White Salmon City Council Meeting
A G E N D A
February 05, 2020 – 6:00 PM
119 NE Church Avenue, White Salmon WA 98672

Call to Order and Presentation of the Flag

Roll Call

Comments

Changes to the Agenda

Presentations

1. Spoke Bike Park Presentation
2. 2020 Census

Business Items

3. Resolution 2020-02-500, 2020 Census Partnership
   a. Presentation and Discussion
   b. Action
4. Public Hearing - Ordinance 2020-01-1060, Moratorium on Residential Development
5. Affordable Housing Thresholds
   a. Presentation and Discussion
   b. Action

Consent Agenda

6. Approval of Meeting Minutes - January 15, 2020
7. Approval of Vouchers

Department Head and Council Member Reports

Executive Session

The City Council will meet in Executive Session to discuss litigation pursuant to RCW 42.30.110(1)(i).

Adjournment

Item Attachment Documents:

1 Spoke Bike Park Presentation

WHITE SALMON BIKE PARK

"Spoke Park"

2020 Update

Goals:

There have been minor changes or repairs done to the park since opening in 2013. Since our initial design and build, there has been no major maintenance issues. New updates are needed and being requested by the community to keep it fresh and keep in pace with how riding is evolving and increasing in popularity. These new updates were part of the original plans back in 2013 and are now being executed. The main goal stays the same: "A community bike park for everyone".

The skills area will receive updated features that progress from easy to more difficult. The goal is to allow riders to have a place to build and hone their skills by having features that are progressive in nature. The newly updated features will be 60% accessible for all rider abilities, 30% will be focused on intermediate riders, and 10% will be expert only. We expect that as kids reach their teens, most accomplished riders will be able to ride everything in the skills area. These features will include: updated pump track, updated jump lines, step-ups and step-downs and various "skinny" lines. The overall focus is for **all levels of riders** with a major emphasis on the new, younger, riders who are just learning to ride bike park features. (age 2-12) Nothing else changes about the park and it will remain a "hidden gem" for those who make the effort to explore this amazing place. It's a bike park for everyone including walkers, runners and hikers.

Timeline:

We expect to begin work in early spring and after we have accomplished our fund raising goals and only when the conditions allow. We are currently fundraising and seeking donated services and resources. (Machine rentals, lumber, and clean soil) We are submitting an updated SEPA Checklist to the City of White Salmon as suggested by Pat Munyon. We will work closely with the Gun Club for road access and we will need major community support.

Budget Estimations:

Lumber:

63	10’	4x6	$315
60	8’	2x8	$150
260	12’	2x4	$1300

Total: $1500-2000

Dirt:

Clean, debris free, rock free, soil

900-1000 yards soil

100-130 truckloads **Total: $25,000**

Machine Rental:

4 weeks at 130-180 hrs **Total: $12,000**

Designer and Execution Manager:

Gary Paasch (Expert trail and park builder.
160-200 hours @ $90 per hour **Total $15,000**

Volunteer Hours: Total $0

120-200

Estimated Funds Required: $30,000 - $50,000

Funds required from the City of WS: $0


6

Item Attachment Documents:

2 2020 Census

CENSUS 101: WHAT YOU NEED TO KNOW

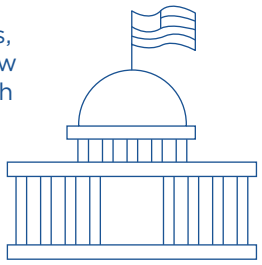
The 2020 Census is closer than you think!
Here's a quick refresher of what it is and why it's essential that everyone is counted.

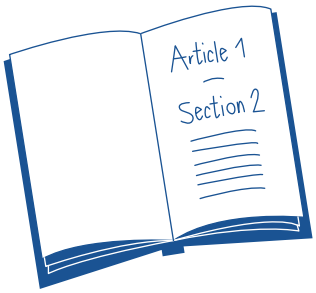
Everyone counts.

The census counts every person living in the United States once, only once, and in the right place.

It's about fair representation.

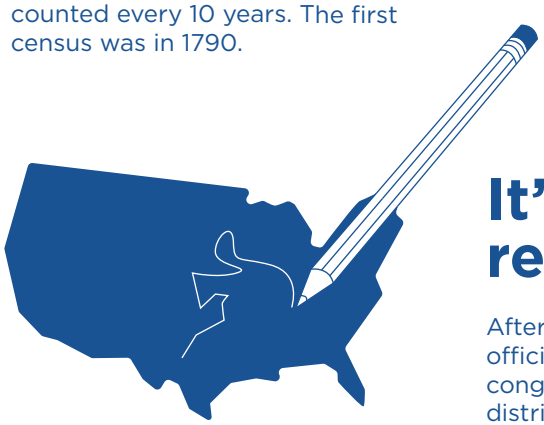
Every 10 years, the results of the census are used to reapportion the House of Representatives, determining how many seats each state gets.





It's in the Constitution.

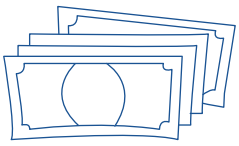
The U.S. Constitution mandates that everyone in the country be counted every 10 years. The first census was in 1790.



It's about redistricting.

After each decade's census, state officials redraw the boundaries of the congressional and state legislative districts in their states to account for population shifts.

It's about $675 billion.

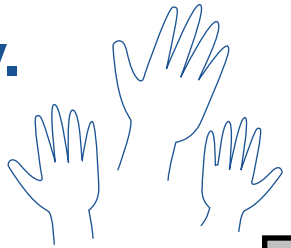


The distribution of more than $675 billion in federal funds, grants, and support to states, counties, and communities are based on census data.

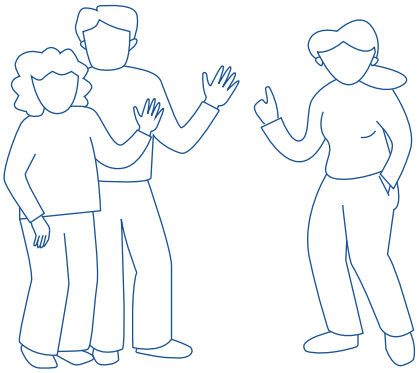
That money is spent on schools, hospitals, roads, public works, and other vital programs.

Taking part is your civic duty.

Completing the census is mandatory: it's a way to participate in our democracy and say "I COUNT!"

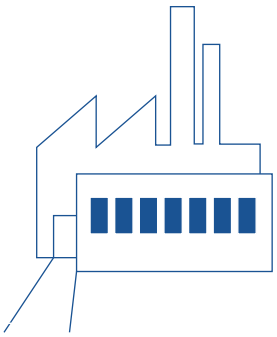


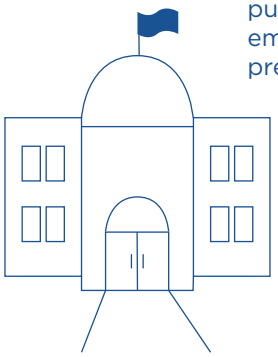
Census data are being used all around you.



Residents use the census to support community initiatives involving legislation, quality-of-life, and consumer advocacy.

Businesses use census data to decide where to build factories, offices, and stores, which create jobs.





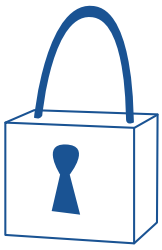
Local governments use the census for public safety and emergency preparedness.

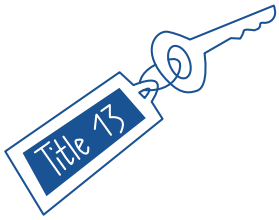
Real estate developers use the census to build new homes and revitalize old neighborhoods.

Your privacy is protected.

It's against the law for the Census Bureau to publicly release your responses in any way that could identify you or your household.

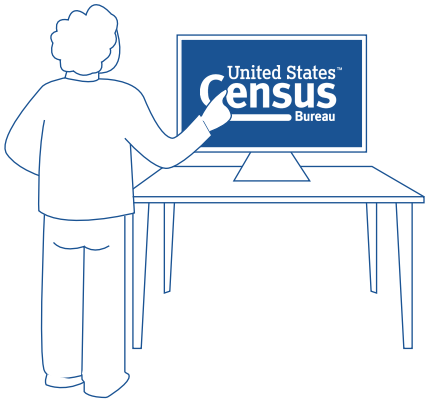
By law, your responses cannot be used against you and can only be used to produce statistics.





2020 will be easier than ever.

In 2020, you will be able to respond to the census online.



You can help.

You are the expert—we need your ideas on the best way to make sure everyone in your community gets counted.

Item Attachment Documents:

3. Resolution 2020-02-500, 2020 Census Partnership
   a. Presentation and Discussion
   b. Action

AGENDA MEMO

Needs Legal Review: Yes
Council Meeting Date: February 5, 2020
Agenda Item: Resolution 2020-02-500, 2020 Census Partnership
Presented By: Marla Keethler, Mayor

Action Required
Adoption of Resolution 2020-02-500, 2020 Census Partnership

Proposed Motion
Motion to adopt Resolution 2020-02-500, Related to 2020 Census Partnership.

Explanation of Issue
The U.S. Census Bureau will be conducting the 2020 Census this year. The US Census Bureau is partnering with states, local governments, and other agencies to ensure that every citizen is counted.

The proposed resolution states the city's intent to partner with the U.S. Census Bureau to ensure that information is provided regarding the 20209 Census.

Recommendation
Staff recommends the city council adopt Resolution 2020-02-500, Related to 2020 Census Partnership.

RESOLUTION 2020-02-500

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON, RELATED TO 2020 CENSUS PARTNERSHIP

WHEREAS, the U.S. Census Bureau is required by the U.S. Constitution to conduct a count of the population and provide a historic opportunity to help shape the foundation of our society and play an active role in American democracy; and

WHEREAS, the City of White Salmon is committed to ensuring every resident is counted; and

WHEREAS, federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based, in part, on census data and housing; and

WHEREAS, census data helps determine how many seats each state will have in the U.S. House of Representatives and is necessary for the accurate and fair redistricting of state legislative seats, county and city councils and voting districts; and

WHEREAS, information from the 2020 Census and American Community Survey are vital tools for economic development and increased employment; and

WHEREAS, the information collected by the census is confidential and protected by law; and

WHEREAS, a united voice from business, government, community-based and faith-based organizations, educators, media and others will enable the 2020 Census message to reach more of our citizens;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHITE SALMON AS FOLLOWS:

The City of White Salmon is committed to partnering with the U.S. Census Bureau and the State of Washington and will:

1. Support the goals and ideals of the 2020 Census and will disseminate 2020 Census information.

2. Encourage all City residents to participate in events and initiatives that will raise the overall awareness of the 2020 Census and increase participation.

3. Support Census takers as they help our City complete an accurate count.

4. Strive to achieve an complete and accurate count of all persons within the city limits of White Salmon.

ADOPTED by the Council of the City of White Salmon, Washington. Dated this 5TH day of February, 2020.

_____
Marla Keethler, Mayor

ATTEST:

_____
Jan Brending, Clerk Treasurer

APPROVED AS TO FORM:

_____
Kenneth D. Woodrich, City Attorney

Item Attachment Documents:

4. Public Hearing - Ordinance 2020-01-1060, Moratorium on Residential Development

City of White Salmon
Office of City Hall

PUBLIC NOTICE
Public Hearing – Residential Development Moratorium

The City of White Salmon City Council will hold a public hearing on Wednesday, February 5 at 6:00 p.m. at the White Salmon Fire Hall, 119 NE Church regarding Ordinance 2020-01-1060 establishing a temporary moratorium on development within all residential zoning districts within the city limits to address issues related to affordable housing. The City Council encourages residents of White Salmon to participate in the public hearing and to comment on the issues and concerns raised in the ordinance. Written comments may also be submitted to the city council by 5:00 p.m. February 5 by dropping the comments of at City Hall or emailing them to Jan Brending at janb@ci.white-salmon.wa.us.

Copies of Ordinance 2020-01-1060, adopted by the City Council on January 15, 2020 are available on the city's webpage, at City Hall or by emailing Jan Brending at janb@ci.white-salmon.wa.us.

ORDINANCE NO. 2020-01-1060

AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, ADOPTED PURSUANT TO RCW 35A.63.220 AND RCW 36.70A.390; IMPOSING A TEMPORARY SIX-MONTH MORATORIUM ON DEVELOPMENT IN THE MOBILE HOME RESIDENTIAL DISTRICT (MHR) WSMC CH.17.36, SINGLE FAMILY RESIDENTIAL DISTRICT (R1) CH. WSMC 17.24, SINGLE FAMILY LARGE LOT RESIDENTIAL DISTRICT (RL) WSMC CH. 17.23,TWO FAMILY RESIDENTIAL DISTRICT (R2) WSMC CH. 17.28 AND MULTIFAMILY RESIDENTIAL DISTRICT (R3) WSMC CH.17.32; SETTING FORTH FINDINGS OF FACT IN SUPPORT OF THIS MORATORIUM; IMPOSING THE MORATORIUM; STATING THE EFFECT ON VESTED RIGHTS; PROVIDING FOR EXCLUSIONS; RECOGNIZING THAT A PUBLIC HEARING WILL BE HELD WITHIN 60 DAYS; AUTHORIZING INTERPRETATIVE AUTHORITY; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; SETTING THE DURATION; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE

WHEREAS, within the express terms of the Growth Management Act, the Washington State Legislature has specifically conferred upon the governing bodies of Washington cities the right to establish and adopt moratoria related to land uses; and

WHEREAS, the City Council of the City of White Salmon ("City") adopted the City's Comprehensive Plan in 2012; and

WHEREAS, the City Council has significant concerns about development and growth in the City under current regulations in the context of the vision and goals of the City's Comprehensive Plan, and is in the process of discussing how to best accommodate growth and development in both general and specific ways, and finds that unless the City acts immediately to preserve the status quo, there are likely to be adverse impacts on the City and its citizens; and

WHEREAS, the City's Comprehensive Plan housing goal (H-1) is to provide locations for a variety of residential uses and dwelling, while minimizing impacts on surrounding uses; and

WHEREAS, the City's Comprehensive Plan housing policy (H-1.3) states that the quality and character of all designated residential areas shall be maintained and protected from conversion to incompatible and irreversible land uses; and

WHEREAS, the City's Comprehensive Plan housing goal (H-2) is to promote diversified residential opportunities for all economic levels; and

WHEREAS, City's Comprehensive Plan housing policy (H-2.3) states opportunities for all economic income levels shall be encouraged, particularly workforce housing; and

WHEREAS, City's Comprehensive Plan housing goal (H-2.6) states both site built and manufactured housing shall be recognized as necessary and functional housing although special standards in placement and locations will apply to each; and

WHEREAS, the City Council and Planning Commission are currently working on a "buildable lands inventory, housing needs and economic opportunity analysis" in addition to the City's Urbanization Study and Comprehensive Plan updates; and

WHEREAS, statewide Klickitat County repeatedly records the highest relative median home price increase, notably in 2008, 2017 and again in 2019 (Washington Center for Real Estate Research for the Washington State Real Estate Commission); and

WHEREAS, the City Council has concerns regarding likely adverse impacts related to growth and development under existing WSMC Title 17 residential zonings. More specifically, the potential for rezoning Mobile Home Residential District (MHR) WSMC Ch.17.36, Single Family Residential District (R1) Ch. WSMC 17.24, Single Family Large Lot Residential District (RL) WSMC Ch. 17.23,Two Family Residential District (R2) WSMC Ch. 17.28 and Multi-family Residential District (R3) WSMC Ch.17.32 regulations require immediate attention by the Council and City staff and include, but are not limited to, the following:

(1) Compliance with design review standards and the role of Hearing Examiner, Planning Commission, and City Council in the land use development review and decision-making process, as well as meeting the goals of the Comprehensive Plan more generally.

(2) Challenges providing opportunities for all economic income levels.

(3) Challenges protecting designated residential areas from conversion to incompatible and irreversible land uses.

(4) Serious challenges promoting affordable housing in a manner consistent with the City's Comprehensive Plan; and

WHEREAS, based on these and related concerns, the City Council requires additional time to review the regulations and policies at issue to ensure that the vision and goals of the City's Comprehensive Plan are being met to the Council's satisfaction; and

WHEREAS, the City possesses land use jurisdiction and regulatory authority over the City's incorporated lands; and

WHEREAS, one of the most frequent responses among citizens, as cited in the 2019 Visioning Survey presented to City Council and the Planning Commission this past September 2019, regarding what would they like to change or improve in White Salmon in the future, is the variety of housing types and the need for affordable housing; and

WHEREAS, the moratorium imposed herein promotes the public good and is necessary for the protection of public health, property, safety, and welfare. A public emergency exists requiring that the City's moratorium become effective immediately upon adoption.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings of Fact. The recitals set forth above are hereby adopted as the City Council's initial findings of fact in support of the moratorium established by this ordinance. The City Council may, in its discretion, adopt additional findings after the public hearing referenced in Section 5 below.

