

Conclusions and Program Proposal

Conditions for Proceeding with New Inter-Jurisdictional Program: Threshold Recommendation

Mindful of the findings that were based on the stakeholder interviews, research on other regional programs, and existing plans and policies, the project team concludes that creation of a new voluntary inter-jurisdictional program to build or create more affordable housing in Snohomish County is feasible and could be an effective tool for jurisdictions looking for new strategies to meet their affordable housing goals. It is recommended that a new inter-jurisdictional program should be created once 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 have reached agreement on who the program will serve and how it will be governed.

Alternatives Analysis

A number of alternatives were considered for organizational models (or governance structure), staffing, funding, and administrative support, prior to developing more detailed program recommendations. These alternatives were identified based on research of other national models and reactions to the “Initial Program Ideas” that were tested in the second round of interviews with local officials and community leaders. The following provides a brief description of some of the key alternatives, and a listing of the relative pros and cons.

Organizational Model (or Governance) Alternatives

Several different organizational structures were considered as ways to enable multiple jurisdictions to work together to create additional affordable housing in Snohomish County. The following alternatives consider utilizing existing structures already in place, and the potential creation of a new structure, as ways in which jurisdictions could govern a new program. Based on the research of other national programs, the success of a particular organizational model depends on the strength of support for that structure from participating jurisdictions, whether the jurisdictions feel that they have sufficient control over the decisions made about the direction of the program and the use of resources, and the level of resources (for staffing and/or capital funding) devoted to support the organizational structure. No one organizational model appears to determine success. (It is important to note that the governance structure does not necessarily have to be the same as the structure used for administrative support – see below.)

Interested Jurisdictions Agree to Work Together Informally – Any Snohomish County jurisdiction (individual cities, the County, and tribes) could agree to collaborate with one another to share information about affordable housing strategies, pool resources to pay for staff or consultant services, or develop joint plans. This collaboration could be accomplished without any formal agreement. Member jurisdictions could agree to meet regularly to review progress on the work plan.

Pros

- Like-minded jurisdictions would be motivated to pursue additional planning activities together to create affordable housing
- Would not require creation of a new structure
- Cost would be minimal; pooling of staff or funding could stretch limited resources further

Cons

- Difficult to maintain an informal collaboration over time; turnover among elected officials and staff could affect strength of collaboration
- Most small and mid-sized jurisdictions do not currently have sufficient resources to devote to affordable housing issues
- Opportunity exists now for this type of collaboration and it has not occurred

Utilize an Existing Inter-Jurisdictional Forum Provided by Snohomish County Tomorrow (SCT) – Representatives from all jurisdictions within Snohomish County meet monthly at SCT

meetings. SCT's mission is to "adopt a publicly shared vision, including goals and policies, to guide effective growth management". Their primary function is to oversee the Countywide Planning Policies, of which affordable housing is one component. The forum serves as an opportunity for participating jurisdictions to share information. There are separate meetings for elected officials (the Steering Committee), city managers (the City Managers Group), and planning staff (the Planning Advisory Committee) from member jurisdictions.

Pros

- SCT provides an existing forum for elected officials and planning staff to discuss issues of common interest and concern; all jurisdictions would be familiar with this organizational model
- Affordable housing issues have been discussed at the SCT forums for elected officials and planning staff
- County provides administrative support for SCT

Cons

- SCT meeting agendas include a wide variety of topics; it could be difficult to provide a consistent focus on affordable housing issues
- SCT membership includes all cities, the County, and local tribes; based on this study's Findings not all Snohomish County jurisdictions will want to participate in an affordable housing collaboration
- A focus on one topic (affordable housing), just for member jurisdictions (assuming that not all jurisdictions would join) would be a departure for their current role.
- SCT is not a decision-making forum; the organizational model must allow for a governance structure that can make decisions about the direction of the collaboration
- May not be perceived as a "neutral" forum by participants because it is staffed by the County

Utilize an Existing Non-Profit Structure, such as the Housing Consortium of Everett and Snohomish County – The mission of the Consortium is to "provide strategic leadership in crafting policy and program solutions to affordable housing challenges in Snohomish County." The organization serves as an association for its members: non-profit developers and housing service providers. It also has non-voting associate members who represent businesses and organizations concerned about affordable housing. And there are four non-voting governmental members.

Pros

- The mission and goals of the Consortium are consistent with the purpose of creating an inter-jurisdictional collaboration around affordable housing
- It serves as a forum where two cities, the County, and tribes can interact with housing developers and other advocates of affordable housing
- It is a trusted non-profit organization; seen as a leader advocating for affordable housing issues
- Utilization of a private non-profit structure would allow the program to be eligible for private foundation grants

Cons

- The Consortium's primary focus is on the interests of their non-profit members

- Few cities are members of the Consortium, and government entities are non-voting members of the organization
- The Consortium is an advocacy group; this would require a major shift in the work of the Consortium

Create a New Organizational Structure Focused on Affordable Housing – This model would establish a new organizational structure for the sole purpose of allowing multiple jurisdictions to collaborate on the creation of more affordable housing. It would be established by creating a formal inter-local agreement, or memorandum of understanding, to define roles, responsibilities, and secure commitments from the volunteer participants. State law (RCW Chapter 39.34, the Interlocal Cooperation Act) authorizes such agreements and describes the terms that must be included in the agreement. Each participating jurisdiction would need to secure legislative approval before signing the agreement.

