

Capacity Charge Affordability Study

Recommended Changes to King County Code

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Proposed 2020 Rate Ordinance Includes Three Changes to the Capacity Charge:

- ▶ Low-income homeowners may opt to defer payment with a new low-interest property lien option
- ▶ More affordable housing units qualify for existing low income housing rate class
- ▶ Emergency shelters and transitional housing receive a new reduction in the charge



Low-income homeowners may opt to defer payment with a new low-interest property lien option

Eligibility: Residents who qualify for property tax exemption for low-income seniors and persons with disabilities

May opt to defer remaining fifteen-year amount as a lien at an interest rate of no more than five percent



More affordable housing units qualify for low income housing rate class

Can be multifamily, single detached, or owner-occupied (current: studio-sized units in multifamily only)

- ▶ Occupied by and affordable for households with income at or below 80 percent area median income
- ▶ Multifamily structure must be at least fifty-one percent low income
- ▶ Owner-occupied units must be principal residence (current: rental units only)
- ▶ Forty year covenant (current: in perpetuity)

Qualifying units charged 0.32 RCEs per unit



Emergency shelters and transitional housing receive a new reduction in the charge

Eligibility: Shelter housing for residents receiving support services for homelessness

- ▶ Owned by a government or nonprofit
- ▶ Legally bound to use structure for this purpose

Transitional housing with distinct dwelling units (e.g., apartments or tiny home villages) charged 0.32 RCEs as special purpose housing (current: multifamily housing for people with disabilities)

Dormitory-style or congregate shelter housing charged fifty percent less than schedule based on fixture count



King County

Questions?

Thank you!

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