Section 2. Moratorium Imposed. As authorized by the police powers of the City as set forth, for example, in Article XI, Section 11, of the Washington State Constitution, and pursuant to statutory authority set forth, for example, in RCW 36.70A.390 and RCW 35A.63.220, and unless expressly excluded under Section 3 and Section 4 of this ordinance, the City hereby imposes a temporary moratorium on all building permit applications or other land development applications, included or otherwise described in White Salmon Municipal Code, as they relate to activities in:

- Mobile Home Residential District as defined by WSMC Chapter 17.36,
- Single Family Residential District (R1) Ch. WSMC 17.24,
- Single Family Large Lot Residential District (RL) WSMC Ch. 17.23,
- Two Family Residential District (R2) WSMC Ch. 17.28 and
- Multifamily Residential District (R3) WSMC Ch.17.32.

Section 3. Effect on Vested Rights. The moratorium imposed under Section 2 of this ordinance shall apply prospectively only, and shall operate to prevent acceptance of Permit Applications submitted after the effective date of this ordinance. Nothing in this ordinance shall be construed to extinguish, limit, or otherwise infringe on any permit applicant's vested development rights as defined by state law and City of White Salmon regulations, provided that a permit applicant has filed a complete Permit Application before the effective date of this ordinance.

Section 4. Exclusions. The provisions of this moratorium shall not apply to any Permit Applications or projects that are specifically excluded by the Exclusions set forth in this ordinance. These Exclusions, unless expressly modified by the City Council, are specifically limited to:

A. Permits and approvals that are vested by contract, such as those covered by an approved development agreement.

B. Permits and approvals for government facilities and structures (e.g., streets, utilities, surface water facility improvements), including for facilities and structures of municipal corporations and special purpose districts (e.g., the City of White Salmon, White Salmon Valley Metropolitan Park District, White Salmon Valley School District, Klickitat County, Klickitat County Public Utility District.

C. Permits and approvals for additions, alterations, or remodels to existing buildings when such additions, alterations, or remodels do not require a Site Assessment Review. Site Assessment Reviews do not include site plan reviews conducted by the City of White Salmon building official.

D. Permits and approvals for emergency repairs or construction to protect people or property necessitated by a hazardous event or natural disaster (e.g., geologically unstable slope, fire, flooding, earthquake).

E. Permits and approvals for removal and replacement of hazardous trees or invasive plant species.

F. Permits and approvals for signs.

G. Permits and approvals for emergency medical and disaster relief facilities.

H. Permits and approvals for housing projects meeting affordable housing thresholds as determined by City Council. The City Council shall adopt affordable housing thresholds within no less than 30 days from the date of this ordinance.

I. Permits and approvals for maintenance and repair activities for privately owned sewer systems and water systems.

J. Placement permits for manufactured homes.

K. Building permit applications for complete site plan applications or other complete land use applications that have been submitted prior to the effective date of the moratorium.

L. Building permits for single family residences to be constructed on vacant parcels of land to preserve reasonable use of property as guaranteed by the Fourteenth Amendment of the Constitution.

Section 5. Public Hearing. Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City Council shall hold a public hearing at a City Council meeting within 60 days of adoption of this ordinance in order to take public testimony and to consider adopting further findings of fact.

Section 6. Interpretive Authority. The City of White Salmon Mayor, or designee, is hereby authorized to issue official interpretations arising under or otherwise necessitated by this ordinance.

Section 7. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 8. Declaration of Emergency; Effective Date; Duration. This ordinance, as a public emergency ordinance necessary for the protection of the public health, public safety, public property, and public peace, shall take effect and be in full force immediately upon its adoption. Pursuant to Matson v.

Clark County Board of Commissioners, 79 Wn. App. 641 (1995), non-exhaustive underlying facts necessary to support this emergency declaration are included in the "Whereas" clauses above, all of which are adopted by reference as findings of fact as if fully set forth herein. This moratorium shall take effect immediately, and shall remain effective for six (6) months, unless terminated earlier by the City Council. Provided, that the Council may, at its sole discretion, renew the moratorium for one or more six month periods in accordance with state law. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City.

Section 9. Severability: If any section, sentence, or phrase of this Chapter is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence or phrase of this Chapter.

Section 10. Effective date. This ordinance shall take effect immediately upon adoption by a majority plus one of the councilmembers as necessary to protect public health and safety, public property or public peace.

PASSED by the City Council of the City of White Salmon at a regular meeting this 15th day of January 2020.

Marla Keethler, Mayor

ATTEST:

Jan Brending, Clerk Treasurer

APPROVED AS TO FORM:

Kenneth B. Woodrich, City Attorney

Item Attachment Documents:

5. Affordable Housing Thresholds
   a. Presentation and Discussion
   b. Action

AGENDA MEMO

Needs Legal Review:	Yes
Council Meeting Date:	February 5, 2020
Agenda Item:	Affordable Housing Threshold and Moratorium Planning
Presented By:	Marla Keethler, Mayor

Action Required
Adoption of affordable housing thresholds.

Proposed Motion
Motion to adopt affordable housing thresholds.

Explanation of Issue

Affordable Housing Thresholds
The city adopted Ordinance 2020-01-1060, Establishing a Moratorium on certain residential development. The ordinance requires the city to adopt affordable housing thresholds within 30 days of the date of the moratorium (January 15, 2020).

Below are some initial thoughts related to affordable housing thresholds and the planning process during the moratorium.

I recommend the city initiate the discussion on affordable housing thresholds at the February 5th council meeting and if the council is not comfortable in adopting the thresholds on that date – table final action until the February 19th meeting.

Moratorium Planning
The initial thoughts related to the planning process are to identify areas the city can address and initiate action on within the next six months as it relates to implementing the goals and policies in the city's current comprehensive plan and providing input into the comprehensive plan update process. We have instructed the city's planning consultants to move up the comprehensive plan "residential element" review and discussion so that it overlaps the six-month moratorium planning period. In addition, "building lands inventory, housing analysis, and updating of the city's urbanization study" is currently underway. The consulting firm that Klickitat County has hired has indicated that the White Salmon portions of that study could be complete by the end of March 2020.

There may be other areas that the city council feels would help implement the current goals and policies of the city's comprehensive plan and also help address the affordable housing issue that are not currently outlined. It is the hope that the below list serves as a starting point for garnering further ideas and suggestions.

I would like to encourage consideration of the comments heard at the public hearing and written comments that have been received, along with my thoughts on planning, and be prepared to address them in a deeper conversation at the next meeting.

Thoughts on Affordable Housing Thresholds and Moratorium Planning

1. Affordability Thresholds

- Target income levels at up to 80% of Klickitat County household median income (currently at $51,258 based on 2013-2017 American Community Survey 5-Year Estimates)
- Allow accessory dwelling units used for long-term residential rentals or multi-generational family use; do not permit accessory dwelling units for use as short-term rentals (consider grandfathering existing use of accessory dwelling units for short-term rentals for a period of time)
- R-2 and R-3 multi-family developments that make 20% of new units available only to those meeting income thresholds.

2. Other Areas of Focus During Moratorium

A. Development Standards/Opportunities

- Reconsider square footage and parking requirements (including space sizing) for various housing types
- Reconsider and expand density bonus provisions currently outlined in our R-PUD (residential planned unit development) and MU-PUD (mixed use planned unit development) development standards. Current income threshold is 60% of household median income
- Continue support and advocacy on behalf of HB 2620, which would make the multi-family housing tax exemption available to cities of all sizes
- Consider long-term residential as an outright use in commercial district to achieve development that encourages the historic model of first floor storefront and second floor apartment dwellings
- Waive water/sewer hookup fees for multi-family developments that meet a set amount of units and city dictated affordability thresholds
- Reconsider minimum lot size
- Evaluate development standards regarding materials used, etc. to ensure encouragement of innovative and cost-effective approaches that still guarantee safety and support desired community aesthetics

B. Zoning/Ordinances

- Review Critical Areas ordinance and current requirements related to heritage tree protections
- Revisit R-1, R-2, R-3 designations in advance of 2020 Comprehensive Plan; current pyramid setup allows for single family residences in all zones. For example, instead consider minimum density requirements in R-3.
- Strengthen current Mobile Home Residential zone to better protect existing mobile home developments.
- Consider location and best use of R-2 and R-3 zoning in preparation for 2020 Comprehensive Plan
- Address short-term rentals as they relate to various zones and ordinances
- Revisit accessory dwelling unit code and reconsider allowing short-term rentals as a use; enact an amnesty period to allow unregistered accessory dwelling units to be properly permitted by the city with a waived application fee to homeowner
- Review and reconsider cottage infill ordinance

C. Assistance to Cost-Burdened Households

- Increase tenant protections
- Consider support for organizations providing and seeking funding available to support low income homeowners to make home improvements as a means to support the long-term sustainability of the home

- Consider requirements for property owners to provide relocation assistance for any tenant in a Mobile Home Residential zone affected by a zone change or eviction

D. Other Statewide Tools Available for Municipal Led Housing Efforts

- Affordable Housing Property Tax Levy: Counties and cities may impose additional regular property tax levies up to $0.50 per thousand dollars assessed valuation each year for up to ten years to finance affordable housing for very low-income households (defined as 50% or less of the county's median income) when specifically authorized to do so by a majority of voters of the taxing district (RCW 84.52.105).

  If both the city and county impose a levy, the levy of the last jurisdiction to receive voter approval is reduced so that the combined rate does not exceed $0.50 per thousand dollars AV in any taxing district.
  This tax may not be imposed until the legislative authority declares the existence of an emergency with respect to the availability of housing that is affordable to very low-income households, and the legislative authority adopts an affordable housing finance plan in conformity with state and federal laws regarding affordable housing.

- Affordable Housing Sales Tax: RCW 82.14.530, adopted by the legislature in 2015, authorizes counties (and cities and towns, subject to the restrictions below) to place a ballot proposition before the voters for a sales tax up to 0.1% for affordable housing and related services.

  At least 60% of the revenue must be used for constructing affordable housing, constructing mental and behavioral health-related facilities, or funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided. The affordable housing and facilities may only be provided to people within specified population groups whose income is 60% or less of the county median income (see RCW 82.14.530(2)(b)).

  The remaining funds must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

E. Operational Efficiencies

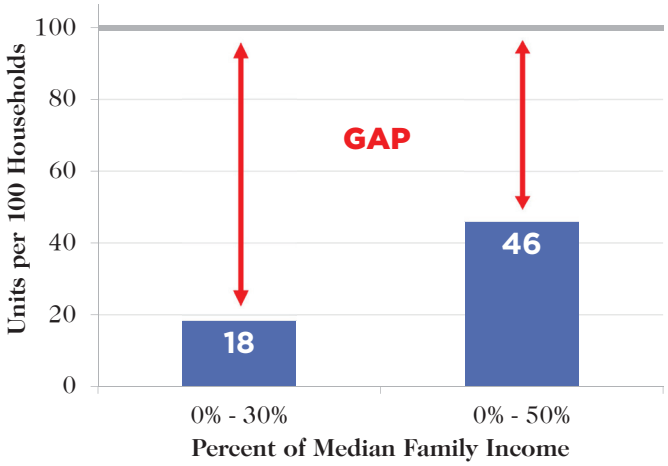
- Develop a more concise planning/permitting chart to improve clarity
- Redefine roles for Hearing Examiner, Planning Commission, City Council and Administration for land use related issues

KLICKITAT COUNTY

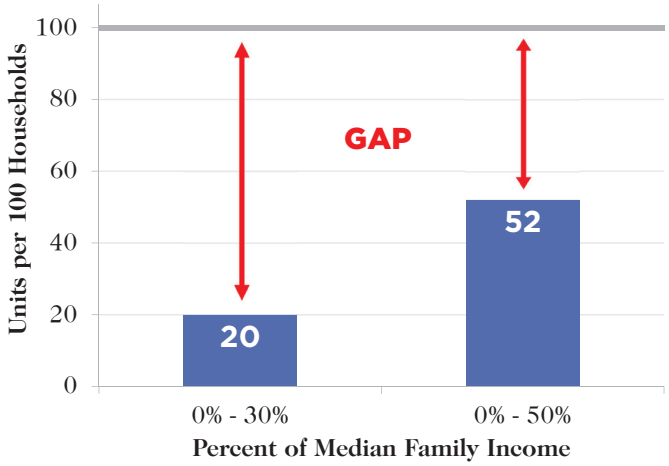
- Population: 20,421
- Area: 1,907 miles²
- Households: 8,294
- Median Family Income: $49,400
- Low-income Renter Households: 1,740
- Subsidized Housing Units: 277

Affordable Housing Gap

Affordable and Available Housing Units for Every 100 Households



Forecasted Affordable and Available Housing Units for Every 100 Households in 2019

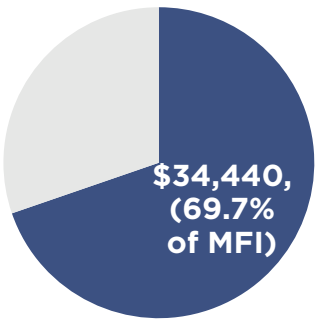


Housing Market

How Much of the Median Family Income (MFI) Must a Household Earn to Afford Rent?

4 people / 3 bedrooms

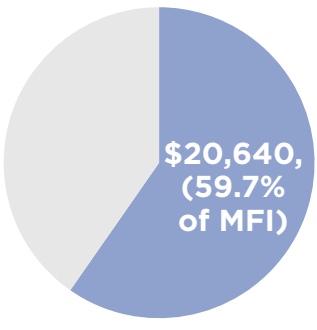
Fair Market Rent: $861



required income

1 person / 1 bedroom

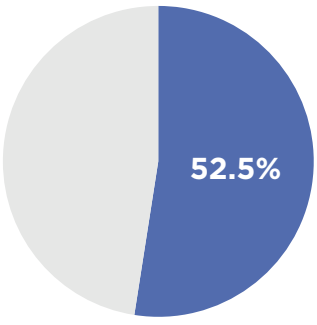
Fair Market Rent: $516



required income

How Much of the Housing Stock Can the Median Family Income Afford to Buy?

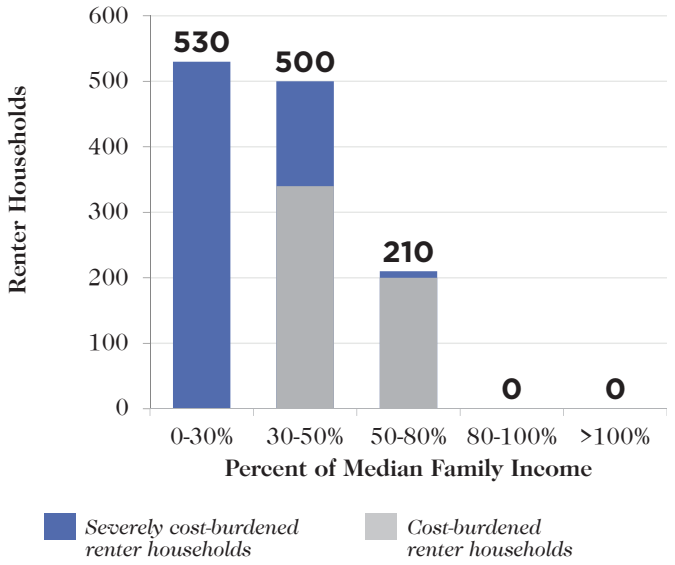
Maximum Affordable Home Value: $202,329



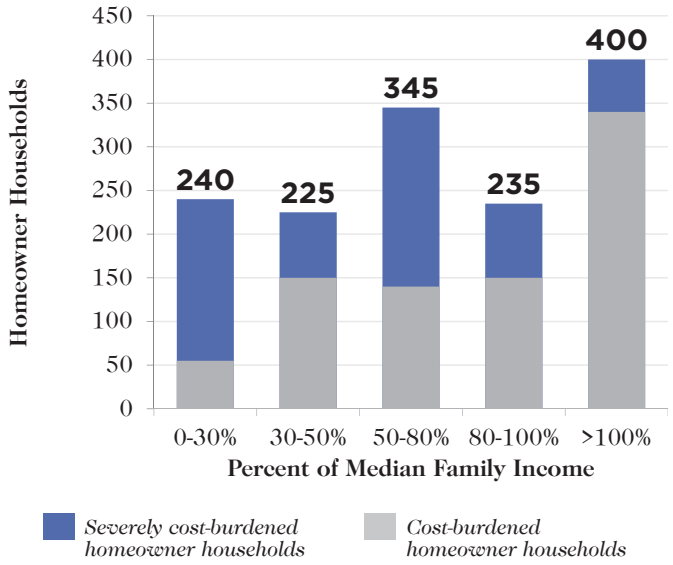
% of owner-occupied homes that are affordable

Cost Burden

Cost-Burdened **Renter** Households

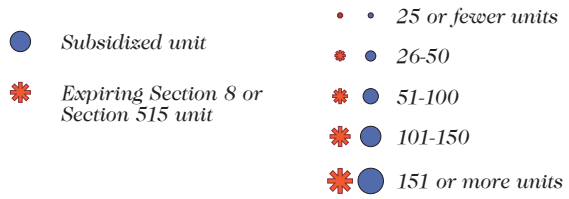


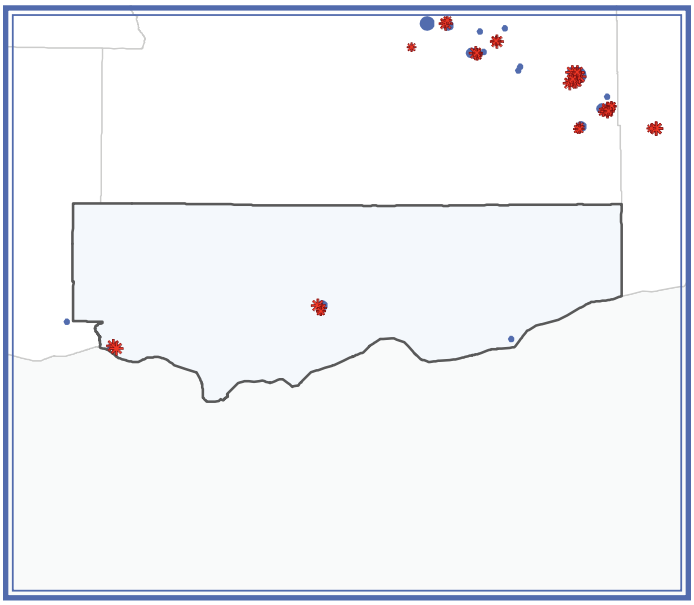
Cost-Burdened **Homeowner** Households



Subsidized Housing Inventory

Subsidized Housing Units, Including Those That Are Scheduled to Expire by 2017





Subsidized Inventory Characteristics

Sites: 13

Units: 277

Section 8/Section 515 units set to expire by 2017: 164

Are There Enough Subsidized Units for Eligible Renter Households at Different Income Thresholds?

