

SNOHOMISH COUNTY HOUSING AFFORDABILITY REGIONAL TASKFORCE (HART)

Meeting 2 Draft Meeting Summary

Thursday, June 6, 2019 ~ 4:00 p.m. to 6:00 p.m.

City of Everett Training Room (5th floor, Wall Street Building) at 2930 Wetmore Ave.

(Underlined Italics indicate action items/decisions; follow up items in bold italics)

Attendees:

Task Force Members and Alternates (voting)					
Bogen, Brian (Woodway)		Nehring, Jon (Marysville)	X	Whitson, Tom (Woodway, <i>Alt.</i>)	X
Earling, Dave (Edmonds)		Nehring, Nate (Snohomish County)		Wright, Stephanie (Snohomish County)	X
Franklin, Cassie (Everett)	X	Rankin, Dan (Darrington)	X	Bothell	
Gregerson, Jennifer (Mukilteo)	X	Smith, Nicola (Lynnwood)	X	Brier	
Hartman, Matt (Granite Falls)	X	Somers, Dave (Snohomish County)	X	Gold Bar	
Holtzclaw, Brian (Mill Creek)		Spencer, John (Lake Stevens)		Index	
Hope, Shane (Edmonds, <i>Alt.</i>)	X	Stevens-Wajda, Yorik (Snohomish County, <i>Alt.</i>)	X	Sauk-Suiattle Tribe	
Kartak, John (Snohomish)	X	Thomas, Geoffrey (Monroe)	X	Stillaguamish Tribe	
Kelley, Leonard (Stanwood)		Tolbert, Barb (Arlington)	X	Sultan	
Matsumoto Wright, Kyoko (Mountlake Terrace)	X	Vignal, Stephanie (Mill Creek, <i>Alt.</i>)	X	Tulalip Tribes	
Non-Voting Alternates (Primary Members present and voting)					
Dana, Steve (Snohomish, <i>Alt.</i>)	X	Harper, Nick (Everett, <i>Alt.</i>)	X	Hirashima, Gloria (Marysville, <i>Alt.</i>)	X
Presenters and Support Staff					
Mary Jane (MJ) Brell Vujovic, Snohomish County Human Services Department (HSD)	X	Karen Reed, Facilitator	X		
Alessandra Durham, Snohomish County Executive's Office	X	Wendy Roullier, HSD	X		
Nate Marti, HSD	X	Allan Giffen, City of Everett, Community Planning & Development	X	Barb Mock, Snohomish County Planning & Development Services	X
Matt Pattison, Master Builders Association (MBA)	X	Tina Ilvonen, HSD	X	Duane Leonard, Housing Authority of Snohomish County (HASCO)	X
Dave Thompson, Housing Hope	X	Will Rice, Catholic Community Services (CCS)	X		

Welcome: Karen Reed opened the meeting at 4:04 pm. Executive Somers welcomed HART members, alternates, presenters, and guests.

Introductions of Taskforce Members, Steering Committee, and Staff: Attendees introduced themselves around the table and the room.

Review of Agenda and other updates: Wendy Roullier provided a brief overview of the packet of materials each member should have received and how to put them into their jurisdiction's binders. Karen noted a couple items on the Notebook Update were not included: "Taskforce Operating Rules" (Item 6 on the agenda related to this handout will be handled at meeting 3, 6/20/19) and "Housing Supply Challenges Response – Mukilteo"

Review and Approval of Meeting Summary from Meeting 1:

Nicola Smith made a motion to approve the meeting summary for Meeting 1, Geoffrey Thomas seconded the motion; there were no additional comments and the motion passed unanimously.

Election of Taskforce Co-Chair:

Cassie Franklin nominated Nicola Smith to serve as Co-Chair, Barb Tolbert seconded the nomination; Nicola Smith accepted the nomination and the Taskforce members voted unanimously to elect Nicola Smith as Co-Chair.

Recap of Meeting 1: MJ provided a high-level overview of Meeting 1 (see first section of Meeting 2 Presentation and Meeting 1 Executive Summary handout)

Presentation, Q&A: Housing Demand & Supply Challenges from City, County, and Housing Developer (private and public) perspectives

Panelists:

- **City and County Land Use Officials:** Barb Mock, Snohomish County Planning and Development Services and Allan Giffen, City of Everett Community Planning and Economic Development;
- **Public Housing Authorities:** Duane Leonard, Housing Authority of Snohomish County (HASCO);
- **Private Developers:** Mike Pattison, Master Builders Association of King & SnoCo (MBA);
- **Nonprofit Developers:** Dave Thompson, Housing Hope, and Will Rice, Catholic Community Services