Pros

- Single-purpose nature of this model would provide a strong focus on affordable housing
- Only jurisdictions wanting to collaborate would participate; all participants would be motivated to succeed

Cons

- Will take significant time and energy to create a new organizational structure
- Could be some confusion about relationship with Snohomish County Tomorrow, the Housing Consortium and other regional forums
- Not clear if there is sufficient interest on the part of Snohomish County jurisdictions to take the steps necessary to create a new structure

Program Staffing Alternatives

If an inter-jurisdictional collaboration is created that focuses on planning activities, staff resources will be required to carry out that work. There are several approaches that can be considered for establishing the initial staff capacity to implement the new program. The selection of the preferred staffing model will be influenced by the agreed upon work plan for the program.

Loaned Executive – Some organizations are able to negotiate agreements with private companies or large government agencies, to utilize the services of a “loaned” executive to provide staff support for a project. Typically, the company or agency loaning the executive pays all, or a portion, of the cost of the salary and benefits for the employee. These arrangements usually last for one or two years. For example, the Boeing Company has a long history of offering loaned executives for different types of community service activities.

Pros

- A loaned executive should have the skill set and expertise to work well with local government officials and community leaders
- A short-term staffing arrangement may allow the program to develop over one or two years, at which point there will be better information or more stable funding for creating a permanent staffing plan

- If the loaned executive's sole responsibility is the inter-jurisdictional program they will be able to focus all of their attention on the affordable housing work plan
- If a donation of a staff resource can be secured it would significantly reduce the start-up cost for a new program

Cons

- May be difficult to find a candidate with experience and expertise in affordable housing planning and development
- Could result in turn over of key staff at critical time in the development of the new program; would not provide a stable funding base for continuation of the program
- In this economic climate it may be difficult to find a private company or public agency that would loan staff for an extended period of time, and pay for all, or a portion of, the costs.
- There are no obvious organizational candidates for this approach

Utilize Existing Staff – Staff already working on affordable housing issues for municipal, county, or non-profit agencies could be asked to accept additional responsibilities to conduct planning activities for members of a new inter-jurisdictional program.

Pros

- Would employ the talents and experience of staff who are currently working on similar issues in Snohomish County jurisdictions
- May be a cost-savings by using existing staff capacity rather than hiring new staff

Cons

- Would be difficult for staff to manage existing duties and provide quality staff support to multiple jurisdictions
- Recent budget constraints, and staff reductions, have severely limited the capacity of existing staff to take on new responsibilities
- It is likely that only a larger government entity could potentially offer existing staff resources
- May be difficult for staff in one jurisdiction to provide much support to other jurisdictions
- Would not provide stable funding base for continuation of program
- There are no obvious organizational candidates for this approach

Create a New Dedicated Staff Position(s) – One or more new positions could be created to provide the staff support needed to conduct a variety of planning activities for those jurisdictions that join an inter-jurisdictional collaboration. The staff would have lead responsibility on affordable housing issues for all member jurisdictions, working closely with the Councils and planning staffs of all members.

Pros

- Allows staff to be focused solely on the affordable housing work plan for the inter-jurisdictional program
- Should be able to hire staff with strong expertise in affordable housing issues
- Staff should have a high level of responsiveness to requests for assistance from participating jurisdictions, since they will not have competing work requirements

- Would be beneficial for those jurisdictions that do not currently have staff to work on affordable housing issues
- This could free up the time of some existing city or county planning staff currently working on affordable housing issues

Cons

- Will require funding to create new dedicated staff capacity; the current economic climate creates challenges for finding available funds
- There could be overlap with the work of existing planning staff among cities or the county working on affordable housing issues; avoiding that overlap would require coordination of work plans
- Staff member with strong understanding of housing issues may not have understanding of local conditions among all member communities

Hire Consultant(s) – Staff support would be provided by one or more consultants with experience in affordable housing planning and development. This could be structured as a fee-for-service arrangement, with the consultant paid for services rendered to participating jurisdictions, or as a flat rate, with the consultant team available for a certain number of hours per month/week to work on the program.

Pros

- Allows the program to hire specific expertise related to the work plan priorities identified by member jurisdictions
- Consultants would be focused solely on the affordable housing work plan for the inter-jurisdictional program
- Consultants may be well suited for helping to design and implement the program, and then transition it over to dedicated full-time staff
- Would be beneficial for those jurisdictions that do not currently have staff to work on affordable housing issues
- This could free up the time of some existing city or county planning staff currently working on affordable housing issues

Cons

- If focus of consultant work is to help design and implement program then more permanent staff capacity will be needed after program is up and running; it may be difficult to create program continuity with staff changes during first several years
- Will require funding to support this alternative; the current economic climate creates challenges for finding available funds
- May be difficult to find consultant that could devote sufficient time to meet the needs of all member jurisdictions

Administrative Support Alternatives

In addition to the governance structure and staff support needed to carry out the work plan for an inter-jurisdictional program, there will be a need for administrative support for a new program. The administrative support could include use of an administrative assistant's time, IT and technical support, use of space and equipment, human resource services, contracting, and accounting and payroll services. An entity that provides these administrative support

services could be considered the “host agency”. Several of the national inter-jurisdictional models have used existing organizations as the host agency, rather than creating new entities. The administrative support services could either be paid for by member jurisdictions, or provided as an in-kind contribution (at least in the initial years) by the host agency. (It is important to note that the administrative support structure does not necessarily have to be the same as the governance structure.)

None of the seven options for potential host agency have been approached specifically about their willingness to provide administrative support services on either an in-kind or fee for service basis. Those discussions will be an important part of the implementation of an inter-jurisdictional program (see section below on implementation).

Snohomish County Tomorrow (SCT) – Administrative support for SCT is provided by Snohomish County, with dues paid by all member jurisdictions. The dues are assessed on a per-capita basis, based on the population of each participating jurisdiction.