% of Median Family Income	Renter Households	Subsidized Units for Which They Are Eligible* #	Subsidized Units for Which They Are Eligible* %	Units per 100 Households
0% - 30%	665	134	100.0%	20
30% - 50%	645	58	43.3%	9
50% - 80%	430	3	2.2%	1
80% - 100%	260	0	0.0%	0

** Income eligibility was not available for all units in the inventory*

Homelessness & housing toolkit for cities

Tools and resources to address homelessness and affordable housing from real cases in cities across Washington.

2020

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MRSC

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Seattle, WA 98121-1280
206.625.1300
mrsc.org

Table of contents

Introduction

City resources for addressing homelessness & affordable housing

Cities of every size are grappling with increasing homelessness, lack of affordable housing for low-wage workers and their families, and inadequate mental health and addiction treatment systems.

After many years of decline, homelessness in Washington is growing again, despite significant investment and efforts to reduce it over the last decade.

Some communities face rapidly increasing housing costs that are pricing working families out of cities. When markets in larger urban communities are red hot, there is powerful pressure to renovate and raise rents for existing affordable units. Less urbanized areas of the state face very low vacancy rates and soft development economies, where new construction is not occurring at the pace needed to meet demand and accommodate growth.

Our inadequate mental health care and chemical dependency treatment systems compound the problem. Washington ranks 46th in the nation in the number of psychiatric beds available for those suffering from mental illness, and our emergency rooms are overwhelmed by the number of people who need help. Opioid overdoses are now the leading cause of accidental death in the U.S. with 70,237 deaths in 2017. Both methamphetamine and opioid addiction are driving this epidemic of addiction, which does not discriminate when it comes to race, sex, geography, or income level.

People with chemical dependency and mental health problems are significantly more likely to be homeless and homelessness is likely to accelerate their downward spiral, adding isolation, trauma, and premature aging to their list of disabling conditions.

Solving these problems fall to a varied group of federal and state agencies, local governments, and nonprofit partners. The cost of homelessness to taxpayers is significant: increased police calls for service, incarceration, emergency room visits, and locally funded homeless services strain local budgets. Cities struggle with limited resources and, often, funding for homelessness and housing does not flow directly to cities.

There is no single solution to these problems and cities need a variety of strategies to address these crises. This toolkit is meant to serve as a resource for elected officials and city staff who seek options and ideas on how to respond.

The following pages offer descriptions of a variety of tools and programs. For each article you will find a brief description of the topic and information on where to access additional resources.

Cities are on the front lines of the challenges of housing and homelessness, but as the programs in this toolkit demonstrate, cities cannot solve them alone. Reducing homelessness and increasing affordable housing requires a sustained, innovative approach and a willingness to partner with county, state, and federal agencies, and as well as local faith communities, nonprofits, and ordinary citizens. None of these programs are one-size-fits-all solutions, but the following pages will offer ideas and inspiration so cities can continue meeting the challenges of an ever-changing world.

Funding

Homelessness & affordable housing funds explained

Cities of every size are grappling with increasing homelessness and a lack of affordable housing for low-wage workers and their families.

Part of the reason for this is that the financial returns from low-income housing development are not high enough for traditional banking institutions and housing developers to be incentivized to finance and construct housing for this economic segment. Housing developments are usually financed based on a high market rent or sale price that will guarantee the repayment of construction loans to banks and result in enough profit for housing developers to take on the many risks of development. Thus, most housing is constructed for those at or above median income levels.

Funds from public sources are often used to incentivize the construction of housing for low income populations. The resources below provide many relevant funding tools for dealing with homelessness and affordable housing finance.

Source	Funding focus	Housing-related use	Area median income (AMI) restrictions
Low Income Housing Tax Credits	Affordable housing and homelessness	Creation of new units	60% of the AMI or below
Washington State Housing Trust Fund	Affordable housing and homelessness	Preservation, creation of new units, and supportive services	80% of the AMI or below, but majority of funds targeted to 30% of the AMI or below
State Authorized Sales Tax	Affordable housing	Creation of new units and housing-related services	60% of the AMI or below
Housing Choice Voucher (Section 8)	Affordable housing	Voucher subsidizing rent	50% of the AMI or below
Community Development Block Grant	Affordable housing	Rehabilitation of affordable housing and homeownership programs for low-income households	80% of the AMI or below
HOME Investment and Partnership Program	Affordable housing	Preservation, creation of new units, and rental assistance	50% of the AMI or below
Affordable Housing Property Tax Levy	Affordable housing	Funds activities designated by the local affordable housing finance plan	50% of the AMI or below
HB 1406	Affordable housing	Allows cities and counties to access a portion of state sales tax revenue to make local investments in affordable housing	60% of the AMI or below
HUD Continuum of Care Program	Homelessness	Homeless housing and services	
Document recording fees	Homelessness	Homeless housing, planning, and prevention	
Mental Illness and Drug Dependency Tax	Homelessness	Services and supportive housing for people with mental health or drug dependency issues	

Low Income Housing Tax Credit

The Low Income Housing Tax Credit (LIHTC) is a federal tax credit program created in 1986 to provide private owners an incentive to create and maintain affordable housing. The IRS allocates program funds on a per capita basis to each state. The Washington State Housing Finance Commission (HFC) administers the tax credits as a source of funding that housing developers use for a single project. Investors in housing projects can apply to the HFC for different tax credits depending on project type.

Washington State Housing Trust Fund

The Washington State Department of Commerce administers a Housing Trust Fund (HTF) funded primarily through the capital budget. Since 1987, the HTF has contributed over $1 billion toward the construction and maintenance of over 40,000 affordable homes. HTF dollars support a wide range of projects serving a diverse array of low-income populations. Projects can serve people with incomes up to 80% of area median income, but most projects funded to date serve households with special needs or incomes below 30% of the area median income, including homeless families, seniors, farmworkers, and people with developmental disabilities. Local governments can apply to the HTF for eligible activities.

State authorized sales tax to support affordable housing & related services

In July 2015, the Legislature approved **HB 2263**, which gives local governments a tool to obtain funding to house vulnerable residents by implementing a one-tenth of one percent sales tax.

County legislative authorities may implement a 0.1% sales and use tax (if approved by a majority of voters) in order to fund housing and related services. A city legislative authority may implement the whole or remainder of the tax if it's approved by a majority of voters and the county has not opted to implement the full tax.

This new revenue stream is meant to serve people living with incomes at 60% or below of a given county's area median income. The majority of the funding (at least 60%) is designated for building new affordable housing and facilities to deliver mental health services and/or the operation and maintenance of newly constructed affordable housing or mental health services. The remainder of the funds can be used for the operation, delivery and evaluation of mental health programs or housing-related services.

The Housing Choice Voucher (Section 8)

The Housing Choice Voucher (HCV) program is a federal housing voucher for very low-income families, the elderly, and disabled individuals to afford housing in the private market. Participants are free to choose any housing that meets the requirements of the program and are not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing authorities. Housing authorities receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. Usually, a housing subsidy is paid to the landlord directly by the housing authority on behalf of the participating family. The individual or family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Community Development Block Grants

Started in 1974, the Community Development Block Grant (CDBG) program is one of HUD's longest running programs and provides annual grants to local governments and states for a wide range of community needs. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

CDBG appropriations are allocated between states and local jurisdictions called "non-entitlement" and "entitlement" communities. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas, metropolitan cities with populations of at least 50,000, and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) is similar to CDBG, except that the funds are for the sole use of providing affordable housing for low- and very low-income individuals. Funding is allocated to states or participating jurisdictions. Funds can be used for building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The program is flexible and allows states and local governments to use these funds for grants, direct loans, loan guarantees or other forms of credit enhancements, and rental assistance or security deposits.

Affordable housing property tax levy

Counties and cities are authorized to impose additional regular property tax levies up to $0.50 per thousand dollars assessed valuation (AV) each year for up to ten years to finance affordable housing for very low-income households (defined as 50% or less of the county's median income) when specifically authorized to do so by a majority of voters of the taxing district (RCW 84.52.105).

If both the city and county impose a levy, the levy of the last jurisdiction to receive voter approval is reduced so that the combined rate does not exceed $0.50 per thousand dollars AV in any taxing district.

This tax may not be imposed until the legislative authority:

1. Declares the existence of an emergency with respect to the availability of housing that is affordable to very low-income households; and
2. Adopts an affordable housing finance plan in conformity with state and federal laws regarding affordable housing.

HB 1406 – State local revenue sharing

Passed in 2019, **HB 1406** creates a sales tax revenue sharing program that allows cities and counties to access a portion of state sales tax revenue to make local investments in affordable housing. Over a 20-year commitment, the state will be sharing more than $500 million with local governments. To take advantage of this funding source, cities and counties must pass a resolution of intent by January 31, 2020 and adopt a tax ordinance by July 27, 2020.

HUD Continuum of Care Program

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness. The program provides funding for efforts by nonprofit service providers, states, and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness. The program promotes access to and effective utilization of mainstream programs by homeless individuals and families. And CoC optimizes self-sufficiency among individuals and families experiencing homelessness.

Document recording fees

Document recording fees are Washington State's largest source of funding for homelessness programs. Counties charge fees on recorded documents and are permitted to retain a portion for affordable housing and homelessness programs. Counties generally include cities in committees in determining how to spend the local share of the collected fees. Another portion of these funds are redirected to the Department of Commerce to fund various programs, including the Consolidated Homeless Grant program.

Mental Illness & Drug Dependency Tax

The Mental Illness and Drug Dependency Tax (MIDD) allows counties to impose a sales and use tax of one-tenth of one percent to fund programs serving people with mental illness or chemical dependencies. Since 2011, any city with a population greater than 30,000 has the authority to implement the MIDD tax if it has not been passed by the county. Programs and services that can be funded by this revenue stream include, but are not limited to, treatment services, case management, and housing as a component of a coordinated chemical dependency or mental health treatment program or service.

Homelessness

Using mitigation sites to address emergency homelessness

As many cities face increasing numbers of people experiencing unsheltered homelessness in their communities, several have begun to operate city-run 'mitigation sites' as a temporary response. These sites are sanctioned encampments and can include a variety of temporary housing types—tents, unheated small wooden structures, or some sites provide a very large temporary shelter with individual units underneath. The sites share a variety of common features, though their approaches differ across jurisdictions.

Tacoma's stability site

In 2017 the City of Tacoma declared a state of emergency around homelessness and developed a plan to address it. One component of that plan was the creation of a stability site, which provided shelter and services to individuals who were chronically homeless or experiencing behavioral health issues. The physical structure is a large FEMA-style tent shaped like an aircraft hangar with smaller individual structures within that can provide beds for 100 individuals.

The site follows the low barrier to entry model (i.e. no requirement to be sober on entry) and provides emergency stabilization and triage through access to services such as a tent site, food, showers, bathroom facilities, and laundry. Other services offered include social services, physical and mental health care, legal services, and transportation. The Tacoma model includes on-site staffing provided by Catholic Community Charities.

One lesson that the city learned is that it proved difficult to move people from the stability sites into temporary housing, because of a lack of available housing supply and service needs of the population. The program had a budget of $2.3 million in 2019, which includes funds for other shelter operators in the city.

Olympia's mitigation site

The City of Olympia developed their own mitigation site following and learning from the Tacoma model. The city was facing upwards of 300 people sleeping outside every night in their downtown area. Many were in unsanctioned encampments, causing public health and safety concerns. The city declared a public health emergency in July 2018, which provided several elements of flexibility, including exemption from state environmental review.

The city developed a downtown mitigation site on a city-owned parking lot that includes 115 spots for individual tents, potable water, and portable toilets. The Union Gospel Mission provides oversight under contract. The city reports a $50-$70,000 startup cost and $200,000 annual operating costs. The mitigation site has a code of conduct that includes requirements, such as no drug dealing.


Managed Mitigation Site


Unmanaged Encampment

Walla Walla's sleeping center

During the winter of 2016, Walla Walla experienced challenges when tents collapsed under the heavy snow in unauthorized homeless camps around the city, which posed a significant safety risk for the occupants. In response, the city created a plan to help residents experiencing homelessness find safer emergency shelter. They partnered with Community Supported Shelters, a nonprofit based in Eugene, Oregon to build 31 insulated, weatherproof, lockable shelters called "Conestoga huts."

The city originally placed the Sleeping Center on city public works property, but the Center has now moved to an industrial area. Operating the Center costs $150,000 annually and is managed by a community group, the Walla Walla Alliance for the Homeless, which provides sanitation and security services, and helps residents find permanent housing.

Tips to consider in a local mitigation plan

1. Clearly define success to avoid unrealistic expectations, consider measurements beyond just people served and moved from shelter.
2. Be clear about what these camps are, and what they aren't. In most cases they are an emergency response to homelessness and safety issues at unauthorized encampments, not a solution to homelessness.
3. Work with community groups and other service providers to maximize access to services.
4. Evaluate and consider ramifications of different potential staffing models at mitigation sites. These can significantly affect program costs.

Resources

www.cityoftacoma.org
www.olympiawa.gov
www.wwallianceforthehomeless.com

Homelessness

Emergency rental assistance programs: A strategy for preventing homelessness

Emergency rental assistance prevents homelessness by helping residents avoid eviction. In addition to providing funds to address their immediate housing crisis, such programs also provide other support services to promote long term stability.

Typically, these programs provide short-term (one to three months) or medium-term (up to six months) rental assistance for households with incomes up to 50% of Area Median Income (AMI), that are at imminent risk of homelessness or have recently become homeless.

Individuals and families fall into housing crises and seek assistance for many reasons. Some of the most common are job loss, an unforeseen reduction in work hours, a medical emergency or disabling condition, limited income coupled with a rent increase, or the cessation of refugee resettlement assistance.

Rental assistance funds are used for immediate help with current or late rent, utility arrears, and legal or interpretation fees needed to stop an eviction action. Funds may also be used for credit and background checks needed to secure alternate stable housing, as well as security and utility deposits and moving costs.

In addition to receiving financial assistance, program participants may receive or be required to participate in services such as landlord negotiations, job search assistance, money management coaching, and help with goal setting.

Seattle has provided funding for its Homelessness Prevention Program with money raised through a Housing Levy authorized by RCW 84.52.105 and passed by the voters in 2009. Under the new Affordable Housing Sales Tax Credit provided by **HB 1406** in 2019, counties under 400,000 in population and cities under 100,000 in population are able to use the tax funds to provide rental assistance to tenants who are at or below 60% of the median income of the jurisdiction. To participate in this tax credit, jurisdictions will need to pass a resolution by January 31, 2020 and legislation by July 27, 2020.

Homelessness

Long-term "master leasing" helps provide homeless housing

Established in 1998, San Francisco's Master Leasing Program acquires sites, mainly single occupancy hotels, under long-term leases with building owners to provide housing for people who are homeless. The building owner retains responsibility only for large capital improvements after the lease is signed. The sites are managed by nonprofit organizations that provide property management and supportive services on site. Building owners often renovate residential and common areas prior to lease signing.

While many nonprofits have adopted similar master leasing programs, only a few cities throughout the country have.

San Francisco's successful program signs long-term leases with owners to provide permanent supportive housing for homeless adults. Its program is a Housing First model; that is, it provides housing immediately to homeless people regardless of their mental health or substance abuse status. This approach is based on the idea that in order for people to achieve stability and recovery, they must first have a safe, stable home and access to the mental health, addiction treatment, and other services they need. Most agree that it is very difficult to address a mental health or chemical dependency issue while sleeping on the street. (See also *The Housing First model* on pg. 12)

The benefits of master leasing include the ability to bring units online rapidly, and the reliance on private capital for upfront renovation costs. In addition, the renovated buildings, combined with on-site services, stabilize properties that have often been problematic for the surrounding neighborhood.