Barb Mock shared information about the Planning and Development Service's Department's role in housing supply: permitting/inspections, and long range planning. She reviewed the types of housing currently built in the County: 65% is single family. PDS reviews the state Growth Management Act requirements with respect to housing. PDS works with Snohomish County Tomorrow to implement the Countywide Planning Policies (CPPs). Cities are building single family homes within city limits, but unincorporated county land is seeing more multi-family buildings and other types of units. After new regulations made it easier to build more townhomes, more have been built. The County has invested in the Alliance for Housing Affordability (AHA) which produced the Housing Needs Report. PDS created a mobile homes park zone, which helped maintain existing mobile home parks. There is a lot of community opposition to higher densities which is a challenge. The cost of doing business has increased due to increased requirements. The County can't take advantage of tax credits. Solutions she identified are to increase and streamline funding for lower-income units; take steps to locate affordable housing near transit and services; and encouraging development of condominium housing.

Allan Giffen shared some information about Everett and possible actions:

- Everett is out of vacant land, so most new development will be re-development or rehab.
- Everett population expected to increase by 53,000 by 2035.
- Everett has over 1,000 units of affordable / subsidized housing either under construction, in the permit process, or likely to be in the permit process very soon
- We are not seeing much permit activity for market rate multi-family, due primarily to construction costs being too high for the return on investment in Everett. It is more profitable to build where rents and returns are higher in King County
- More affordable housing is being built in Everett due to the experienced non-profit developers here, the availability of State Housing Trust Funds, and City funding resources.
- Everett has taken a lot of actions to promote development of housing and affordable housing, including the following:
 - We allow unlimited density in many areas, including Metro Everett and in transit corridors
 - We allow increased building heights in Metro in exchange for public benefits, including affordable housing
 - The multi-family property tax exemption is available for Metro Everett, near Swift Bus Rapid Transit (BRT)
 - We increased our SEPA categorical exemption threshold to 100 dwelling units in the Swift BRT station areas, and to 200 dwelling units in Metro Everett
 - We have reduced the off-street parking requirements for multi-family housing in Metro Everett, and allow for further reductions for affordable housing, and proximity to frequent transit
 - We have reduced utility connection charges for affordable housing projects
 - We allow supportive housing in all our multi-family residential zones
 - We invest our CDBG and HOME funds in affordable housing and rental assistance
 - Our CHIP (Community Housing Improvement Program) repairs homes for low income homeowners with low interest, deferred payments
- I agree with what Barb Mock and Mike Pattison had to say about NIMBY's making it difficult to site new housing, even if it is housing identical to what they live in. People don't like change.
- I would also like to reiterate the comment I made toward the end of the meeting about the chart which showed that the greatest need is in the <30% AMI, 30-50% AMI, and 50-80% AMI brackets, and that the type of housing that is most likely to be able to meet the needs of those households would be the more affordable multi-family. However, our land supply in most communities is heavily weighted with single family detached zoning. We need to match up our permitted housing types with the household incomes we expect throughout the entire county. Every city and the county need to reconsider how they can take their share.

Duane Leonard described the housing units and Section 8 vouchers managed by both HASCO and the Everett Housing Authority (EvHA). HASCO administers 3,800 HUD vouchers and owns and manages 2,413 units in 11 cities and unincorporated Snohomish County. The Everett Housing Authority (EvHA) administers 3,160 Section 8 Vouchers and owns 1,000 units of housing. HASCO leadership is trying to get out into the community to meet more people, better understand why people don't want Public Housing Authorities in their communities, and educate people about who uses their services. He clarified the housing they bring in is not "slums" but multi-family complexes. HASCO seeks cooperation agreements with jurisdictions to allow HASCO to provide services within the city limits (required by RCW 35.82.070 (13)) to enable a streamlined process for purchasing properties with cities. Currently, HASCO has cooperation agreements with only two cities in Snohomish County: Snohomish and Lynnwood.

- Q: Is there a reason EvHA is separate from HASCO? Is there wisdom in having two?

- A: Merger could reduce administrative costs, but both agencies have different cultures although they do provide similar services

Cities in Washington can donate land or give funding donations. Vienna, Austria ranks at the top of the list of large cities with the highest percentage of housing in public ownership: they have 60% of housing in city owned/operated by government. HASCO is not seeking to not build anything like “Cabrini Green” projects in Chicago. Public Housing Authorities must comply with local building / zoning laws. HASCO just received national award for project in Marysville. One of the basic problems is that rents are rising faster (122%) than incomes (37%). There are 70,000 families that qualify for assistance in Snohomish County and HASCO and EvHA are able to help only 7,000 with vouchers. One thing that local government can do for housing authorities is to provide loan guarantees; this is a low risk proposition; HASCO has an A rating from Moody’s and EvHA recently received an S&P A+ rating. Duane wants Cities to say yes to HASCO and to not be afraid of affordable housing.

