 percent in the last five years. She concluded by saying she doesn't know if Seattle wants the State to look at things differently or how they do that.
- Chair Balducci suggested that King County could do some work in-house to beef up the provider stability.
- Xochitl offered to provide data from the King County affordable housing portfolio and reminded the Committee that federal tenant protections apply to all federally backed or funded affordable housing properties.
- Ryan expressed concern over affordable housing providers struggling with the eviction process, noting every other county can process evictions faster than King County. He shared the problem was a resource issue and that the courts need more resources to do their jobs.
- Chair Balducci shared the county's budget proposes to add two judicial officers to the court so they can process more evictions because there is a backlog in eviction cases. Chair Balducci emphasized that the system needs to work. She reminded the Committee that we cannot evict our way into housing. She empathized that high acuity people may cause others living with them in affordable housing to feel unsafe and need to leave. Chair Balducci shared the eviction system needs to work, but there was much more work to be done. The Chair invited Ryan to email her any ideas he wants to propose and for deliberation and vote at the next AHC meeting.
- Sound Transit Development Director Thatcher Imboden expressed a desire to strengthen or clarify the second sub-bullet in priority 2.b. He shared that Sound Transit was finding that a subset of affordable housing projects, especially transit oriented development projects with non-housing uses like daycares or community centers aren't readily funded, causing community-based organizations to raise substantial amounts of capital to cover non-residential components within mixed-use developments. Thatcher would like to see the legislative agenda "prioritize" rather than "include" funding for non-residential portions of mixed-use affordable housing projects. He noted the funding gap is currently solved through earmarks.
- Chair Balducci invited Thatcher to email her his thoughts.

Chair's Report

- Chair Balducci reminded the Committee that the next AHC meeting will be on December 5, 2024 from 2:00 p.m. - 3:30 p.m. where the AHC will tentatively approve comprehensive plan review draft letters for Clyde Hill, Newcastle, and Renton and possibly adopt 2025 AHC state legislative priorities.