San Francisco funds this program through its general fund and Human Services Care Fund and the program is managed by the Department of Homelessness and Supportive Housing. As of April 2019, the department planned to have 300 new units available in the next six months.

Homelessness & the limits of enforcement

Historically, enforcing sit-lie and panhandling ordinances has been considered a viable tool to address homelessness in public spaces. However, recent court decisions have changed the legal landscape on enforcement, with appeals still pending. In all cases, cities should evaluate their ordinances and enforcement practices to determine whether—and what type of—regulation is necessary.

Martin v. City of Boise—impact on camping, sleeping, or lying in public

In September 2018, the Ninth Circuit Federal Court of Appeals case ruled in *Martin v. City of Boise* that it is unconstitutional for the City of Boise to enforce ordinances prohibiting camping in public places against homeless individuals at times when no shelter space is available. Washington is part of the Ninth Circuit, so this decision applies to Washington municipalities.

The court found that the City of Boise's enforcement of ordinances prohibiting camping, sleeping, or lying in public violated the U.S. Constitution Eighth Amendment ban on cruel and unusual punishment if an individual does not have a meaningful alternative (such as space in a shelter or a legal place to camp). From the court's standpoint, it is not a simple question of whether an ordinance prohibiting camping on public property is constitutional. Rather, the enforcement of such an ordinance is considered cruel and unusual punishment under the Eighth Amendment, if a homeless person has no other option than to live and sleep outside:

> ***"As long as there is no option of sleeping indoors, the government cannot criminalize indigent, homeless people for sleeping outdoors, on public property, on the false premise they had a choice in the matter."***

In other words, camping ordinances are not inherently unconstitutional, but a municipality can be in violation of the Eighth Amendment if the person cited had no meaningful alternative to sleeping outside.

However, in footnote 8, the court set forth some limits on the scope of its decision:

1. It does not cover individuals who do have access to adequate temporary shelter but choose not to use it.
2. Even when shelter is unavailable, an ordinance may prohibit sitting, lying, or sleeping outside at certain times or in certain locations.
3. An ordinance may prohibit obstruction of rights-of-way or the erection of certain types of structures.
4. Whether such ordinances are consistent with the Eighth Amendment will depend on "whether it punishes a person for lacking the means to live out the 'universal and unavoidable consequences of being human…'"

The City of Boise petitioned the United States Supreme Court for review of the Ninth Circuit decision. At time of press, the court had not granted or denied review.

The *Martin* case is viewed as part of a trend where courts conduct close scrutiny of enforcement practices that impact the homeless. What follows are a few examples of that trend.

Unauthorized encampments—seizures

The *Martin* case involves issuance of criminal citations to homeless individuals. A different Ninth Circuit case, *Lavan v. City of Los Angeles*, addresses a related issue—due process requirements for the removal of unauthorized encampments on public property.

Prior to clearing encampments, local governments must provide notice to camp residents (72-hour minimum notice is common). It is also important to have outreach personnel present during encampment removal, whose job it is to help individuals in an encampment identify shelter options or alternative locations to go to. Personal property found during the encampment removal must be held for a certain amount of time so that it can be claimed by the owner. Storage of 60 days is common – the City of Seattle allows for at least 70 days.

Unauthorized encampments—searches

In 2017, the Washington Court of Appeals ruled that tents and shelters set up on public property and used for habitation are protected from unreasonable searches under the Washington State Constitution. In *State v. Pippin*, Mr. Pippin was arrested when the police found drugs in his tent. The court ruled that law enforcement officers needed to obtain a search warrant before searching Mr. Pippin's tent. The court acknowledged the pervasiveness of homelessness and the need for the law to be flexible in responding to it, stating:

> ***"The law is meant to apply to the real world, and the realities of homelessness dictate that dwelling places are often transient and precarious. The temporary nature of Pippin's tent does not undermine any privacy interest."***

Use of vehicles for habitation

A King County Superior Court judge ruled in 2018 that an individual residing in a vehicle may have homestead rights in the vehicle. The Homestead Act protects a person's residence and essential possessions from judgments and liens. Steven Long, a homeless individual who resided in his vehicle, challenged the City of Seattle's impoundment of his vehicle and the $500 impound fee charged by the towing company. Although cars and trucks are not traditionally thought of as residences with respect the Homestead Act, the court noted that under RCW 6.13.010, "the homestead consists of real or personal property that the owner uses as a residence." The court ruled that the impound itself was legal, but that the impound fee constituted a lien on the vehicle, which should have been exempt under the Homestead Act.

It is important to note that as a superior court case this decision is not precedent for Washington local governments. However, at time of printing, the case was pending before the Washington Court of Appeals.

Panhandling regulations

The Washington Supreme Court struck down an ordinance prohibiting begging or panhandling on First Amendment grounds in the 2016 case of *City of Lakewood v. Willis*. In *Willis*, the ordinance prohibited begging at highway on/off ramps and at major intersections, and several other locations. Because freedom of speech is protected in public forums, and sidewalks are a traditional public forum, the court ruled that Lakewood's ordinance overreached in the number of public forums that were restricted. Even though courts agree that panhandling is speech, it can be restricted by time, place, and manner restrictions as long as enough alternative avenues of communication remain available.

In light of *Willis*, cities should review their regulations and enforcement practices. Asking for help or aid is protected speech and courts will closely scrutinize regulations that focus on certain types of speech (such as soliciting aid). Public safety laws (such as obstructing traffic) may present appropriate enforcement alternatives when fairly applied, since these laws do not regulate protected speech.

Homelessness

The Housing First model

The central goal of the Housing First approach is to provide permanent, affordable housing. By providing housing assistance, case management, and supportive services after an individual or family is housed, communities can significantly reduce the time people experience homelessness and prevent further episodes of homelessness.

Housing First is an approach used for both first-time homeless families and individuals, and for people who are chronically homeless. For the chronically homeless, this is also referred to as "low barrier" housing because typically there are no preconditions that the participant be clean and sober to obtain housing. Participants are housed with access to services such as mental health and addiction treatment on-site or nearby, but are not required to use the services.

The Housing First approach provides homeless people with housing quickly, without preconditions such as requiring that they become clean and sober first.

Generally, Housing First programs share these elements:

- A focus on helping individuals and families access and sustain permanent rental housing as quickly as possible;
- A commitment to permanent rather than temporary or transitional housing;
- Provision of social and health services following a housing placement;
- Services are tailored to each individual's or family's needs; and
- Housing is not contingent on participation in services or treatment; the only requirement is that participants comply with a standard lease agreement, and services are intended to help them do so successfully.

A central tenet of the Housing First approach is that social services that enhance individual and family well-being are more effective when people are in their own home than when they are living with the extreme stress of homelessness.

While there are a wide variety of program models, all Housing First programs typically include:

- Assessment-based targeting of Housing First services;
- Assistance locating rental housing, relationship development with private market landlords, and lease negotiation;
- Housing assistance ranging from security deposit and one month's rent to provision of a long-term housing subsidy;
- A housing placement that is not time-limited; and
- Case management to coordinate the services that follow a housing placement.

The Housing First model has been shown to reduce public costs of homelessness such as use of emergency rooms, police services, courts and jails, and public sanitation. The federal Department of Housing and Urban Development estimates that each homeless person costs between $30,000 and $50,000 per year in such costs.

The cost to provide permanent housing and support services to help people stay housed is approximately $20,000 per year.

The stable living environment facilitates effective, and/or more cost-effective treatment than emergency rooms and incarceration.

Program models vary depending on the client population, the availability of affordable rental housing, and/or housing subsidies and services. Housing First programs often reflect the needs and preferences of each community, further contributing to the diversity of models.

Homelessness

Tiny house villages: Quixote Village & Emerald Village

Tiny house villages offer a lower-cost way to provide safe housing, and the benefits of community living and peer support for people recovering from homelessness.

The term "tiny house" covers a wide range of structures and program models. Some are permanent structures with heat, plumbing, and other amenities that will last for many decades; others are less expensive, impermanent, and unheated and unplumbed. Village program models also vary.

Quixote Village

Located on a two-acre site in Olympia, Washington, Quixote Village consists of 30 cottages wrapped around a central open space, and a 2,640 square foot community building that includes a communal kitchen, dining and living room, showers, laundry facilities, and staff offices. The village provides permanent supportive housing for homeless adults, including people suffering from mental illness, people with physical disabilities, and people recovering from addiction.

Financing for the program's development was provided by:

- $1.5 million in the state capital budget, which came through the state Department of Commerce's Housing Trust Fund;
- $699,000 from federal Community Development Block Grant funding that came through Thurston County and the City of Olympia;
- $170,000 in Thurston County funding from document recording fees; and
- $215,000 in community donations, including the Nisqually Tribe, the Chehalis Tribe, the Boeing Employees' Fund, and individual donors.

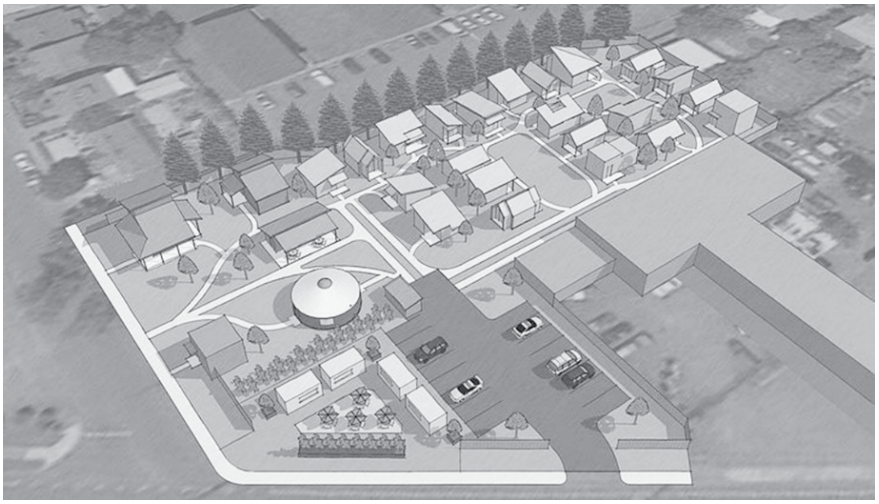
The total cost of the village was just over $3 million or about $100,000 per unit. The village meets the state's green building code and all local building codes.

The Village has three on-site, full-time staff: an executive director, a program manager, and a case manager/resident advocate. Mental health services are also offered on-site. There is also a Resident Council, which helps govern the village and coordinates community holiday parties, barbecues and other events.

Emerald Village

Emerald Village Eugene is an affordable tiny home community developed by SquareOne Villages. It builds upon the success of Opportunity Village Eugene, which is a transitional micro-housing community for otherwise homeless individuals and couples. This next iteration of the village model provides a permanent, accessible, and sustainable place to transition to.

Various teams of local architects and builders provided in-kind services to lead the design and construction of 14 of the 22 tiny homes at Emerald Village—allowing for the demonstration of a variety of compact design and construction methods. SquareOne



Rendering of Emerald Village

led the design and construction of the other eight homes using structural insulated panels (SIPs).

Each of the homes at Emerald Village are designed as permanent dwellings on a slab foundation—complete with sleeping and living areas, a kitchenette, and a bathroom—all in 160-288 square feet. The individual dwellings are supported by a Community Clubhouse that includes a flexible-use gathering area, community kitchen, laundry, restroom, and storage of common resources like tools and other appliances.

Construction of Emerald Village began in May 2017 as a collaboration between local contractors, community volunteers, and future residents (each resident put in at least 50 hours of sweat equity during development stages).

As a new and innovative approach to affordable housing, the capital costs have been funded by small grants, private donations, and lots of in-kind gifts from individuals, businesses, and institutions in the surrounding community. In fact, over 200 local business contributed to the project in some way. As a result of this outpouring of support, it cost around $55,000 per unit to build Emerald Village, including the cost of land.

Unlike most affordable housing projects, residents of Emerald Village are not simply renters, they are members of a housing cooperative. They realize affordability through shared resources, self-management, and operating at-cost. A community agreement outlines a basic code of conduct that all residents must agree to abide by, and each resident is an active participant in helping to operate and maintain the village. Members make monthly payments of between $200-$300 to the cooperative to cover utilities, maintenance, long-term reserves, and all other operating costs. Each member also pays a membership fee of $50 per month—enabling them to create a modest asset that can be cashed out if, and when, they choose to leave. SquareOne retains ownership of property in trust to assure continued affordability to future members of the cooperative.

By combining the benefits of cooperative housing with safe, decent, and cost-effective tiny houses, Emerald Village offers an accessible and sustainable housing model that can be implemented in other communities.

Resources
www.quixotecommunities.org
www.squareonevillages.org

Homelessness

Local governments' winter shelter programs

While local governments in Washington work to develop long-term solutions to homelessness, they must also respond to immediate threats to life and safety that arise when temperatures fall to freezing or below. Some communities have developed winter weather shelter programs to address this need.

Winter weather shelter programs can take many forms, but they often involve a partnership with a local faith-based or other nonprofit organizations for the use of private facilities. While it is possible for a city or county to use its own facilities for this purpose, the logistical challenges of overnight staffing, meal preparation, scheduling of multipurpose facilities, insurance, and other similar issues – can make this option complicated to implement.

Kent partners with local church

The City of Kent partners with a local church to operate a cold weather shelter during specific, cold-weather events.

Following a particularly cold winter in 2008-09, Kent community leaders and members of a local, faith-based organization developed a winter weather shelter program to provide temporary housing at a local church during severe, cold-weather events. Under the terms of the service agreement, the shelter can be activated by the city's Housing and Human Services Manager between the months of November and March when "temperatures fall below 32 degrees for 24 or more consecutive hours and/ or snow accumulation exceeding or expected to exceed three inches in depth and/or other conditions deemed severe enough to present a substantial threat to life or health of homeless persons" occur.

The city announces shelter activation by emailing community organizations, including the police, fire, and parks departments, local schools, and others, and by posting signs and posters at various community locations. A YouTube video, produced by the Kent Housing and Human Services Department, describes how the shelter program works.

The program gives priority to homeless families with children (living on the street or in vehicles) but also provides space for single women and men. The shelter is open daily from 9 pm to 7 am while severe weather conditions exist.

Shelter staffing is provided by church volunteers and Catholic Community Services. The volunteers prepare the facility, greet guests, conduct safety screenings, prepare meals, do laundry, and provide overnight supervision. To address security issues, the police department is notified when the shelter is activated and staff are instructed to call 911 if an emergency situation occurs. The church group also provides some staff trained to assist people in crisis. The church carries insurance coverage based on the terms of the service contract with the city.

Multi-jurisdiction model serves King County's Eastside

The cities of Bellevue, Redmond, Kirkland, Issaquah, and Sammamish collaborate to provide east King County with three "low barrier" (shelters with limited entry requirements are called "low-barrier") shelters:

- Catholic Community Services (for families);
- Sophia Way (for single women); and
- Congregations for the Homeless (for single men).

The City of Bellevue takes the lead in contracting with the shelter organizations and each of the participating cities pays a share of the cost. Under the terms of the contract, shelter services are provided during a fixed period (November–April) as opposed to being triggered by a particular, cold-weather event. In August 2019, the city announced its plan to operate the Congregations for the Homeless men's shelter full-time. This new service is set to start in September 2019 and operate until 2022 when a new full-time shelter will be constructed.

Affordable housing

How cities can make use of up to 20 years of affordable housing shared revenue

In the 2019 legislative session, the state approved a local revenue sharing program for local governments that provides up to 0.0146% of local sales and use tax credited against the state sales tax for housing investments, available in increments of 0.0073%, depending on the imposition of other local taxes and whether a city's county also takes advantage.

If the city decides to access it, the tax credit is in place for up to 20 years and can be used for:

- Acquiring, rehabilitating, or constructing affordable housing;
- Operations and maintenance of new affordable or supportive housing facilities; and
- Rental assistance (an eligible use only in smaller cities).

The funding must be spent on projects that serve persons whose income is at or below 60% of the area median income (AMI). The United States Department of Housing and Urban Development calculates the median income for various regions across the state. Cities can also issue bonds to finance the authorized projects (see related article on pg. 23).

This local sales tax authority is a credit against the state sales tax, so it does not increase the sales tax for the consumer. When a local government decides to levy this new sales tax, the state reduces their tax rate by the same amount. This leaves the consumer paying the same total tax as before.

There are tight timelines that must be met to access this funding source – the first is January 31, 2020 to pass a resolution of intent. The tax ordinance must then be adopted by July 27, 2020 to qualify for a credit.

The following information is intended to help a city evaluate its options and timelines. It is not intended as legal advice. Check with your city's legal counsel and/or bond counsel for specific questions on project uses and deadlines for implementation.