Mike Pattison with the Master Builders Association presented. He noted the growth of new residents expected in the PSRC 4-county region. The housing industry considers a good balance of “months of supply” is 4-6 months but we are currently at less than 2 months. Factors that contribute to this limited supply are regulatory barriers, limited land availability, high construction costs, and tariffs on materials that are adding about \$12,000/unit of costs. Acquisition of large tracts of undeveloped land is difficult because also competing with school districts and others (not just home builders). There are currently no building moratoriums in Snohomish County, though there are some in King County. He expects it will take some time to see the impact of the recent condominium liability reforms approved by the state legislature. The Accessory Dwelling Units bill didn’t pass but this would be a good tool to increase supply since for every single family home lot, up to another 2 units could be added. Some possible solutions he offered include: reducing the short plat threshold; and increasing zoned capacity in the next revision to the Countywide Planning Policies (CPP). In addition House Bill 1923 allows for cities to access a \$100,000 grant for Growth Management Act planning. Comprehensive Plan updates are due in 2023.

Dave Thompson explained the formation of Housing Hope, a nonprofit, formed in 1992 through a consortium of churches; shared images of some properties, including Twin Lakes landing which was completed in 2017. The organization has 74 completed projects, including 6 shelter apartments, 188 homeless apartments, 296 rental units for low-income, 199 team-built units. They have a total of nearly 800 units. One current project is HopeWorks Station II – 65 units on Broadway in Everett, completion scheduled for Sept 2019.

Housing Hope has a Resource Development division to supplement government funding on their projects (e.g. For HopeWorks Station II, they have raised \$4.9 million in funding in addition to governmental funding); they also provide support services to residents. The team-homebuilding programs are funded by USDA Self-Help Programs to build Single-Family Housing (SFH) in rural Snohomish County.

Challenges Mr. Thompson noted include: compliance with multiple complex funding sources; finding new funding sources (sometimes with additional expenses to qualify for funding); increasing construction costs. For example, the Woods Creek Village (completed in 2013 in Monroe) cost \$119 per sq ft; Twin Lakes Landing II, the agency’s next project in Marysville (construction begins 2020) is expected to cost \$265 per sq. ft. Some of this increase is due to drastically increased construction labor and material expenses and the difficulty of recruiting construction workers post-recession. In his view, the three most important things local governments could do to help increase housing affordability in Snohomish County are: mitigation and impact fees reduction (example: Marysville reduced traffic impact fees); reducing parking requirements for multi-family projects (can usually develop with approximately 70% less parking);

and (3) flexibility and expediting the permitting process – try to strike a balance between project appearance and affordability to provide decent, safe, and attractive affordable housing.

Will Rice clarified he is not a housing developer; he is the director of Catholic Community Services NW (CCSNW). His agency provides services in the 5 counties in north region (there is a separate region for King and for the Southwest region). He sees the need for education about affordable housing. CCS has over 2,000 units across Western Washington of Permanent Supported Housing (PSH). They have been using the “housing first” model over the past 6-7 years ; started with Francis Place in Bellingham, then Sebastian Place in Lynnwood (20 units, Vets housing), and now Claire’s Place in Everett (62 units for homeless individuals) to open later this year. CCS is looking to increase workforce and senior housing in the County in the future. These projects take incredible partnership – county, city, organizations, police and community members. For example, the Claire’s place conversation started about 5 years ago and will be opening soon. Challenges Mr. Rice noted include: lack of appropriate zoning, lack of funding, and NIMBYism. He would join with others in any opportunity to educate communities. He observed that most people cannot tell the difference between PSH projects they are operating in Bellingham and high-end condos in the same neighborhood. Actions we could take in support of affordable housing: HB 1377 gives local municipalities the ability to bump-up the zoning on church-owned properties; we need to determine how churches can help with housing stock (the list of church-owned land includes some in Snohomish County that could be looked at and repurposed for housing). At this point, CCS is trying to figure out how to transfer developed properties back to community organizations already working in the community to help them build equity, and free up CCS to build new units in new communities.

Q & A:

- Karen Reed asked if there were any challenges any of the speakers had that another speaker did not share? Cities can use the multi-family tax exemption, which is unavailable to the County.
- What the sense of the speakers is in terms of whether there is a net loss of affordable units in Snohomish County each year as is currently happening in King County, much of which is due to properties being sold by investors and the purchasers increasing rents to fund the higher purchase price.
 - Duane Leonard responded that he sees some net loss year over year. A particular problem is with USDA funded projects that have expiring 30-year income restrictions. A lot of these are in the northern, rural areas of the County, serving elderly tenants. Property owners are getting out of those agreements and refinancing.