Pros

- Already provides administrative support to the various SCT forums; it is a model that jurisdictions are familiar with
- There is a dues payment structure in place, although it would have to be modified if some jurisdictions participated in the new program (and others did not), and payments were made to the County to support administrative services (as opposed to those services being provided on an in-kind basis)

Cons

- Could place a burden on existing staff support services
- If payment were required for services, it would be challenging to raise dues in the current economic climate to increase the level of SCT administrative support for a new program
- SCT is perceived by some cities as being controlled by the County because it is staffed by the County and recommendations from the SCT Steering Committee are made to the County Council

Housing Authority of Snohomish County (HASCO) – The Housing Authority owns and manages more than 2000 subsidized affordable housing units throughout Snohomish County. They are well regarded by those interviewed for this study. HASCO has a staff of sixty-four individuals.

Pros

- Trusted partner that was frequently mentioned by cities in the stakeholder interviews as having good relationships with cities and the County
- Has full range of administrative support services, and has excellent knowledge of affordable housing issues county-wide
- Could be perceived as “neutral” entity

Cons

- Mission focused on housing development and management, as opposed to creation of regulatory and/or zoning recommendations
- Could place a burden on existing staff support

Everett Housing Authority (EHA) – The Housing Authority owns and manages subsidized affordable housing units in the City of Everett. The EHA has been in existence for more than sixty years. It has a staff of approximately sixty individuals.

Pros

- Has a long and successful track record as an organization that provides affordable housing opportunities for the citizens of Everett
- Has full range of administrative support services, and has excellent knowledge of affordable housing issues county-wide

Cons

- Mission focused on housing development and management, as opposed to creation of regulatory and/or zoning recommendations
- Their work is primarily within the City of Everett; most other jurisdictions do not have a working relationship with the Everett Housing Authority; may not be perceived as “neutral”
- Could place a burden on existing staff support

Housing Consortium of Everett and Snohomish County – Serves as the supporting organization for a coalition of non-profit housing developers and service providers, and others concerned about affordable housing. Has been in existence for seven years. The Housing Consortium has a small staff of two full-time employees.

Pros

- Excellent knowledge of affordable housing issues county-wide
- It is a trusted non-profit organization; seen as a leader advocating for affordable housing issues
- Utilization of a private non-profit structure would allow the program to be eligible for private foundation grants

Cons

- Would be a departure from their current role
- Very limited staff capacity currently
- Could place a burden on existing staff support

Snohomish County Economic Development Council (EDC) – The EDC “is a private, nonprofit organization that collaborates with businesses, citizens, and government to support and develop the County as a strong and vibrant economic force.” They currently have ten staff members. A precedent for this type of connection between housing and economic development was established recently when the Snohomish County Work Force Development Council agreed to serve as the host agency to support the development of a family homelessness business plan for the county.

Pros

- Excellent knowledge of all of the jurisdictions within the county
- It is a trusted non-profit organization; seen as a leader advocating for the interests of Snohomish County
- Utilization of a private non-profit structure would allow the program to be eligible for private foundation grants

- A recent precedent was established for this type of role with the Work Force Development Council providing administrative support for the county family homelessness initiative

Cons

- Would be a departure from their current role; they have limited knowledge of affordable housing issues, and housing is not a primary focus of the organization
- Limited staff capacity currently
- Could place a burden on existing staff support

Snohomish County – County government is a large, general purpose government. It provides a variety of administrative support services for county programs.

Pros

- The County currently works with cities throughout the county
- The County's Office of Housing, Homelessness, and Community Development (OHHCD) already administers inter-jurisdictional housing program through the Urban County Consortium
- The scale of county government could provide an opportunity to utilize existing staff to provide administrative support for a new program
- The County may have a stronger commitment to the program goals if they serve as the host agency

Cons

- Recent reductions in county staff could make it challenging for staff to take on additional responsibilities; could place a burden on existing staff support
- County provision of support services could create perception that County would control program decision-making

A large or mid-sized city – A city with a sizeable general purpose government could provide the administrative support services for a new program. The larger the city, the greater the likelihood that they would have sufficient staff resources.

Pros

- Larger cities have a full range of administrative support services
- Other participating cities may have more trust in a city as a host agency
- There may be stronger commitment to the program goals from the host agency

Cons

- Recent reductions in municipal staffs could make it challenging for cities to take on additional responsibilities; could place a burden on existing staff support
- One municipality serving as a host agency could be perceived as having control over the program

Funding Alternatives

If new staff capacity is created to support the work plan for an inter-jurisdictional program, and if payment is required to a host agency to provide administrative staff support, a source of funds will be required to pay for those services. In the current economic climate it will be a challenge to find new fund sources for this purpose.

General Fund Contributions from Participating Jurisdictions – Members of the new inter-jurisdictional program could contribute general fund dollars. This source of funds from participating jurisdictions (cities and the county) could support a portion or all of the program costs. Although local general funds do not traditionally support housing programs, there is precedence for this type of expenditure. Some cities currently contribute general fund resources to support social service programs (which are typically funded by state and federal programs).

Pros

- Would serve as an indication of the level of commitment and buy-in from participating jurisdictions
- Does not take resources directly away from other housing programs
- Even small contributions establish a precedent that can be built on in better economic conditions
- Funds can be used for supporting staff and administrative expenses of a new program

Cons

- During the current economic conditions, general fund resources are very scarce for the majority of cities and the county; most jurisdictions have had to make significant reductions in general fund expenses
- Many cities in Snohomish County have modest commercial or industrial development, and therefore limited tax bases; this limits some cities ability to contribute general fund resources
- General fund contributions may vary over time as they are subject to fluctuations in tax revenues

Grant Funding from Private or State Sources – Grant funds could be used to start a new program. Typically, grant funds are not available for ongoing administrative or staff support. However, they are available for program start-up, and as a match for other funding sources. If a portion of the housing to be created were prioritized for households experiencing or imminently at risk of homelessness, it might be possible to secure education, advocacy, planning and/or operating funds from philanthropic and business leaders who are committed to ending homelessness.