Eligibility to receive shared revenues

- The state is splitting the shared revenues between cities and counties. However, cities can receive both shares if they have adopted a "qualifying local tax" by July 31, 2020. Qualifying taxes are detailed below. Cities that levied a "qualifying local tax" by July 28, 2019 (the effective date of the new law) will receive both shares immediately once they impose the new sales tax credit.
- If a city does not implement a qualifying local tax by the deadline, they can still participate in the program if they meet the other deadlines, but will be eligible for a lower credit rate.
- A city can adopt the sales tax credit before designating how the funds will be used once collected.

The role of *qualifying local taxes*

The following are considered "qualifying local taxes" and, if levied, give the city access to both the city and county shares of the tax credit (i.e. 0.0146% rate instead of the single share rate of 0.0073%):

- Affordable housing levy (property tax) under RCW 84.52.105.
- Sales and use tax for housing and related services under RCW 82.14.530. The city must have adopted at least half of the authorized maximum rate of 0.001%.
- Sales tax for chemical dependency and mental health (optional .1 MIDD) under RCW 82.14.460.
- Levy (property tax) authorized under RCW 84.55.050, if used solely for affordable housing.

Think of the "qualifying local tax" as a multiplier or "doubler." It gives the city access to double the tax credit even when the county chooses to participate in the program.

Eligible uses of the funds

1. Projects must serve people at or below 60% AMI.
2. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services. In addition to investing in traditional subsidized housing projects, this authority could potentially be used to provide for land acquisition, down payment assistance, and home repair so long as recipients meet the income guidelines.
3. Funding the operations and maintenance costs of new units of affordable or supportive housing.
4. For cities with a population under 100,000, the funds can also be used for rental assistance to tenants.
5. The legislation provides authority and encouragement to partner and work regionally including through interlocal agreements.

Resources
AWC **HB 1406** implementation guide, including a how-to flow chart Department of Revenue implementation guidance

Affordable housing

Finding missing middle housing

Housing affordability is one of the greatest challenges facing many communities in the western U.S. Rising demand outpaces the supply of additional housing units, driving prices steeply upward.

Yet many cities and towns restrict significant portions of their community to the most expensive type of housing—single-family homes—while limiting other housing choices to multi-story apartment buildings in or near busy commercial districts. Traditionally, this type of land use planning has been strongly supported by a city's homeowners, believing it maintains neighborhood character and property values.

While single-family homes and multi-story apartments remain popular types of housing, there is a noticeable housing type missing in these communities. Many cities and towns prevent (or strongly discourage) the types of housing that are "in the middle," housing that, in size and character, is somewhere between single-family homes and multi-story apartments. These include small-scale, multi-unit housing such as duplexes, triplexes, townhouses, backyard cottages (aka, accessory dwelling units or ADUs), and courtyard-style apartments. Allowing and encouraging these 'missing middle' housing types can provide more affordable living options, particularly for the growing number of one- and two-person households in our communities—and provide it in a way that is compatible with existing neighborhoods. This approach can also contribute to other community goals, such as accommodating future population increases, increasing walkability, and supporting neighborhood businesses.

Some Washington cities have been examining zoning changes to permit missing middle housing in more neighborhoods. For example, the City of Olympia recently adopted an ordinance to allow many types of missing middle housing in most residential zoning districts. Other cities have better enabled individual types of missing middle housing, such as ADUs. In some cases, these proposed changes have generated significant public debate, particularly over possible changes to existing neighborhoods.

Olympia's experience

Olympia's process began in late 2016 when the Olympia City Council established a 16-member citizen workgroup to review its zoning code and development fees to identify ways to better enable missing middle housing throughout the city. The workgroup included a broad range of interests and expertise, and group members brought a thorough knowledge of the local housing market and the community's neighborhoods.

The workgroup held eight monthly meetings, all of which were open to the public. They identified and discussed dozens of issues, focusing especially on 14 major issues for which they directed city staff to prepare more detailed issue papers. These included requirements for off-street parking, limits on height and setbacks, water and sewer hookup costs, impact fees, and maximum housing density. They also received input through an open comment portal on the city's website and at several public open houses. At its final meeting, the workgroup reviewed specific recommendations from city staff based on the group's discussions. The recommendations were to permit a greater variety of housing types in Olympia's low-density residential zoning districts and to reduce development regulations and fees to more easily allow smaller housing units to be constructed.

Although it had strong policy support in the Olympia Comprehensive Plan, the idea of allowing multi-unit residential buildings in neighborhoods historically dominated by single-family homes ultimately caused heated public debate. Organized citizen groups formed on opposite sides of the debate, each conducting intensive public outreach campaigns.

Following nine months of public debate and lengthy discussion by the Olympia Planning Commission, the Olympia City Council unanimously adopted the following changes to the city's low-density zoning districts:

- ADU requirements were relaxed (height, parking, size, requirement for owner to live on-site, and prohibition of manufactured homes).
- A greater variety of housing types (duplexes, triplexes, fourplexes, cottages, and small courtyard apartment buildings) were allowed, especially near major transit routes and commercial districts.
- Added requirements for multi-unit housing (wider lot widths, wider setbacks, and higher off-street parking requirements) were removed.
- Utility and impact fee requirements for smaller housing types (allow for shared utility connections, scale impact fees, and utility hookup charges for smaller units) were reduced.

While a greater *variety* of permitted housing types was proposed, the allowed *density* of the zoning districts was not increased. Also, minimum lot size now increases with the number of units proposed.

The council felt Olympia's existing development standards adequately addressed several issues with no changes. These included design review standards for infill development, low impact development stormwater measures, regulations of environmentally sensitive areas, and open space and tree protection standards.

Lessons learned on best practices

Olympia's two-year experience provides several lessons that may be helpful to other cities considering changes to increase missing middle housing.

Lesson #1: Ensure supportive policies in the comprehensive plan

Olympia completed a major rewrite of its comprehensive plan in late 2014, a process that included substantial public outreach and involved thousands of individuals.

The new plan recognized the need to accommodate 20,000 new residents by 2035. To do so, it designated three high-density neighborhoods near its commercial centers to accommodate approximately 75% of that growth. But the plan also called for increasing housing opportunities within low-density neighborhoods, areas that make up over 70% of the city's territory. Plan policies called for:

- A variety of compatible housing types;
- Removing unnecessary regulatory barriers to housing;
- Addressing neighborhood character;
- Blending multifamily housing into neighborhoods; and
- Providing housing variety for all income levels.

This policy framework provided the impetus for a public process to flesh out the details for carrying out these policies.

Lesson #2: Get expert analysis and opinions to identify an appropriate approach for your community

The Olympia City Council chartered a citizen's workgroup to identify barriers in city fees and codes impacting the construction of multi-unit housing in its residential zones, as well as potential solutions. The workgroup consisted of 16 community members with expertise in a broad range of fields including construction, real estate, finance, property management, and neighborhood organizing, as well as city-based renters. Overall, the members brought a thorough knowledge of the local housing market and the community's neighborhoods.

Through discussions and research, as well as public input from two community open houses, the workgroup identified 14 major issues needing deeper analysis. The city also contracted with Thurston Regional Planning Council to analyze the proposal's potential effects on future housing capacity.

At its final meeting, the workgroup reviewed specific recommendations made by city staff in response to the 14 challenging issues the group had identified. This process ensured that the recommendations were based on detailed discussion and analysis that reflected a broad set of perspectives and voices.

Lesson #3: Revisions to zoning provisions should vary according to location and existing development

Missing middle housing provides varying housing types, offers affordability options, and helps accommodate predicted population growth. However, determining which zoning provisions to revise should vary according to location and historic type of development.

The workgroup's analysis was very clear—future population growth in Olympia would continue and increasingly consist of smaller households that are more constrained in their ability to afford and purchase single-family houses. Providing for this future population requires significantly greater variety in housing types and levels of affordability than currently exists. Understanding the existing visual and social context is critical to determining what additional types of housing could be developed over time that are compatible with existing development. Take note of the following considerations:

- Allowing a greater variety of missing middle housing types near transit may allow opportunities to decrease off-street parking requirements, thus lowering the cost of construction.
- Older neighborhoods may already be experiencing internal conversions of houses into multiple units. Adopting appropriate design standards may encourage this to continue in a way that remains compatible with the established neighborhood aesthetics.
- Recently developed subdivisions that have smaller lots may make it more difficult to locate three or more additional units on them. In these neighborhoods, it may be more appropriate to limit missing middle housing to ADUs, duplexes, or 2-unit townhouses.

Lesson #4: Sharing public policy issues in bite-sized pieces may help improve public discussion

In Olympia's process, the recommendations reviewed by the workgroup were unveiled to Olympia citizens all at once in a draft summary document. To try to help people understand design and development standards currently in place versus the new proposed standards, staff developed a simple comparison chart. Graphics and illustrations explained how the proposed changes would apply to duplexes, triplexes, fourplexes, courtyard apartments, cottage developments, and other housing types on lots of various sizes.

However, citizens not familiar with zoning regulations found the complex set of recommendations difficult to comprehend. As a result, the proposal was quickly sloganized by opposing citizen groups, both for and against the overall idea of adding housing units in existing neighborhoods. Once public discussion was effectively reduced to an "all or nothing" debate, it became nearly impossible to regain focus on key public policy details. Detailed points of discussion by the knowledgeable workgroup early in the process never really entered the larger public discussion once social media campaigns began to take hold.

In hindsight, the broader public understanding of the recommendations might have been improved if individual issues had been introduced separately rather than all at once. Olympia's workgroup laid the foundation by identifying these major issues and then discussing each one during its research efforts, often finding several potential alternative solutions to the challenges. Had this information been provided to the public on an issue-by-issue basis, this could have been helpful for the broader public discussion and would have provided greater context to each issue.

Special thanks to Leonard Bauer, City of Olympia, for contributing the content for this article!

Resources
www.olympiawa.gov/missingmiddle

Affordable housing

New resources available for Housing Action Plans

Passed by the 2019 Legislature, **HB 1923** was a wide-ranging proposal that was passed into law that provides funding for cities planning under the Growth Management Act (GMA) to adopt a local Housing Action Plan. Interested cities with populations above 20,000 may submit applications to the Department of Commerce for a grant up to $100,000 to support their work. Depending on fund availability, smaller cities may also have access to grants.[1]

The law's broader goal is to encourage cities to take action to increase housing supply. Recognizing that not all of the actions listed in the bill would be relevant to every city, the Legislature created an alternative means to support a tailored approach—developing a Housing Action Plan.

A Housing Action Plan is a locally developed plan to encourage additional housing construction—both affordable and market rate—to create greater variety of housing types at prices that are accessible to a wider range of incomes.

As required in **HB 1923**, a Housing Action Plan must quantify existing and projected housing needs across all income levels, consider household characteristics, and assess the number of cost-burdened households. The state is funding the Center for Real Estate Research at the University of Washington to compile these and other data points for cities to use in their plans.

A city's plan must review the performance of the most recent GMA housing element. The plan must also analyze population and employment trends and consider strategies to minimize displacement of low-income residents during redevelopment. Finally, the plan must develop strategies to increase the supply and variety of housing based on the data gathered; critically, it must include a schedule of programs and actions to implement the plan.

In developing the plan, **HB 1923** requires that a city include a broad group of specified stakeholders, such as community members, local builders and realtors, religious groups, and nonprofit housing advocates.

Resources

Text of **HB 1923** to review specific requirements in Section 1(2)

Department of Commerce **HB 1923** grant application

Our Valley Our Future plan

City of Tacoma Affordable Housing Action Strategy

City of Ellensburg Housing Action Plan

City of Port Angeles Housing Action Plan

City of Tumwater Housing Action Plan

City of Sequim Housing Action Plan

[1]As of printing, AWC is in conversation with the Department of Commerce on their interpretation of the language in **HB 1923**. Commerce is interpreting the language to limit grants to housing action plans to cities with a population above 20,000. AWC does not believe this was the Legislature's intent nor do we read the express language of the law to direct Commerce to limit eligibility for Housing Action Plan grants to the size of a city's population.

Affordable housing

Multifamily housing bonds

As cities and counties grapple with mounting housing insecurity, they are increasingly considering issuing bonds to support the production of rental housing that is affordable to working families. Housing is infrastructure and can be an eligible purpose for public borrowing, using both tax-exempt and taxable bonds.

Types of bonds

Raising funds through borrowing at tax-exempt interest rates is a long-standing practice utilized by state and local governments for all types of infrastructure projects. Governmental entities can issue three types of tax-exempt bonds to finance affordable housing:

- Governmental bonds
- "Volume cap bonds"[1]
- Qualified 501(c)(3) bonds

Local governments regularly issue governmental bonds for core governmental purposes, such as schools, libraries, roads, fire trucks, and administrative buildings. As housing pressures mount, governments are increasingly treating housing as a core governmental function. Projects that qualify for governmental bonds generally must be owned and operated by a governmental entity (such as the county, city, or housing authority) and have traditionally served residents at or below 80% of area median income.

The role of partnerships

Although cities and counties are permitted to issue bonds for housing, most have delegated this responsibility to local housing authorities. The 37 city and county housing authorities in the state can issue both governmental and private activity bonds (as defined below). Many are frequent issuers of housing bonds, and own and operate affordable rental housing for their establishing jurisdictions. This partnership between local housing authorities and their establishing city or county can free local governments from the business of running housing projects, which requires special expertise and attention.

Alternatively, a government can issue bonds and loan the proceeds to another entity that is responsible for developing the housing. In such cases, the type of bond issued will depend on who owns and operates the housing. If a 501(c)(3) nonprofit entity is the owner and operator, the bonds could be qualified 501(c)(3) bonds. If the owner and operator is a for-profit entity—or if it is a nonprofit entity or housing authority that has partnered with a for-profit entity—the bonds issued would be volume cap bonds. The latter category of bonds, and indeed 501(c)(3) bonds, are considered "private activity bonds" because the owner and operator is not a governmental entity.

Both local housing authorities and the Washington State Housing Finance Commission (HFC) are frequent issuers of private activity bonds for housing. HFC is the designated statewide issuer of "conduit" private activity bonds for housing, both volume cap and qualified 501(c)(3) bonds. HFC issues bonds, then loans the proceeds to private developers (both for-profit and nonprofit) to buy or build housing throughout the state.

Project requirements

When issuing governmental bonds for housing, local housing authorities are required by state statutes to set aside at least half of the project (by units or square footage, whichever is larger) for low-income residents. "Low-income residents" has historically been interpreted to mean residents with incomes at or below 80% of area median income. The other half of the project may be rented to tenants paying market rents. When either housing authorities or the HFC issues volume cap bonds, federal tax law requires that the projects reserve 20% of the units for residents earning no more than 50% of area median income or 40% of the units for residents earning no more than 60% of area median income. In most cases, because volume cap bonds trigger the project's eligibility for federal low-income housing tax credits (LIHTC)[2],

[1]Also referred to as "qualified residential rental bonds" or "142(d) bonds" because of the governing section of the Internal Revenue Code for this type of bond. The federal government imposes a per capita limit (currently $105 per person) on the amount of certain types of private activity bonds that can be issued within each state each year. In 2019, Washington State's total private activity bond volume cap allocation was $791,237,055. The state, through the Department of Commerce, further allocates the private activity bond volume cap among exempt facilities, housing, small issue, and student loan categories—with housing traditionally receiving the largest share of the annual allocation. Ch. 39.86 RCW, WAC 365-135.

in order to maximize the LIHTC investment most of these housing projects will be 100% low income, at 60% of area median income.

Paying back the bonds

The debt service on private activity bonds issued by housing authorities and the HFC is usually paid from rents generated at the projects. From time to time, local housing authorities will pledge other unrestricted funds to pay debt service. Because the cost of developing housing is high, the project rents are usually insufficient to repay traditional forms of debt needed to make a housing project affordable to lower income residents. Many affordable projects have multiple funding sources—including bonds, LIHTC investment, and state Housing Trust Fund loans—which reduce the cost of borrowing. However, even with these multiple sources, a gap between the funding available and the costs of development often remains. By providing an additional source of funding to a project, local governments can help "plug the gap" to ensure the affordable housing development can be built.

A new tool for debt service

The new sales tax credit provided by **HB 1406**[3] in 2019 has sparked interest among local governments in issuing bonds backed by the sales tax revenues. Building upon existing partnerships, cities and counties can assist their local housing authorities, private developers, and nonprofit organizations with plugging the gap when they buy and build affordable housing by issuing governmental bonds. The bonds issued would likely be taxable to provide for maximum flexibility.[4] The bond proceeds can be used to establish a local "trust fund" which could lend money to affordable housing developers to build or operate select projects. The new revenues provided by the tax credit could then be used annually to pay debt service on the bonds. Jurisdictions could establish either a single jurisdiction trust fund or a pooled trust fund to which other jurisdictions could contribute either bond proceeds or sales tax revenues to pay debt service on a pooled bond issue. In addition to the state Housing Trust Fund, which is funded with state-issued bonds and managed by the Department of Commerce, trust fund models exist in many jurisdictions. For instance, the cities of Seattle, Vancouver, and Bellingham housing trust funds are funded from housing levies; Spokane's trust fund is funded from document recording fees.

The state and local trust funds play an important role in ensuring the success of affordable housing projects.

Special thanks to Faith Li Pettis at Pacifica Law Group for submitting this article.