Comments and questions from Task Force members included:

- Is the conversation is about a lack of housing period or low-income housing specifically? We need have clarity about what we’re talking about.
- We need to have the full continuum of housing stock built, The Housing Trust Fund and State funding emphasis is on folks w/complex needs (ex. Permanent Supportive Housing or Adult Family Homes), but we need low-income and workforce housing too.
- As Mayor, I need to have all the information to be able to share the information with my community.
- A simplified version of the “Lower Housing Costs Require Greater Gov’t Intervention” Chart shows the existing pent-up demand and predicted growth for all income levels through 2040, which is in the “Glossary” section of your notebooks.
- It is really important to talk about the full range of housing; supply and demand will continue to impact costs if we don’t look at building all the types of housing options.

- Staff noted that the next meeting will include a presentation about homeownership programs.
- An example of the issue of urgency and availability of housing: I have the only single family split level house within a mile of my downtown Lynnwood neighborhood.
- People are moving to Snohomish County because they cannot afford the housing in the community they work in King County, which pushes those that work in Snohomish County out of the city/county because they cannot afford it here (examples include our teachers, firefighters, among others.)
- There is a challenge of political willingness combined with NIMBYism. I will challenge myself to think about how I can provide information for my city councilmembers to help them understand the challenge. They need help to be brave.
- I am interested in how we make the next steps attainable, and look at specific strategies.
- Each city in the county is different in its own way; the city of Snohomish has almost every type of housing; they have a home-grown housing program; he thinks the affordable housing percentage is pretty high and has not heard issues about the quality of the community, he further explained he does not know why, but it seems to be because the housing types are spread throughout the community
- I understand Duane's frustration as I am also on the HASCO Board of Commissioners; NIMBYism is a big thing, I would like to invite any elected official on a field trip throughout the county to look at HASCO housing developments. When developers build certain types of housing (i.e. rental housing), the things that renters are asking for are the things that increase the building costs (examples: swimming pools, parking, fitness centers), but the renter's do not use these amenities and can't afford to live there if they amenities are provided. If these amenities were not included, developers could increase the number of units and reduce rents. I want to invite Council members to go on a field trip to see HASCO's housing projects.
- There are many community challenges to work through in trying to address the housing needs of all types. My City Council is creating a citizen housing commission and has already received 125 applications from people who want to serve on this commission.
- What to do when you have a good problem? My community has lost 30-50% of rentals because residents became owners of the units; community and school district has had over 50% free and reduced lunch recipients for over 50 years. As housing values increase, the taxpayer burden becomes bigger. Lower income folks cannot find housing in my community. They're moving to Skagit County.
- Where are there housing moratoriums in King County, and why were these imposed?
 - Mike Pattison explained they are presented as being about a lack of infrastructure, but the reality seems to be more political.
- So is the issue institutional NIMBYism?
- The Master Builders just invested money on some focus group work about talking to people about growth, etc., and they discovered the interest in Accessory Dwelling Units (ADU); the results helped MBA and developers; he will see if it's ok to share the information with the Taskforce to consider in the marketing and/or educational outreach discussions,
- Quixote Village, a tiny village type community that had many NIMBY issues from the business district they were trying to use; residents now serve as a kind of community watch for the businesses; it is a great example of collaboration with businesses and the potential for good outcomes (reduced crime). Keep an open mind.
- Is anyone is looking to use HB 1377 (upzoning in church-owned properties) in their community? I would like more information about other new state legislation in this area.
 - Mike Pattison offered to put information together
 - Association of Washington Counties has a document as well.

- King County is working on a Housing Toolkit, and reasonable measures to be considered; it might be good to have a list of the things in the toolkit
- There is also a Buildable Lands report to help determine how to zone land to meet the needs of the growing population with housing types to match the expected income levels of the new residents.
- The chart of existing and anticipated demand for housing at different income levels: this shows a large need in the 0-80% AMI which are best accommodated with multi-family housing. We need to know how much land is available for this big of a need; how do we match the housing required for the various income levels? The PSRC was asked to provide some numbers. We need to determine if we have proper zoning for these needs.

Karen Reed explained the work plan is designed to introduce the Taskforce to a broad range of ideas –probably about 150—that people have identified to address housing needs. We will be presenting a survey for Taskforce members to complete between Meetings 3 and 4 to provide a gut-check, initial screen on your level of interest in pursuing these ideas. The results will be used to inform the workgroup meetings during the summer.

Karen thanked the City of Everett for allowing the Taskforce to use of this room.

Next meeting: Thursday, June 20, 2019 at 4:00 p.m. at the City of Everett Training Room (5th floor, Wall Street Building) at 2930 Wetmore Ave. The agenda will include a discussion about the “idea screening” tool.

The meeting adjourned at 5:58 p.m.