Pros

- Can be very attractive for jurisdictions to join a program that brings outside money to the table
- There could be some attraction to help start a program that could be replicated in other parts of the state or region
- Funds are generally more flexible than other local government sources

Cons

- The challenging economic climate is affecting State government and private philanthropies in the same way it is affecting local government revenues; there is generally a scarcity of private and state funding for new housing programs
- A one-time grant will not sustain the program over time; an ongoing source of funds will be necessary to implement the program

- Snohomish County does not have the same scale of private business-driven philanthropy as some communities that have created similar programs (i.e. Silicon Valley or suburban Chicago area); affordable housing issues do not currently appear to be a high priority for the Snohomish County business community
- Typically private foundations will not fund local government initiatives, they provide grants to private non-profit organizations.

Community Development Block Grant (CDBG) – Both Snohomish County and the City of Everett receive federal CDBG funds. Typically CDBG funds are used for affordable housing capital projects and programs, public facilities and infrastructure, and public services. The City of Everett allocates approximately \$900,000 in CDBG funds annually, while Snohomish County allocates approximately \$3 million each year. Both Snohomish County and Everett will receive some additional CDBG funds as part of the federal stimulus package. Snohomish County will receive approximately \$825,000 and Everett will receive approximately \$250,000. Allocation decisions for Snohomish County CDBG funds are made through the Urban County Consortium, which involves the cities in Snohomish County. Use of CDBG funds are divided into two broad categories: program and administrative expenses. Jurisdictions that administer CDBG funds are allowed a modest percentage of their total allocation for administrative expenses. Additional research will be required to determine if the funding for a new inter-jurisdictional program would be considered a program or administrative expense. If CDBG funds are used to support the program, officials for the two jurisdictions that receive these federal funds will need to determine if funds should be allocated from the program or administrative categories. In previous years, members of the ARCH program in East King County have used CDBG funds for program expenses to make their member contributions to that program.

Pros

- Local jurisdictions collectively have control over this source of funding and it is reasonably predictable over time
- CDBG funds are meant to be used for affordable housing purposes
- Potential to use creative funding allocation process, such as stipulation that a percentage of increases in CDBG funding over current levels can be dedicated for inter-jurisdictional program costs
- County and cities have existing inter-local agreement for CDBG funding that could be modified
- Additional funds will be available through the federal stimulus package

Cons

- There have been recent funding reductions in the federal CDBG program (prior to approval of the federal stimulus package)
- Although additional CDBG funds will be available through the federal stimulus package, there will be greater demand for CDBG funds because of reductions in other revenue sources
- Using CDBG funds for program activities (i.e. to support planning activities to increase affordable housing) would reduce the available funds for affordable housing capital projects

- Using CDBG administrative funds would reduce the funds available to support staff that administer the CDBG program
- Jurisdictions not interested in participating in the program start-up may not support use of CDBG funds for this new program

Other Governmental Housing Funds – The Snohomish County Urban Consortium administers affordable housing funds from other sources that may be eligible for an inter-jurisdictional program. These include, but are not necessarily limited to, the HOME Investment Partnerships Program (a federal pass-through program), the Snohomish County Affordable Housing Trust Fund (which takes its revenue from recording fees), and “2163” funds (another recording fee, for housing the homeless and homelessness prevention). Of these, only 2163 funds would be eligible for operating expenses, and only to the extent that the program addresses homelessness. The others could only be used to pay for new housing or housing maintenance. Washington State has a Housing Trust Fund that, like HOME funds, could provide funds for capital investment. Finally, new funding sources related to federal economic stimulus programs may also apply, but detailed information was not available to the project team in time for this report, and in any case, may expire before an inter-jurisdictional program is ready to launch.

Pros

- Finding other fund sources will ensure that no one fund source bears the burden of creating the new program
- To the extent the program work plan is focused on activities that address the reduction of homelessness, some of the funds known as 2163 funds could be used to support the operations of the new program
- The County and cities have an existing inter-local agreement and process for making funding decisions that could be utilized

Cons

- Most government housing fund sources are for capital projects and do not provide flexibility for funding program staff with a focus on planning, technical assistance, and education, as recommended for the new program.
- Using government housing funds for program activities would reduce the availability of funds for affordable housing capital projects
- Jurisdictions not interested in participating in the program start-up may not support use of housing funds for this new program

Program Recommendations

There is a significant need for new affordable housing opportunities in Snohomish County. In 2007, as described in the Landscape section, more than sixty percent of all households earning less than the county median income were considered “cost burdened” because they were spending a high percentage of their income on housing expenses. When the regional economy slows, as it has in the past year, families spending too much for housing may not be able to afford other basic necessities, like food or health care. The difference between a stable family living situation and an unstable one can be very fragile for cost-burdened households.

This study was designed to explore the potential creation of a new program that would allow multiple jurisdictions in Snohomish County to work together to create more affordable housing opportunities throughout the county. Given the affordable housing needs within the county, and the level of interest in this idea expressed by those interviewed for the study, it is recommended that interested jurisdictions work together to create a new inter-jurisdictional program with the goal of creating more affordable housing in Snohomish County.