[2] The federal LIHTC program is an incentive program, as opposed to a subsidy program, that provides a dollar for dollar tax credit to investors in affordable housing projects. It's one of the most successful affordable housing production programs in U.S. history, having created about 2,000,000 units of housing since inception. The equity provided to a project from tax credit investors is a significant source of funding for many affordable housing developments and is triggered by the issuance of volume cap bonds. Because of the importance of the LIHTC as a capital source for financing housing, qualified 501(c)(3) bonds for housing are infrequently issued – they do not bring with them the LIHTC.

[3] **SHB 1406**, Chapter 338, Laws of 2019. Note that **HB 1406** does not establish a new tax, but provides a credit against the state sales tax collected in a jurisdiction. It is not an additional tax to consumers.

[4] Use of tax-exempt governmental bonds may preclude LIHTC investment or private ownership and development of the project.

Affordable housing

Land Acquisition Program

The Washington State Housing Finance Commission's Land Acquisition Program (LAP) offers low-interest loans to help nonprofit and public organizations buy land for the eventual development of affordable housing. In acquiring land under LAP, cities and their housing partners can respond quickly to secure development sites as the properties become available on the market, and not have to wait until all the financing is assembled for construction costs.

Program details

- Eligible borrowers: nonprofit housing assistance organizations, local housing authorities, local governments, housing authorities, and tribal authorities
- Secured site must be developed within eight years of financing
- Housing can be either multifamily or single-family units
- Housing must target populations at or below 80% of area median income
- Rental housing must remain affordable for at least 30 years

Loan details

LAP loans carry a 1% interest rate with a 1% loan fee and a maximum term of eight years. Although loans may be outstanding for up to eight years, it is anticipated that most loans will be repaid within four to six years.

Interest payments are deferred for the term of the loan, which is intended to be paid off with the proceeds of construction financing in order to recycle the funds for use in future transactions. Specific terms and conditions of the loans are set forth in a loan agreement and deed of trust.

The program has no maximum loan amount. However, LAP is not intended to cover 100% of site acquisition costs. The average loan amount of the projects financed to date is $675,000.

How to apply

Applications for LAP are accepted continually; projects are considered based on fund availability. Strong consideration will be given to applications that propose leveraging LAP funds with other financing sources.

Resources
Washington State Housing Finance Commission (WSHFC)
www.wshfc.org

Quick facts

- Created by the Legislature in 2007
- 52 housing sites financed using $35 million in loans
- Revolving loan fund at an interest rate of 1%
- Seeded with $1 million in state funds; Commission has invested the rest from non-state funds

Affordable housing

New state law incentivizes increased residential building capacity & density

A new law encourages all cities to take actions to increase residential building capacity, especially in areas served by existing infrastructure.

Passed in the 2019 legislative session, **HB 1923** provides temporary incentives in the form of financial support and appeal protection for jurisdictions over 20,000 in population that adopt two or more identified policies to support residential building capacity and density. Cities that adopt two or more of the policies detailed next are eligible to apply to the Department of Commerce for up to $100,000 grants to support their adoption. Additionally, the action to adopt the policies is not subject to appeal under the State Environmental Policy Act (SEPA) or the Growth Management Act (GMA).

These appeal protection incentives expire April 1, 2021 – the Legislature's goal was to spur early action on the housing crisis.

Where these policies make sense, cities should take advantage of this unique opportunity. The appeal protection provides some assurance that after your city goes through the normal robust public process and arrives at a conclusion with potentially difficult votes, you will know that your city is safe from legal appeal.

Eligible activities

Four options for allowing greater density:

1. Increasing residential density in one or more areas near commuter or light rail stations to 50 dwelling units per acre, within an area of at least 500 acres in size that has at least one train station.*
2. For cities greater than 40,000 population: authorizing twenty-five dwelling units per acre within an area of at least five hundred acres that includes at least one bus stop served by bus service at least four times per hour for twelve or more hours.*
3. For cities less than 40,000 population: authorizing twenty-five dwelling units per acre within an area of at least two hundred and fifty acres that includes at least one bus stop served by bus service at least four times per hour for twelve or more hours.*

**In all three of these options, a city cannot require more than an average of one on-site parking space per two bedrooms in the portions of multifamily zones that lie within this area.*

4. Authorize a minimum net density of six dwelling units per acre in all residential zones (this action must result in an increase in capacity to be eligible).

Two methods for promoting specific types of missing middle housing (non-ADU):

1. Authorize at least one duplex, triplex, or courtyard apartment on all parcels in one or more zoning district that permits single family residences unless the city documents a specific infrastructure or physical constraint that would make this unfeasible for a specific parcel.
2. Authorize a duplex on every corner lot within all zoning districts that permit single-family residences.

A very specific set of Accessory Dwelling Unit (ADU) policies:

- Authorize attached ADUs on all parcels with single-family homes where the lot is at least 3,200 sq. ft; and
- Allow attached and detached ADUs on all parcels containing single-family homes where the lot is at least 4,356 sq. ft; and
- Ordinances must not require on-site parking, owner occupancy requirements, or square footage limitations below 1,000 sq. ft for the ADU; and
- Must not prohibit the separate rental or sale of ADU and primary home; and
- Impact fees cannot be more than the projected impact of the unit.

Other than these factors, ADUs may be subject to such regulations, conditions, procedures and limitations as determined by the city.

Six permit or development streamlining related actions:

1. Authorize cluster zoning or lot size averaging in all zoning districts that permit single family residences.
2. Adopt a 'transit oriented' subarea plan under RCW 43.21C.420. Preexisting authority that provides SEPA appeal protections to qualifying projects near transit stations.
3. Adopt a planned action in an area containing residential or mixed-use development that is within one half mile of a transit stop or a proposed transit stop that will be built within five years. No environmental impact statement is required.
4. Adopt increases in SEPA categorical exemptions for residential or mixed-use development using the SEPA "infill" authority in RCW 43.21C.229. This authority allows a city to increase categorical exemptions to a virtually unlimited degree where current density and intensity of use is lower than called for in the comprehensive plan. There are several requirements to use this tool, but it is very powerful.
5. Adopt a form-based code or a code based on physical form rather than separation of uses.
6. Adopt the maximum authorized level for the division or redivision of land through the short subdivision process.

Depending on level of interest and available funds, grant support may also be provided to smaller cities. Check with the Department of Commerce.

Resources
www.commerce.wa.gov

Affordable housing

Revising city regulations to encourage accessory dwelling units

Accessory dwelling units (ADUs) have been around for decades. In many parts of Washington State, the concept is accepted and local governments have revised their regulations to accommodate such housing. Even so, the number of ADUs created in accordance with local standards has remained relatively low, due in part to the difficulty in meeting those regulations and the associated costs. In response, a few local governments are relooking at their standards and discussing how to make them easier to meet. The potential easing of existing ADU regulations, however, is causing neighborhood homeowners to take notice.

What is an accessory dwelling unit (ADU)?

An accessory dwelling unit (ADU) is a small, self-contained residential unit located on the same lot as an existing single-family home. They are sometimes referred to as "mother-in- law apartments." An ADU has all the basic facilities needed for day-to-day living independent of the main home, such as a kitchen, sleeping area, and a bathroom.

There are two types of ADUs:

1. **Attached ADU**, which may be created as either:
   a. A separate unit within an existing home (such as in an attic or basement); or
   b. An addition to the home (such as a separate apartment unit with its own entrance).
2. **Detached ADU**, created in a separate structure on the lot (such as a converted garage or a new "backyard cottage").

Reasons for allowing ADUs

State law (RCW 43.63A.215 and RCW 36.70A.400) requires that certain cities and counties adopt ordinances to encourage the development of ADUs in single-family zones, by incorporating the model ordinance recommendations prepared by the Washington Department of Commerce. In addition to just meeting a statutory mandate, however, ADUs have also helped local jurisdictions meet their Growth Management Act goals to encourage affordable housing and provide a variety of housing densities and types, while still preserving the character of single-family neighborhoods. From a planning perspective, it is considered by many to be a "kinder and gentler" method for accommodating population growth in a community, as compared to upzoning land to do so.

In 2019, the Washington Legislature passed a bill (**HB 1923**) which offers $100,000 in grant funds if a city commits to adopting at least two actions that are intended to increase local residential capacity. Such adopted actions are also exempt from GMA and SEPA appeals. One of these actions is expanding allowances for accessory dwelling units (ADUs) with specific code provisions that extend beyond what is currently required by Washington State law. Cities must act by April 1, 2021.

Standard ADU regulations

Most local ADU regulations have standards to address the following issues:

- Maximum unit size
- Owner-occupancy
- Dedicated off-street parking
- Attached ADUs only
- Maximum number of dwelling units on one lot
- Separate entrances/Only one visible from the street
- Other design standards (especially for detached ADUs) for such items as roof pitch, window style, and exterior material
- Maximum number of occupants
- Minimum lot size
- Building code and other "life/safety" requirements

Communities reconsider ADU requirements

Some local governments in Washington State and elsewhere are reexamining their "standard" ADU requirements and questioning the rationale behind them, especially given the low production rate of new accessory dwelling units.

As a result, some communities are considering changes to ADU regulations, such as:

- **Unit size**: Most current ADU standards set a maximum size (for example, 800 square feet), but some communities are considering an increase to their limit to provide more flexibility.
- **On-site parking**: Some local governments are looking at a reduction or elimination of standards requiring on-site parking spaces for the ADU's occupants, especially in areas where there is adequate on-street parking. Such a change may face stronger opposition in neighborhood where street parking is at a premium.
- **Detached ADUs**: Most codes only allow attached ADUs, but more communities are expanding regulations to permit detached ADUs (which are usually required to be placed in the back half of a residential lot). Even if allowed, the high cost of constructing "backyard cottages" may limit the number that actually get built.
- **Owner-occupancy**: Most codes require that the property owner needs to occupy either the primary or accessory unit, but some communities are considering removing this requirement.
- **Allowing more than two dwelling units**: A "cutting edge" regulatory change is to increase the maximum number of dwelling units on a single-family lot to three (by allowing one primary dwelling unit, one attached ADU, and one detached ADU).

Discussion about these types of changes has caused anxiety for some homeowners, who are concerned about the impacts on neighborhood character and property values. On the other side are affordable housing advocates who consider changing existing regulations as a way to effectively increase the number of legal ADUs.

Regardless of how local governments decide to regulate them, ADUs may be a viable approach to address a community's growth and affordable housing policies in a manner that is acceptable to residents (especially if they consider the alternatives). Just be sure regulations and development review process aren't so burdensome that property owners end up not creating these dwelling units or building an ADU without obtaining the required permits.

Affordable housing

A Regional Coalition for Housing (ARCH): 15 cities & a county working together

A Regional Coalition for Housing (ARCH) is a partnership of 15 cities in East King County and the county government itself dedicated to advancing affordable housing in the region. Originally created in 1992 following recommendations of a citizens' commission, ARCH supports member governments by developing housing policies, strategies, programs, and development regulations; investing local resources in affordable housing developments; administering affordable housing programs; and assisting people looking for affordable rental and ownership housing.

ARCH is governed by its member cities, with an executive board made up of the chief executive officers of member cities. A Citizen Advisory Board provides recommendations on local funding allocations, which are made through a Housing Trust Fund that invests pooled funds into project loans and grants. ARCH's work program and administrative budget is determined annually by its member cities.

ARCH has led and supported a variety of housing policies and programs, notably the early adoption of inclusionary zoning in several communities, surplus land programs, and encouraging regulatory flexibility to support diverse housing types such as accessory dwelling units. ARCH staff also administer incentive and inclusionary housing programs on behalf of members, and provide ongoing monitoring of housing created by city programs and investment. On the capital side, ARCH helps cities pool resources they allocate for affordable housing within the member cities. Cities are willing to co-fund projects through grants and loans with the long-term goal of creating affordable housing throughout East King County that serves a range of needs. ARCH also provides ongoing monitoring of housing funded by cities.

Affordable housing

City of Bellingham housing levy

The Bellingham housing levy was approved by the voters in 2012, and imposes a tax of 36 cents per $1,000 of assessed property value, generating $21 million over seven years for the Bellingham Home Fund. The Bellingham Home Fund provides safe, affordable homes and supportive services to seniors on fixed incomes, people with disabilities, veterans, and low-income families. An Administrative and Financial Plan approved by the Bellingham City Council guides the use of the funds.

In 1995, the Washington State Legislature enacted RCW 84.52.105, which authorizes cities, counties and towns to impose an additional regular property tax levy of up to 50 cents per $1,000 of assessed value of property for up to ten consecutive years. The ability to propose a levy under this statute requires a city, county or town to declare an emergency with respect to the availability of affordable housing.

Rental & transitional housing

The Bellingham Home Fund supports the development of new rental housing units for households that earn less than half the area median income. Funds have been used for critical repairs, weatherization and accessibility.

Homeownership

Since 2002, the City of Bellingham has partnered with the Kulshan Community Land Trust and, more recently, with the Washington State Housing Finance Commission to help with down payment and closing costs for low-income households. Since 1977, the city has offered financial assistance to low-income homeowners to repair their homes. In 2013, the Bellingham Home Fund allowed the city to support expanding the Opportunity Council (a private, nonprofit Community Action Agency serving homeless and low-income families and individuals) services to repair and weatherize owner-occupied manufactured homes.

Rental assistance & services

Bellingham allocates the Home Fund, federal HUD funds, and city funds to support housing and social services for low-income people in the community. These funds also support rent subsidies and emergency winter shelter.

Some of the Home Fund's major initiatives include:

- Homeless Outreach Team (Whatcom Homeless Service Center)
- Intensive Case Management (Whatcom Alliance for Health Advancement)
- Housing Services (Lydia Place, YWCA, Domestic Violence and Sexual Assault Services, Northwest Youth Services, Opportunity Council, and Catholic Community Services)

Affordable housing

Community Land Trusts

Community Land Trusts (CLTs) are nonprofit organizations that provide affordable homeownership by placing land in a trust so that home buyers pay only for the cost of the structure. The CLT home buyers lease the land from the nonprofit for a modest fee.

There are currently over 225 CLTs in 38 states. Thirty CLTs have been established in the Pacific Northwest, with 17 in Washington. CLTs have proven to be a very effective model in Seattle, Bellingham, Spokane, Portland, and other communities around the country.

A CLT must have property in order to offer building sites, either in the form of land for construction or existing homes. Land acquisition may be from available public property, or purchased with funds from grants, special levies or donations.

CLTs make home ownership more attainable for low-income families by removing the cost of land from the purchase. In a "hot" housing market, the increasing land value is a substantial part of the cost of a home; by removing that cost, the CLT is able to sell the homes at below-market rates.

The housing remains permanently affordable by limiting equity gains, which preserves the home's affordability for future owners. In exchange for purchasing a home at well below market rate, CLT homeowners agree to a limit on the amount of equity they can realize if they sell the home in the future. An agreed-upon formula caps their equity growth at a reasonable rate. Even if property values in the area skyrocket, the home remains comparatively affordable forever.

CLT homeowners may still build equity, within the agreed limits, and use that equity to move up the economic ladder.

A CLT balances the multiple goals of asset-building for low- and moderate- income households, preservation of affordability over time, and the protection of neighborhood vitality. CLTs have an established track record of very low default rates. In 2008, CLTs had a foreclosure rate of 0.52% nationally, compared to over 3.3% for conventional homebuyers.

Often, a portion of CLT board seats are reserved for homeowners. In the Spokane CLT, for example, homeownership confers eligibility for membership in the organization. One-third of the board of directors are homeowners, joining local housing advocates, city officials, and other interested community members.

CLT homeowners may make further improvements to their houses just as any homeowner would. Homeowners reap all the tax benefits of homeownership and can leave the home to their heirs or anyone else they designate.

Community Land Trust homes may include both discrete developments in a neighborhood and scattered site programs where homeowners find a home they wish to purchase, and the property is brought into the CLT as part of the purchase process.

Affordable housing

Inclusionary zoning: Mandatory programs

One method for addressing the affordable housing problem is use of a regulatory tool called "inclusionary zoning." Inclusionary zoning requires affordable units to be included within new residential development projects, or payment made for construction of such units elsewhere in the community.

There are two basic types of inclusionary zoning: voluntary and mandatory. Under a voluntary program, it is up to the developer to decide whether or not to use various incentives or bonuses in exchange for providing a specified number of affordable units. However, such programs are not used very often, with developers usually opting to choose the simpler path of building only market-rate housing.

Conversely, a mandatory program requires the construction of a minimum number of affordable units or an "in lieu of" payment. Communities with a mandatory program usually provide an additional density bonus if the number of affordable dwelling units goes beyond the mandated minimum. This article focuses primarily on mandatory programs.

Who uses inclusionary zoning

More than 500 cities in the U.S. use inclusionary zoning, including Boston, Denver, New Orleans, Portland, Sacramento, San Francisco, San Diego, and Washington D.C. In Washington State, there are a few cities that use inclusionary zoning, and more that are actively considering it.

Successful examples in Washington State are Redmond and Federal Way. Redmond's affordable housing regulations, which have been in place since 1995, provide long-term affordable "contracts" on nearly 500 dwelling units. The City of Federal Way has also created a sizable amount of affordable units through its inclusionary zoning provisions.

Elements of Inclusionary Zoning

Mandatory inclusionary zoning regulations usually specify the following:

- **Minimum quantity** of affordable units to be provided, which is usually a percentage of a development's total number of dwelling units. For example, Redmond requires a minimum of 10%, while Sammamish has a sliding scale, based on the affordability level of the provided housing units. Developers in Sammamish are also using the city's affordable housing "bonus pool" to produce more market-rate and affordable dwelling units.
- **Targeted income range** of households to be served by the affordable units. For instance, Redmond's target population is "those who make equal to or less than 80% of the King County median household income adjusted for household size,"

while Federal Way defines "rental affordable housing" as dwelling units affordable to those with incomes at or below 50% of King County's median income.

- **Time period** within which the designated units must be maintained as affordable. For example, Issaquah requires those units to remain affordable for a minimum of 50 years.
- **Geographic scope** of such regulations. Inclusionary zoning is usually limited to designated areas such as a downtown or mixed-use development areas, although they may be applied throughout your community. For example, Redmond includes its downtown and seven other neighborhoods, while Issaquah's mandatory program is limited to the Central Issaquah Urban Core.

On a practical note, a local government should ensure that the increased development capacity resulting from an upzone will offset the added costs to the housing developer of providing the affordable units. Otherwise, neither the market-rate nor affordable housing units will be built.

Pros & cons of inclusionary zoning

In an active housing market, inclusionary zoning results in the production of more affordable housing for low- and moderate-income residents. Inclusionary zoning can also result in buildings and neighborhoods that have a mix of income levels, without having to rely on taxpayer funds to provide them.

On the "con" side, it is important to tailor your program to fit your local housing market. If the market is not strong enough, mandatory affordability requirements could cause developers to not to build any residential housing, which may exacerbate the affordable housing issue. Cities should review the programs of their peers to consider administrative and monitoring responsibilities.

Legal basis for inclusionary zoning

State law (RCW 36.70A.540) provides authority for GMA cities and counties to establish mandatory requirements for the inclusion of affordable housing under certain circumstances. That statute allows a GMA city or county to require a minimum number of affordable housing units that must be provided by all residential developments in areas where the city or county decides to increase residential capacity. Before establishing such a requirement, a city or county must determine that such a zone change would further local growth management and housing policies.

The pros and cons of inclusionary zoning should be carefully reviewed before implementing such a program. But, if your community has an affordable housing problem and strong demand for market-rate housing, it is a regulatory tool that should be considered.

Affordable housing

Multifamily tax exemption: An incentive to help create affordable housing

Washington cities with populations of 15,000 or more may establish a tax exemption program to stimulate the construction, rehabilitation, or conversion of existing structures to provide multifamily housing within city- designated areas, including affordable housing (see RCW 84.14).

Cities in "buildable lands" counties under RCW 36.70A.215, and the largest city in a Growth Management Act (GMA) county where no city has 15,000 or more residents may also utilize the tax exemption program.

When a project is approved under this program, the value of eligible multifamily housing improvements is exempted from property taxes for eight or 12 years. Land, existing improvements, and non-residential improvements are not exempt. Only projects with four or more units are eligible for either the eight or 12-year exemption. The eight-year tax exemption applies to market-rate housing, and the 12-year tax abatement is available if 20% of the project's units are affordable to families earning up to 115% of the area median income.

Only property owners who commit to renting or selling at least 20% of units as affordable housing for low- and moderate-income households are eligible for a 12-year exemption. The property must satisfy that commitment, and any additional affordability and income eligibility conditions adopted by the local government under this chapter.

If the property use changes before the applicable exemption ends, back taxes are recovered based on the difference between the taxes paid and the taxes that would have been paid without the tax exemption.

Several cities have adopted multifamily property tax exemption ordinances including Auburn, Bellevue, Everett, Renton, Spokane, Seattle, Bremerton, Wenatchee, Bellingham, Shoreline, Kent, Tacoma, Vancouver, and Lynnwood.

The Seattle Multifamily Tax Exemption program is applicable to new multifamily buildings that set aside at least 20% of the homes as income- and rent-restricted for 12 years. As of 2017, 306 properties are participating in the program.

Affordable housing

Bremerton addresses housing affordability & chronic homelessness

The City of Bremerton is working to expand their assistance to low-income residents and to help the chronically homeless facing addiction and mental health issues.

Bremerton has seen demand increase for affordable housing and services in recent years. Figures estimate that half of renters in the city pay more than 50% of their income in rental payments. Additionally, chronically homeless individuals who face addiction and mental health issues struggle to keep their housing. Kitsap County's 2019 point-in-time homeless count indicates that some of the most common causes of homelessness are mental health issues, as well as addiction.

The City of Bremerton has implemented a two-pronged approach to address affordability and chronic homelessness—helping to keep people in their homes and expanding access to mental health care and substance abuse treatment.

Rental assistance & weatherization

The city's 2019 budget funded $200,000 for rental assistance and weatherization upgrades for low-income residents. The rental assistance program, administered through the Bremerton Housing Authority, offers help with short-term rent payments, eviction prevention, and security deposits. The city's weatherization and minor home repair program, administered through Kitsap Community Resources, provides help to lower energy bills—reducing costs for seniors and low-income home residents so they can stay in their homes.

Following the passage of **HB 1406** in the 2019 legislative session, the city is pursuing the sales tax credit for supplemental funding of the rental assistance and weatherization programs. Purchasing land and building a large supply of new units can be costly. The support from **HB 1406** for rental assistance and weatherization will reach more low-income renters and homeowners across the city.

Land acquisition assistance

Bremerton is also working to address its chronic homelessness for persons struggling with mental health and addiction issues. The city, in partnership with the Bremerton Housing Authority and Kitsap Mental Health, has proposed a 70-unit apartment building called Pendleton Place. Because lack of housing directly impacts the ability to seek and respond to treatment, the facility will deliver on-site services such as mental health care and treatment for substance abuse, along with permanent housing for vulnerable residents.

To get the program started, the city helped locate and rezone a 1.66-acre site for development of the Pendleton Place apartment units in an area designated for affordable housing. Kitsap Mental Health will provide around-the-clock support; and community partners will offer treatment and primary care services, employment search, and life skills training. The Bremerton Housing Authority is providing seed funding of $3.1 million to pave the way for other financing needed to build the facility. The Housing Authority will also help with ongoing costs.

Remaining funding will come from federal low-income housing tax credits, grants, and private foundation requests to build the complex. Once Pendleton Place is completed, residents will pay 30% of their income in rent to assist with operating costs.

The long-term goal of Pendleton Place is to help homeless individuals with supportive services so they can successfully move into more permanent housing, improve their health and well-being, and reduce impacts on medical services. Construction of the $18.3 million complex is expected to begin in September 2020 and residents should begin moving in by the fall of 2021.

Special thanks to Jennifer Hayes, City of Bremerton, for submitting this article!

Affordable housing

Down payment assistance programs

For many Washington families, saving enough money for the required down payment to buy a home continues to be the biggest obstacle to homeownership. The Washington State Housing Finance Commission (WSHFC) offers several models of down payment assistance to help bridge the gap, and all programs can be used to pay for both the down payment and closing costs.

Many local jurisdictions would like to help homebuyers in their area, but the costs and hassles of running an independent down payment assistance program are a significant barrier. Five government entities—three cities, one county, and one consortium—are partnering with WSHFC to make the most of their local resources. WSHFC administers the programs and matches the local funds with larger sources.

Advantages for city partners:

- Lowers cost for cities—no administration fees from WSHFC
- Matching funds from WSHFC
- Cities keep their funds in their jurisdiction or targeted to a specific population
- Cities leverage WSHFC's funds and experience with administration

To establish a partnership, the local jurisdiction must sign an interagency agreement with WSHFC and receive approval for matching funds. The two agencies work out a program description, manual, forms, and administrative requirements, including reporting.

Success stories

The following are some program highlights from current WSHFC partners offering down payment assistance to their residents.

Bellingham
Starting in June 2017, the City of Bellingham helps borrowers with incomes of 80% or less of area median income within the city to purchase their first home.

Seattle
Since March of 2004, the City of Seattle has assisted over 400 families with incomes of 80% or less of area median income within Seattle to purchase their first home.

A Regional Coalition for Housing (ARCH)
Created in October of 2005, ARCH is a partnership of King County and East King County cities to preserve and increase the supply of housing. ARCH has assisted more than 60 families with incomes of 80% or less of area median income within East King County to purchase a home.

Tacoma
The City of Tacoma has helped more than 40 families with incomes of 80% or less of area median income within Tacoma to purchase their first home. This program, in partnership with the City of Tacoma Redevelopment Authority, started in June 2014.

Pierce County
Pierce County serves borrowers with incomes of 80% or less of area median income within Pierce County (outside of Tacoma city limits) to purchase their first home. This program is in partnership with the Pierce County Community Development Corporation and began in June of 2017.

Resources
www.heretohome.org

Special thanks to the Washington State Housing Finance Commission for submitting this article!

Affordable housing

Tiny homes

Tiny homes are all the rage these days. But if they are so popular, then why don't we see more tiny homes in our communities?

The simple answer is that zoning and building/construction regulations have created significant barriers against them, especially if someone wants to live in a tiny home on a permanent basis. However, Washington passed a new law (**SB 5383**) in 2019 which expands where tiny homes can locate as a permanent residence and establishes building codes specific to tiny homes.

Changing regulations of tiny houses

Before the passage of **SB 5383**, relevant state law and local regulations dealt primarily with camper trailers and recreational vehicles (RVs) that are used on a temporary basis, and not tiny homes intended for permanent occupancy. Accordingly, most zoning codes treat such tiny homes as camper trailers or RVs, and usually allow them only for temporary, recreational use in campgrounds, RV parks, and occasionally in mobile home parks.

SB 5383 defines "tiny house" and "tiny house with wheels" as a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, and sanitation in accordance with the state building code. Other key components include:

- The new law allows the creation of tiny house communities through the use of binding site plans. These communities are subject to the Manufactured Home Landlord-Tenant Act (MHLTA) RCW 59.20.
- Cities or towns may adopt an ordinance to regulate tiny house communities.
- The owner of the land upon which the community is built shall make reasonable accommodation for utility hookups for the provision of water, power, and sewer services and comply with all the other requirements in MHLTA.
- Cities or towns cannot adopt ordinances that prevent tiny homes from locating in manufactured home parks as a permanent residence, unless the ordinance applies to an exception in RCW 35.21.684(4).
- The Washington Building Code Council must adopt building code standards for tiny houses by December 31, 2019.

Tenant protections

Rental housing inspection programs

Several cities have adopted rental housing safety programs to help ensure that rental units offered to tenants are safe. Rental housing safety programs protect low-income residents by requiring property to owners meet health and safety standards in order to rent out their units.

One example is Lakewood, which has approximately 13,000 rental properties (out of 24,000 total occupied housing units). While some of this housing meets basic life and safety standards, the troubling fact is: a lot does not. The City of Lakewood dedicated significant resources into reactive, complaint-driven inspection programs. However, even with these programs in place, some of the more challenging (and common) examples of unsafe and substandard living conditions go unresolved. To help bridge this gap, the city launched the Rental Housing Safety Program (RHSP), pursuant to RCW 59.18.125 (see box), to improve and protect the welfare of its residents.

Since the launch of RHSP in late 2017, an astounding 80% of all rental units in the city are registered. The program's high compliance rate is largely attributed to the innovative "opt-out" design of the program's database. The city learned from other jurisdictions that program compliance was often an issue. These jurisdictions primarily used an "opt-in" approach, i.e., rental property owners self-identified and registered rental properties. The "opt-in" approach requires that rental property owners are: 1) knowledgeable of the program, and 2) law-abiding. The city decided to take an alternative approach using available county data. The city compared taxpayer addresses with the physical address of properties within Lakewood. Properties with different addresses were identified as potential rental properties and added to the RHSP database. Property owners were able to "opt-out" of the RHSP database if the property met an exemption standard.

The RHSP is predominately automated. Using an online data portal, property owners can register, inspectors can enter inspection results, and the city can send renewal notices, collect payments, and issue certificates of compliance. The city intends for the program to be self-financing (100% cost-recovery) soon.

During the first year of the program, city and private inspectors examined 1,685 units and found that 83% of the units failed their first inspection—commonly for minor safety issues, such as missing outlets and insufficient carbon monoxide detectors. Of these units, 92% passed their second inspection. To date, due to unresolved health and safety issues, the city has closed seven rental units and relocated 15 individuals.

The RHSP has spurred reinvestment into the city's existing housing stock, which increases local sales and use tax and bolsters the local economy. Through this reinvestment the city hopes to protect existing affordable housing in the city.

Did you know?

RCW 59.18.125 was added to the state's Landlord Tenant Act (RCW 59.18) in 2010. The law authorizes a municipality to require certificates of inspection from landlords, and requires that cities adopting a rental inspection/licensing ordinance after June 10, 2010 follow the regulations provided in the statute.

In 2007, before this law was adopted, the State Supreme Court upheld a City of Pasco ordinance that required landlords to be licensed by the city, make inspections of their rental units, and furnish the city with a certificate of inspection verifying that their units met applicable building codes. A key element in the court's decision in *City of Pasco v. Shaw* was that the inspections could be performed by a private inspector of the property owner's choosing. This provision is also a feature of RCW 59.18.125.

Resources

Lakewood's Rental Housing Safety Program (RHSP)
rentalhousing.cityoflakewood.us

Tenant protections

New tenant protection laws

The 2019 Washington State Legislature followed the lead of many cities and passed several laws focused on tenant protections under the Residential Landlord Tenant Act (RLTA). Collectively, the goal of these laws is to prevent homelessness, given the shortage of vacant rental housing across the state.

Per **HB 1440**, a landlord must provide each affected tenant a minimum of 60 days' prior written notice of an increase in the amount of rent, and any rent increase may not become effective before the end of the term of the rental agreement. In the case of a rental agreement governing subsidized tenancies where the rental amount is based on the income of the tenant or circumstances specific to the subsidized household, the landlord must provide 30 days' prior notice of the rent increase and the rent increase may become effective at the end of the rental term or sooner upon mutual consent.

HB 1462 requires a landlord to provide at least 120 days' written notice to a tenant whenever the landlord plans to demolish or substantially rehabilitate premises or plans a change of use of premises. This requirement does not apply with respect to jurisdictions that have created a relocation assistance program and otherwise provide 120 days' notice.

SB 5600 made numerous changes to the RLTA. The relevant changes included additional time between nonpayment of rent and the start of eviction proceedings, and limited judicial discretion to reinstate a lease in specific circumstances. Under the eviction timeline, a landlord must now provide a tenant 14-days' notice instead of 3-days' notice for a tenant to pay overdue rent prior to starting eviction proceedings. The uniform 14-days' notice does not abolish any additional notice requirements to tenants as required under federal, local, or state law.

In 2018, the Legislature passed a law prohibiting source of income discrimination by a landlord against a tenant who uses a federal, state, or local benefit or subsidy to pay rent. Prior to passage, ten cities in the state had passed source of income discrimination ordinances.

Resources

Source of income discrimination – RCW 59.18.255

Rent increase timelines - RCW 59.18.140

Rehabilitation notice requirements - RCW 59.18.200

Residential Landlord Tenant Act RCW 59.18

Innovative collaboration

Addressing chronic homelessness in Everett with CHART

The City of Everett created the CHronic-Utilizer Alternative Response Team ("CHART") in 2015, to address chronic homelessness. This group consists of criminal justice, emergency response, and research partners from the Everett Police Department, Everett Fire Department, Snohomish County Department of Human Services, Snohomish County Jail, Everett City Attorney's Office, and Providence Regional Medical Center Everett.

Some chronically homeless people with mental illness, addictions, and other disabilities are heavy users of emergency rooms, police services, and the criminal justice system – and they often cycle through these services and back onto the streets. They suffer from mental health and substance-abuse disorders, and typically have been homeless for extended periods of time.

CHART seeks to divert people from this expensive and unproductive cycle.

To do so, CHART coordinates the efforts of more than 30 organizations to address the needs of individuals with complex social and behavioral health challenges. This program focuses on reducing frequent contact with jail, police, courts, fire department, and emergency department by those individuals by coordinating care, finding housing, and reducing harm.

While the program remains relatively small, CHART is achieving better outcomes for participants, and reducing the impacts and expenses of those who frequently cycle through the system. The 36 individuals assisted thus far represent the most challenging and costly users of valuable public safety resources. In 2016, a small-scale study of the first six individuals showed an 80% reduction in EMS and police contacts and a 90% reduction in jail days.

In 2019, CHART began an effort to translate this early success into a sustainable model with evidence-based program fidelity, expanded impact, and proven financial viability. The primary three steps of this effort are to:

1. Transfer administrative and backbone support from the city to a community organization already working with this population;
2. Engage a research partner to establish data collection and program evaluation; and
3. Solidify partnerships among participating community organizations.

Photo credit: City of Everett

Innovative collaboration

Lakewood nonprofits & government tackle affordability & homelessness together

Pierce County's annual point-in-time count revealed that there were 1,486 people experiencing homelessness in January 2019 in the county. The number of people in shelters and on the streets decreased 9% since 2018.