As mentioned in the Threshold Recommendation section above, four conditions must be met before a new program can be formed. Achieving a “critical mass” of jurisdictions to become the initial members will create the political support and funding resources needed to sustain a new program for at least two years. It is understood that funding commitments from local governments can only be made on an annual budget cycle, but founding member jurisdictions should agree to participate for at least two years.

Before the new program can be created there must be agreement among the founding members about who the program will serve. Every city will have different affordable housing goals, but there should be unanimous agreement that the program will develop strategies to meet the affordable housing objectives for each participating jurisdiction.

In addition to the four threshold conditions, there are several other principles drawn from the interviews and analysis of other national models that shape the program recommendations that follow:

- The governance and administrative structure for the new program must be streamlined and efficient. This is particularly important in light of the need to create dedicated staff capacity for the program and stakeholders’ strong desire to not create a new bureaucracy. The governance structure should be created in a manner that does not increase decision-making difficulty and delay.
- Given the uneven levels of knowledge and understanding about affordable housing needs, issues, and terminology, an important objective should be to increase the depth of knowledge about these matters.
- Fear of crime and declining property values cannot be adequately addressed through education alone. An inter-jurisdictional program should ensure that any housing, or the

households it supports, raises the quality of life for all residents, including low-income households and existing neighbors.

- An interim strategy will be required to take the initial program concept to implementation. That strategy is described in the “Implementation” section below.

Expected Program Outcomes

During the second phase of the study’s community outreach, all stakeholders interviewed were asked about their reactions to the draft “essential program outcomes. The outcomes are meant to provide general direction for a potential program, and establish expectations for what the program would seek to accomplish. The draft outcomes were developed based on the conclusions of previous planning documents that assessed the affordable housing needs in Snohomish County, the first round of interviews for this study, and discussions with members of the Snohomish County Tomorrow Steering Committee, Planning Advisory Committee (PAC), and the PAC Housing Sub-Committee.

There was wide-spread support for the following statements that described the desired outcomes for a new program:

- There will be a measurable increase in the number of affordable units throughout Snohomish County, including:
 - More affordable rental housing opportunities for households making up to 50% of county median income, especially for seniors, those with disabilities, veterans, families with children, and those working in the service industry and as laborers
 - More affordable home sales opportunities for home buyers making less than the county median income, especially first-time home buyers and those working in Snohomish County communities who cannot afford to buy a home (e.g. teachers and public safety workers)
- More affordable housing (both rental and ownership opportunities) in all participating communities, especially where there is a need for more housing and a lack of affordable housing. Affordable housing should be located where there is good transportation and access to employment opportunities, amenities, and services.
- Over the long run local governments should contribute additional resources toward meeting affordable housing needs in Snohomish County. Resources may include direct financial contributions, fee waivers, donations of land, in-kind contributions, or other forms of support. During the current economic climate, however, local government resources used for affordable housing will remain about the same.²⁴

While these program outcomes provide broad guidance for a new program, more specific targets and strategies will be identified by the participating members of the new program. The lessons learned from other national programs suggest that it is important for a new structure to be responsive to the needs and goals of its members.

²⁴ For further description of current local contributions to affordable housing, see sections above on housing need and funding mechanisms.

Initial Program Focus and Work Plan Activities

Those who support the creation of a new inter-jurisdictional affordable housing program believe the new program should be focused on a set of technical assistance, education and planning activities that would assist member jurisdictions better meet their affordable housing goals. The program's work plan must be perceived as adding value to the public policy decisions made by local governments, or jurisdictions will not participate.

Other national inter-jurisdictional programs have created local housing trust funds by securing contributions from State fund sources, local governments, and/or private sector contributions. As mentioned above, one of the anticipated outcomes for a Snohomish County program would be to create such a local fund. Member jurisdictions will need to determine when and how they would attempt to raise new local capital funds for housing development.

This study tested a number of work plan ideas during the stakeholder interviews to determine the value of different technical assistance and planning activities to potential member jurisdictions. These ideas are consistent with the work conducted by other regional models that support the creation of affordable housing.

Based on the discussions with key stakeholders, the following list of activities serves as a "menu" of potential work plan items for the new program. 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

More on Grant Writing

Dedicated inter-jurisdictional staff would be available to respond to opportunities for affordable housing funding as they become available, such as through new federal, state, or philanthropic sources. These funding announcements usually require timely responses and are difficult to coordinate across multiple jurisdictions in time frames as short as just two months.

In the past several months, for example, the federal government has announced new funding opportunities for the Second Chance Act Reentry Demonstration Project Grants for local or state governments; capital grants for new transitional housing for homeless veterans; the Homeless Prevention and Rapid Re-Housing Program through the American Recovery and Reinvestment Act of 2009; the Neighborhood Stabilization Program; and supportive housing grants through the Substance Abuse and Mental Health Services Administration. Most of these funding opportunities are competitive, or require jurisdictions to develop allocation and administration plans with short timelines. Inter-jurisdictional staff can be available to identify and assess appropriate funding opportunities and work with member communities to pursue these grants.

- Develop regulatory or incentive strategies to encourage development of affordable housing (see sidebar)
- Liaison with non-profit and for-profit developers of affordable housing
- Write grant applications and other forms of fundraising to support affordable housing (see sidebar)
- Develop means of sharing information among jurisdictions about effective affordable housing strategies, as well as potential pitfalls in designing or implementing strategies
- Conduct research on regional and national best practices
- Conduct educational outreach on affordable housing needs and solutions 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 (from local, state, federal and private sources) to create a local housing trust fund, which could be particularly helpful as economic conditions improve; pursue opportunities as they arise

More on Regulatory and Incentive Strategies

Dedicated inter-jurisdictional staff would assist the planning staff of member jurisdictions to develop or modify policies, regulations and planning guidelines that encourage the creation of affordable housing. These regulatory and incentive strategies could include density bonuses, fee waivers, expedited permitting, accessory dwelling units, use of public lands for housing development, modifications to design or zoning guidelines, mixed-use development, or cottage housing.

According to the Housing Evaluation Report produced by SCT, nearly every jurisdiction includes some of these strategies, but the majority of the incentives are not utilized by developers. During the stakeholder interviews several officials expressed interest in learning from other cities experiences and having greater staff capacity to pursue these strategies. Inter-jurisdictional staff would assist the cities in making existing regulations more effective, drafting new regulatory measures, sharing what works between communities, and using their expertise to help develop new tools to support affordable housing goals.

As with the “Expected Program Outcomes” above, final decisions about the work plan for the new inter-jurisdictional program should be determined by members, based on their affordable housing needs and resources. It is anticipated that each member jurisdiction will identify their priority activities. The Governing Board will then make decisions about the work plans for the program staff, with some activities likely to benefit multiple jurisdictions, and other activities benefiting only a single member jurisdiction.

Governance and Membership

Governance of the new program should be provided by the participating members through the creation of a Governing Board representing all member jurisdictions. One of the critical success factors of other national models is that effective collaborations have created shared decision making regarding the direction of the program and use of resources. The Governing Board should make decisions regarding annual work plans and use of staff resources dedicated to the program. This is particularly important in the early stages of the program when jurisdictions want to be sure that funding resources are used wisely and that the program is meeting their unique needs. Program staff would be accountable to the board.

During the course of the stakeholder interviews and the discussions with the SCT Steering Committee, many of those who participated in the study said they did not want to see a new bureaucracy created. They wanted to avoid creating a costly administrative structure, and they did not want to create a cumbersome decision-making process that might further complicate decisions regarding the use of current housing resources. Minimizing the cost of the administrative structure is discussed below. With regard to the governance structure, it is envisioned that the governing board would operate efficiently, focused primarily on setting policy direction, monitoring the progress of staff in achieving program goals, and setting clear expectations for the board's relationship with staff. The Housing Subcommittee of the Planning Advisory Council discussed alternative approaches to establishing a governance model and reviewed a draft Policy Manual that outlines one method of defining the relationship between the board and staff. That material will be provided as background information to this report under separate cover.

Because it is anticipated that a relatively small number of jurisdictions will join initially, it is recommended that a governance structure separate from existing inter-jurisdictional forums be created. Other Forums, such as Snohomish County Tomorrow, include all jurisdictions within the county. The governance structure should be designed to meet the intent of one of the initial Program Design Features – that decision making is not controlled by the County or any single city. This is particularly important for the small and mid-sized cities, which may be concerned that the work planning and resource decisions may be controlled by the larger jurisdictions.

It is suggested that each participating member have one seat on the Governing Board. A jurisdiction's representative should be selected by the Council for that member jurisdiction.

A memorandum of understanding (MOU), or inter-local agreement, should be created to describe the roles, responsibilities and rules for each jurisdiction's participation in the new governance structure. An outline of an MOU that could be used to establish the governance model is included in Appendix 1.

Two types of membership were considered: those who should participate in a governance structure and those who may participate in an advisory capacity.

Membership in a governance structure would be open to all county, city and tribal governments in Snohomish County that choose to join the new program. Because of the different levels of local support for this program concept, membership should be voluntary and phased in over time. Based on stakeholder responses, and the experience of other national models, it should be expected that initial membership may start with as few as three jurisdictions. It is well documented among other national models that initial membership often starts with a handful of jurisdictions participating, and as the program achieves success other jurisdictions join in later years. The legal structure of the new program should easily allow for additional jurisdictions to join over time.

The number of jurisdictions needed to initiate the program could be as few as three, but may require four or more, depending on which jurisdictions choose to join. During the stakeholder interviews, a number of individuals felt that the minimum number of jurisdictions needed to initiate the program will depend on which jurisdictions choose to participate. For example, if two mid-sized or larger cities joined with the County to create the proposed program there may be sufficient critical mass to secure funding support and the administrative resources needed for program startup. However, if three small cities were the initial members, they may not be able to secure sufficient resources for start-up. Some of the smaller and mid-sized jurisdictions feel that it would be more useful to them if similar-sized municipalities participated.

For several reasons, it may be advantageous for the County to participate as one of the initial members: 1) As the biggest local government their participation will serve as a signal of the importance of this work; 2) There is a great deal of land in unincorporated Snohomish County, within the urban growth boundary, where affordable housing could be developed and which may be part of future annexations; and 3) As the largest jurisdiction they have access to resources that smaller jurisdictions do not.

The initial member jurisdictions should be asked to make a two-year commitment to participate in the program. This will provide enough time for the program to demonstrate its value.

In addition, it is recommended that the program create an Advisory Board that includes representatives involved in the affordable housing field – developers, lenders, philanthropy, affordable housing advocates, state or federal officials, etc. During the stakeholder interviews it was suggested that representatives from both private and non-profit housing developers should be included in this new program. In addition, local government jurisdictions that do not join the program as members may choose to participate on the Advisory Board. The Advisory Board would serve as a meaningful way to involve the development community. It would be a valuable sounding board on a variety of policy and programmatic issues. It would likely meet less often than the governance committees, perhaps quarterly. Advisory Board members should be appointed by the Governing Board members.

Program Resources

A variety of resources will be required to initiate a new program. The following provides recommendations on three types of resources: staffing, administrative support, and funding. Alternatives for each were examined earlier in this chapter.

Staffing – Each of the national models researched for this study included dedicated staff capacity for the affordable housing program. Based on an assumption that the program will begin with a small number of initial members (i.e. three to five), it is recommended that a new staff position should be created to conduct the work described above. This is a challenging time to create new staff positions, as many jurisdictions are reducing staff capacity. However, a dedicated staff position with affordable housing expertise is needed to create a focus on affordable housing issues, and to provide support to multiple jurisdictions.

Initially the program should create one FTE to serve as the lead staff on affordable housing issues for all participating jurisdictions. The program staff would function like city or county staff, but would split time providing staff support for multiple jurisdictions. The staff would meet with city councils, planning staffs, and commissions on a variety of affordable housing topics. The program staff member would work closely with the planning or housing staff of member jurisdictions. In some cases they would support the work of municipal or county staff, and in other cases they may take the lead in providing recommendations to appointed and elected officials regarding affordable housing issues. If the program grows over time and additional jurisdictions join, additional program staff will be required to remain responsive to all participating members.

Selection of the program staff will go a long way in determining the success of the program in the initial years. The individual should possess several qualities to enhance the chances for success:

- Extensive knowledge about affordable housing development, programs, and issues
- Experience with and knowledge about local government, and skills in working collaboratively with city, county, and tribal planning staff
- Experience working with elected officials and community groups
- Grant-writing expertise

Administrative Support – Based on comments from stakeholders and members of Snohomish County Tomorrow, one of the initial “program design features” was that the new program should not create a new bureaucracy. There was considerable support for this suggestion.

As mentioned earlier in this report, a new program will need a variety of administrative supports, including access to administrative assistant time, IT and technical support, use of space and equipment, human resource services, contracting, and accounting and payroll services.

To accomplish this desired program feature, an existing organization could serve as a “host” for the program, providing administrative support, space, and generally reducing overhead costs for the program. The alternatives analysis earlier in the chapter identified seven potential options including: Snohomish County Tomorrow, the Housing Consortium of Everett and Snohomish County, a housing authority (Everett or Snohomish County), the Snohomish County Economic Development Council, a large or mid-sized city, or the County.

The organization will need to be large enough to have the kind of administrative support services needed by the new program. At this time it is unclear which of these organizations, if any, would be willing to provide administrative support. It is also unclear whether any of the organizations would be willing to provide support services on an in-kind or fee-for-service basis. The Implementation Task Force described below in the Implementation section should pursue discussions with several of the organizations mentioned in the alternatives section to determine which would provide the administrative services, and at what cost.

Funding – Funding resources will be required to support the new staff position recommended for this work. As mentioned throughout this report, this is a challenging time to find resources to create a new program. Review of national models suggests that there are a variety of fund sources used to support this kind of work. The project team’s analysis identified several potential local options, including: general fund contributions from participating jurisdictions, federal Community Development Block Grant (CDBG), other governmental housing funds, or grant funding from private or state sources.

A modest initial investment to support one FTE, and associated administrative support services, is recommended. In this economic climate there is no easily identifiable source of funds. The most likely funding package will draw from multiple sources. It is suggested that all four sources identified in the alternatives analysis could be used. Although competition for CDBG funds will be intense in 2009 and 2010, the County and the City of Everett are receiving additional CDBG funds as part of the federal stimulus package.

With the recent changes in the national and regional economy, charitable contributions from corporations and private philanthropies are down. At present, few local philanthropies have prioritized the creation of affordable housing in their investing strategies. However, to the extent that a portion of the housing to be created is prioritized for households experiencing or imminently at risk of homelessness, it might be possible to secure education, advocacy, planning and/or operating funds from philanthropic and business leaders who are committed to ending homelessness.

It is also suggested that one of the requirements of membership be that local jurisdictions make very modest contributions to the new program as an indication of local commitment to the program. Lastly, during the interviews conducted for the study, a local legislator expressed a willingness to work with local leaders prior to next year’s legislative session to try and secure some state funding to support the implementation of a new program in Snohomish County as a pilot project.

The Implementation Task Force should work with local leaders to attempt to put together a funding package that would support the first two years of operation.

Implementation – Recommendations for Moving Forward

It is recommended that an Implementation Task Force be created to address - and resolve - the four conditions described in the Threshold Recommendation section above. During the course of the stakeholder interview process several individuals expressed an interest in supporting the creation of an inter-jurisdictional program to work on affordable housing issues. There seems to be sufficient support for the idea that those most interested should be invited to join an Implementation Task Force. The Task Force would meet regularly until the four conditions are met, and the founding jurisdictions enact the MOU or inter-local agreement establishing the new program.

Implementation Task Force – The Implementation Task Force should include public, private, and nonprofit advocates for the creation of an inter-jurisdictional program, and Task Force members should be 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 toward implementation. In particular, the Task Force would need to work with potential member jurisdictions to determine who the initial participants would be. In addition, the Task Force would need to have discussions with potential funders to secure funding support for the program. And the Task Force would need to have discussions with potential “host” agencies to find an organization that would be willing to provide the types and level of administrative support needed.

It is recommended that Snohomish County Tomorrow (SCT) and the Housing Consortium of Everett and Snohomish County serve as co-conveners of the Implementation Task Force. The co-conveners are well positioned to perform this role. SCT provides a forum for all cities, tribes, and the county to discuss their potential interest in the inter-jurisdictional program. The Housing Consortium is a well respected advocate for affordable housing. They also provide a forum for non-profit housing developers and managers to discuss issues related to affordable housing with governmental representatives.

The role of the conveners would be to invite and recruit interested parties to meet on a regular basis during the next year to plan for the creation of a new program. The Chairs of the two convening organizations should seek to create a Task Force that is strongly committed to creating this new program. However, all members of SCT and the Consortium can be invited to participate.

Other individuals or organizations, such as the Master Builders Association, or a supportive elected official, could also play a leadership role in helping to convene the Task Force. Staff support for the Implementation Task Force could be provided by the Housing Consortium, the County, or Snohomish County Tomorrow. However, successful implementation of a new program will require members of the Implementation Task Force to take a leadership role to secure the necessary commitments from the initial members, funders, and a “host” agency.

In light of the current economic climate, the Implementation Task Force should plan on taking approximately one year to secure the necessary commitments for the new program. After the four threshold conditions have been met, the founding member jurisdictions will need to develop an MOU or inter-local agreement that will presumably build on the outline MOU in Appendix 1. Once the initial members have been identified and Council actions are taken to join the new program, the Implementation Task Force will have completed its work and will sunset. Some jurisdictions represented on the Task Force may choose to become initial members, but others may not. As mentioned above, the participating jurisdictions will each identify their representatives on the Governing Board that will oversee program staff and work plan. The diagram on the following page displays the two phases of implementation: the work of the Implementation Task Force to meet the four threshold conditions, and the establishment of the working program by the founding jurisdictions.

After the first two years of operation, the inter-jurisdictional program should report back to the Snohomish County Tomorrow Steering Committee and the Housing Consortium Board of Directors on the progress of the new program. The report should include a summary of all work conducted with and for participating jurisdictions, the number of affordable housing units constructed or planned as a result of the work of the new program, a list of any additional jurisdictions that have expressed interest in joining, and recommended plans for the future of the program.

Recommendations' Consistency with Critical Success Factors from National Research

Table 5:
Consistency with Critical Success Factors

Critical Success Factor	Consistency of Recommendation
A. The program is led by an enthusiastic champion	Create an Implementation Task Force to provide leadership
B. Counties (or State) are invested in the program and active participants	Advantageous for the County to be an initial member if possible; work with area legislators to attempt to secure State funding
C. The support of elected officials and/or key business leaders is instrumental in developing and sustaining the collaboration	Some elected officials have expressed interest; to date the local business community has not been engaged
D. The collaboration minimizes overhead and administrative costs	Find a "host" agency that can provide administrative support services
E. In the absence of "top down" incentives from the State, a broad base of support is critical	An Implementation Task Force, with support from the Housing Consortium could help create a broad base of support
F. In the absence of widespread political will, a gradual and phased approach to collaboration can be successful	A phased approach is recommended, with a minimum threshold of three jurisdictions suggested
G. In the absence of external funding resources, an initial modest work plan can successfully evolve and add roles and activities over time	Program to begin with one FTE, and could be expanded over time; program outcomes state that long term goal is to develop new local capital resources for development of housing
H. The collaboration is responsive to member jurisdictions	An initial work plan is suggested, but member jurisdictions will make decisions about work plan and use of resources
I. In the absence of substantial funding sources, member communities play a larger role in supporting the collaboration through peer and public education, and developing incentives for housing development	Initial suggested work plan includes creation of public education activities and regulatory and zoning strategies, such as incentives to encourage development of affordable housing
J. The administrative agency for the collaboration is trusted in the community and has experience and expertise in housing planning	Several administrative host agencies are suggested. Several, but not all, have housing expertise
K. Staff are dedicated to the collaboration, so that their work plans and goals are based on the objectives of the collaboration and directly serve the members	Creation of a new staff position dedicated to the program is recommended
L. The collaboration structure involves shared decision-making responsibilities and allows for participation of cities of different sizes	All members of the new program (small or large jurisdictions) participate in the governance structure (with representatives from private and non-profit sectors)

Recommendations' Consistency with Initial Program Features

Table 6:
Consistency with Initial Program Features

Program Design Features	Consistency of Recommendation
1. In difficult economic times, the program does not place undo financial burden on participating jurisdictions	Primary sources of funding to implement program should be CDBG and State or private grant, with only modest local funding contributions suggested
2. The initial collaboration will involve at least three jurisdictions	No fewer than three jurisdictions recommended, but may require more depending on initial membership
3. It should not be difficult for other jurisdictions to join later	Phased program membership is anticipated, with more jurisdictions joining as program achieves success
4. The program does not preclude sub-regional activities, and can grow to a countywide or regional program if desired over time	Initial program membership may be too small for sub-regional planning activities, but could be accommodated if several cities from one sub-region join
5. Activities do not contribute to a disproportionate concentration of affordable housing	Addressed in suggested program outcome
6. Does not include local government management or development of housing (not including housing authorities)	Program focused on planning for affordable housing
7. Decision-making is not controlled by the County or any single jurisdiction	Creation of a governance structure that precludes control by any single jurisdiction
8. The program must be able to withstand changes in administrative, political, or economic conditions over time	MOU will attempt to secure multi-year (two-year) commitments from participating members
9. Does not create a new administrative bureaucracy	Utilize an existing "host" agency to provide administrative support services
10. Does not operate without a work plan with measurable objectives based on sound needs analysis; the work plan must meet the needs of member jurisdictions	An initial work plan is suggested, but the annual work plan must be approved by the members
11. The program does not allow housing providers to profit disproportionately to the housing benefits gained in the community	If development incentives were drafted by program staff, they would have to be approved by each local jurisdiction
12. The activities must show progress toward achieving goals within two years	May be a challenge within current economic climate, but member jurisdictions must perceive that services provided by the new program add value to their communities