Individuals reporting either Lakewood or Tacoma as their location during the count made up 6% of the county's unsheltered population and 15% of those residing in shelters.

The City of Lakewood adopted a multifaceted approach to addressing both housing affordability and homelessness in the community. One percent of the city's general fund is allocated to support human and social services annually, including housing assistance and housing relocation programs. The city has also tried other approaches that complement this budget allocation.

In partnership with Greater Lakes Mental Health, the city hired a mental health professional who is embedded with police officers to serve as a resource for those who are suffering from addiction or mental illness. A full-time officer now supports the Behavioral Health Contact Team (BHCT). In 2018, the BHCT connected with 228 new clients and helped with 102 re-entries. As of August 2019, the BHCT connected with 117 new clients and helped with 46 re-entries. Without the BHCT these individuals would otherwise have been incarcerated or hospitalized. The city regularly shares their experience and knowledge gained through this program with other local cities interested in establishing similar programs for their communities.

Lakewood also partners with multiple local organizations to address homelessness and mental health, including Living Access Support Alliance (LASA), Habitat for Humanity, Western State Hospital, and the Tacoma Methadone Clinic. The city contributed almost $1 million to LASA to support their new shelter, which opened in July 2015. In addition, the city helped Habitat for Humanity fund construction of new houses for low-income, first-time home buyers. To date, the organization has built over 30 units in the Tillicum neighborhood. The organization has a goal of building 41 units in the area. Habitat is also looking to add additional properties to its Tillicum portfolio. Additionally, Lakewood helps fund shelters through Catholic Community Services and YWCA of Pierce County. These organizations provide access to emergency housing and support services. Every month the city hosts a community collaboration meeting with the above-mentioned organizations, as well as community members, to meet and discuss how to effectively work together to tackle complex issues facing residents in the city, such as affordability and homelessness.

The city is part of a consortium, called the Continuum of Care, with Pierce County and the City of Tacoma that qualifies for federal Community Development Block Grant dollars to support other programs to address homelessness countywide.

Another example of collaboration with Pierce County is shared use of document recording fee revenue, which supports affordable housing and homelessness programs. Funding is distributed by an oversight committee composed of members from the City of Tacoma, City of Lakewood, Pierce County, and other city and town representatives. An interlocal agreement governs the operations of this committee.

In 2017, the city launched the Rental Housing Safety Program (RHSP) in effort to ensure the safety of city rental units. RHSP requires property owners to meet health and safety standards in order to rent out their units. Lakewood has approximately 12,993 rental properties (out of 24,140 total occupied housing units). In the past, the city dedicated significant resources into reactive, complaint-driven programs. However, even with these programs some of the more challenging, and common, examples of unsafe and substandard living conditions remained unresolved. To help bridge this gap, the City created the RHSP, pursuant to RCW 59.18.125**,** to improve and protect the welfare of its residents. Since the launch of RHSP, an astounding 80% of all rental units in the City are registered. (See more on rental housing inspection programs on pg. 39).

The City of Lakewood estimates that low-income housing accounts for over 65% of homes within Lakewood, making the city a cost-effective location for Pierce County to place individuals who participate in rental assistance programs. Lakewood is also home to other low-income options including 28 mobile home parks (1,180 units) and 388 apartment complexes (11,200 units), the majority of which serve low-income residents. The city also hosts other low-income and transitional housing programs such as the Pierce County Housing Authority and units built using federal tax credits.

Innovative collaboration

Taking a team approach to help people struggling with homelessness & behavioral health

Many local governments recognize that a multi-service team approach is more helpful to people living on the streets, as they often have a variety of needs. Approaches vary, but the impact is notable. Some cities use human services grants to fund outreach programs administered by other organizations, while others have hired staff for their own outreach teams. Most of these teams include both mental health professionals and law enforcement that work together in the field, commonly called a "co-response" program.

The following is a list of five local governments' varying team approaches to implementing their own local co-response programs.

Olympia's Crisis Response Unit has six behavioral health specialists working in the field who are trained to de-escalate situations, evaluate needs, and connect people with services voluntarily. The team members get to know residents living on the street and assist by giving bus passes, delivering necessities like diapers and blankets, or by driving them to medical services or shelters.

Seattle's Navigation Team operates seven days a week and is made up of outreach workers from REACH, System Navigators, and specially trained Seattle Police Department personnel. Their aim is to connect people who are living unsheltered to resources and shelter, and to remove unauthorized encampments from public property.

Redmond's outreach program employs a full-time specialist who works alongside neighborhood resource officers on the city's bicycle unit. The specialist is available via police radio to respond to homeless-related calls for service. The program's main purpose is to connect people to services and resources.

Mount Vernon's Problem Eliminations & Reduction Team (PERT) is a mayor-initiated program made up of staff from code enforcement, police, sanitation, parks, fire, library, development services, and legal. Unlike some other programs, the team is not an external outreach group; but rather works together internally to address homelessness issues in the community that affect all departments. The group constructed a workplan including budget and staff time estimates, progress notes, and measurements or deliverables.

Snohomish County's Homeless & Direct Outreach team is a partnership between the county's Office of Neighborhoods and law enforcement. The team is led by a police sergeant and includes Law Enforcement Embedded Social Workers (LEESWs). Together, this team assists people experiencing homelessness, those with mental illness, and frequent jail utilizers, connecting them with services and diverting them from more jail time.

Behavioral health and public safety experts are beginning to recognize that the traditional criminal justice system is not properly equipped to successfully address many of the issues facing residents living on city streets. Although somewhat new, in many cases programs like these are more successful at connecting individuals to appropriate services and promoting better outcomes.

Resources
www.etsreach.org
www.mountvernonwa.gov

Innovative collaboration

Wenatchee coordinates homeless programs for two counties

In 2006, Chelan County and Douglas County combined forces to reduce the prevalence of homelessness. They chose the City of Wenatchee to serve as the lead entity overseeing the development and administration of the counties' homeless plan.

The city manages local and state homeless and housing funds on behalf of Chelan County, Douglas County, and the City of East Wenatchee through an interlocal agreement. The city also manages funds distributed through the Department of Commerce's Consolidated Homeless Grant (CHG). Wenatchee is not a provider of direct services, but instead subcontracts for services by local service providers through subgrant agreements.

The City of Wenatchee administers the homeless programs in compliance with grant requirements and coordinates services among providers. The city is assisted in its work by the Chelan-Douglas Homeless Task Force and the Chelan-Douglas Homeless Advisory Committee. The Homeless Task Force provides policy oversight and determines funding allocations, and is composed of representatives from local governments, community organizations, business groups, the media, and public citizens. The Advisory Committee is composed of homeless service providers and other interested parties who coordinate how homeless services work in the counties.

The city manages approximately $1.5 million in grant money annually. The Task Force maintains a cash reserve balance of $150,000 and an emergency reserve fund of $100,000.

The Task Force's efforts are guided by a regional homeless plan that is updated every five years. The *2019-2024 Chelan-Douglas Homeless Housing Strategic Plan* is currently in development and will be published on December 1, 2019. A current draft of the plan identifies the following priorities:

1. Increase capacity and strengthen practices to prevent housing crises and homelessness;
2. Identify and engage all people experiencing homelessness as quickly as possible;
3. Provide access to temporary accommodations to all unsheltered people experiencing homelessness who need it;
4. Streamline and improve the coordinated entry process and its connections to housing and services;
5. Assist people to move swiftly into permanent housing with appropriate and person-centered services; and
6. Prevent returns to homelessness through connections to adequate services and opportunities.

Specific activities and performance metrics for each of these priorities are currently being developed and will be included in the final version of the homeless plan.

Association of Washington Cities
1076 Franklin St. SE
Olympia, Washington 98501-1346
360.753.4137 or 1.800.562.8981
wacities.org

Municipal Research and Services Center
2601 Fourth Ave., Suite 800
Seattle, Washington 98121-1280
206.625.1300 or 1.800.933.6772
mrsc.org

Item Attachment Documents:

6. Approval of Meeting Minutes - January 15, 2020

CITY OF WHITE SALMON
City Council Regular Meeting – Wednesday, January 15, 2020
DRAFT

Council and Administrative Personnel Present

Council Members:	**Staff Present:**
Jason Hartmann	Marla Keethler, Mayor
David Lindley	Jan Brending, Clerk Treasurer
Amy Martin	Ken Woodrich, City Attorney
Ashley Post	Pat Munyan, City Administrator
	Russ Avery, Public Works Operations Mgr.
	Bill Hunsaker, Fire Chief/Building Official

1. Call to Order

Marla Keethler, Mayor called the meeting to order. There were approximately 7 people in the audience.

2. Roll Call

All council members were present.

3. Comments – Public and Council

Lloyd DeKay, White Salmon Valley Pool Metropolitan Park District said the District has come to an agreement with the White Salmon Valley School District for the use of the property on Loop Road and therefore the District no longer has a use for the property the city owns across the street from Whitson Elementary. DeKay thanked the city for their patience and all that has been done.

Chris Herron, White Salmon City Limits said he is interested in "green houses" and affordable housing and has some questions for the city.

Marla Keethler noted that the public comment period is a not a question and answer period but he could contact City Hall.

4. Changes to the Agenda

Mayor Keethler said she would like to request adding an item to the agenda – a proposed ordinance that would address a 6-month moratorium on certain types of development.

Moved by Ashley Post. Seconded by Amy Martin.
Motion to add agenda item Ordinance 2020-01-1060, Providing for a Moratorium on Residential Development. CARRIED 4-0.

5. Appointment of City Council Member Position #5

Jan Brending said the city has received three applications for Council Member Position #5 – Joe Turkiewicz, Jim Ransier, and Benjamin Berger. She noted that Benjamin Berger is not present at

the meeting but did provide answers to the questions that were provided to all three candidates prior to the meeting.

Jim Ransier left the room while the city council interviewed Joe Turkiewicz.

The city council asked questions of each candidate.

Jan Brending read Benjamin Berger's responses to the questions.

At 6:27 p.m. Mayor Keethler announced the city council will meet in Executive Session for 10 minutes pursuant to RCW 42.30.110(1)(g) to discuss the qualifications of candidates for the position of Council Members.

At 6:37 p.m., the council resumed regular session and announced it will continue in Executive Session for an additional 5 minutes.

At 6:42 p.m., the council resumed regular session.

The council took a straw vote on paper numbering the candidates 1st, 2nd and 3rd. Clerk Treasurer, Jan Brending reviewed the results of the straw vote which was Joe Turkiewicz – 1st, Jim Ransier – 2nd, and Benjamin Berger – 3rd.

Moved by Jason Hartmann. Seconded by Amy Martin.
Motion to appoint Joe Turkiewicz to the Council Member Position 5. CARRIED 4-0.

Mayor Keethler noted that it is a great thing to have three candidates. She said she hopes to use the remaining candidates in support of the city's committees.

6. Subdivision Application – Slug's end LLC, WS-SUB-2019-002

Jan Brending reviewed the agenda memorandum noting that the Council is reviewing the Planning Commission's recommendation for preliminary approval with conditions. She said the Council can do one of three things: preliminarily approve the proposed subdivision accepting the conditions and findings of fact and conclusions of law as presented by the planning commission or amending the conditions and findings of fact and conclusions of law; deny the proposed subdivision with supporting findings of fact and conclusions of law; or remanding the proposed subdivision back to the planning commission with specific reasons.

Jan Brending reviewed the appearance of fairness doctrine with the city council.

Jason Hartmann noted that he attended the public hearing and deliberation by the Planning Commission but feels he is able to make a nonbiased decision on the proposal.

David Lindley asked why a critical areas report was not provided for in the application materials.

Dustin Conroy, Pioneer Engineering, representing the applicant said a critical areas report has been prepared and some of the conditions have already been met.

Pat Munyan said the conservation easement provided for on the plat addresses a number of critical areas issues. He said no variances have been issued that may be required as part of the conditions. Munyan said the applicant has done a good job in addressing and minimizing impacts.

Ken Woodrich noted the property owner cannot sell the lots until the final plat is approved by the city council after all of the conditions of approval are met.

City Council, staff and the applicant's engineer reviewed stormwater drainage.

Ashley Post said she would like the Council to consider table decision on the proposal until the next council meeting as she does not want to make a rushed decision.

Ken Woodrich said he has concerns about tabling the decision as the Council has gone through the appearance of fairness doctrine and has already deliberated. He said tabling the decision put the Council in a precarious position whereby council members could be influenced.

Jason Hartmann said he believes the applicant has gone above and beyond in their proposal and that a lot of concerns have been addressed. He noted that the applicant said he has been working on the plans for almost three years to comply with the city's requirements.

The Council and staff discuss process and policy. It was noted that if the council feels that the process and policy needs to be cleaned up that be done outside of this applicant.

Ken Woodrich said that as the city's legal counsel, he recommends the Council make a decision now and not table to a future meeting.

Moved by Jason Hartmann. Seconded by Amy Martin.
Motion to preliminarily approve Slug's End LLC, WS-SUB-2019-002 with conditions as presented and to adopt the findings of fact and conclusions of law as presented in the staff report. CARRIED 4-0.

7. Resolution 2020-01-498, Removing and Designating Signers on Bank Accounts

Jan Brending reviewed proposed Resolution 2020-01-498 which removes David Poucher and Donna Heimke as signers on the city's financial accounts and adds Marla Keethler and Jason Hartmann.

Moved by Amy Martin. Seconded by Ashley Post.
Motion to adopt Resolution 2020-01-498, Removing Singers and Authorizing Signers on Financial Accounts. CARRIED 4-0.

8. Legislative Priorities – City Action Days

Mayor Keethler reviewed proposed White Salmon 2020 Legislative Priorities. She said it is beneficial to have established priorities in speaking with the state legislature about issues that are important to the city.

The City Council discussed the priorities. Council discussed changing the wording on the "General Government – Increase Purchasing Limits" priority.

The suggested wording is as follows: **Increase Purchasing Limits:** The current purchasing thresholds for equipment, services, and materials unrelated to public works projects on code cites under 20,000 population have not changed in over 30 years. Those limits are $7,500 requiring multiple quotes and $15,000 for formal competitive bidding. A consideration of reevaluating current thresholds and instituting a system more in line with economic factors accounting for inflation would ease the burden currently carried by Washington's smaller municipalities.

Moved by Jason Hartmann. Seconded by Amy Martin.
Motion to adopt 2020 Legislative Priorities as amended. CARRIED 4-0.

9. Memorandum of Understanding – Substitute House Bill 1406 (Chapter 33, Laws of 2019)

Jan Brending provided an overview of the proposed memorandum of understanding with Klickitat County and the Cities of Goldendale and Bingen. She said Substitute House Bill 1406 provides for a reallocation of states sales tax to be used for affordable housing purposes. She said the four entities have been discussing the best way to move forward with implementing SHB 1406. Brending said that because of the way the legislation is written that if the county is the only implementing body more funding would be available than if the four entities implemented separately. She said the memorandum of understanding provides some guidance as to the priorities for spending the funds when they become available. Brending said the Klickitat County Board of Commissioners has approved the memorandum of understanding and that the Cities of Goldendale and Bingen will review it next week.

Moved by Amy Martin. Seconded by Jason Hartmann.
Motion to authorize the Mayor to sign the Memorandum of Understanding with Klickitat County and the Cities of Goldendale and Bingen regarding the implementation of Substitute House Bill 1406 (Chapter 33, Laws of 2019).
CARRIED 4-0.

10. Resolution 2020-01-499, Declaring the City Does Not Intend to Implement Substitute House Bill 1406

Jan Brending said the Washington Department of Revenue would like the city to take formal action determining that it does not intend to implement Substitute House Bill 1406.

Moved by Jason Hartmann. Seconded by Ashley Post.
Motion to adopt Resolution 2020-01-499, Declaring the City Does Not Intend to Adopt Legislation to Authorize a Sales and Use Tax for Affordable and Supportive Housing in

Accordance with Substitute House Bill 1406 (Chapter 33, Laws of 2019), and Other Matters Related Thereto. CARRIED 4-0.

11. Ordinance 2020-01-1060, Imposing a Temporary Moratorium on Development in Residential Districts

Jan Brending read proposed Ordinance 2020-01-1060, Imposing a Temporary Moratorium on Development in Residential Districts.

Mayor Keethler said that she feels "affordable housing" is a convenient catch-all phrase used across the nation. She said the city council has expressed a desire to make policies related to affordable housing. Keethler said that many of the residential goals that are included in the current 2012 Comprehensive Plan have not bee realized. She said she believes is important to the city hit the pause button while it addresses the issue. Keethler said the moratorium does not affect the building of single homes on a single lot. She noted the city used to have 3 mobile home parks and now only has two, one of which is under the eviction of its tenants.

Mayor Keethler said the six-month moratorium would allow staff and the council to reviewing the current zoning code and align it was the city's current comprehensive plan; evaluate what is going on in the R2 (Two-Family Residential) and R2 (Multi-Family) Districts; consider the tools the council may have at its disposal to make things more attractive to developers; to develop a community driven vision on what is affordable in White Salmon; and to revisit and asses how to use a hearing examiner, the city planning commission and the council. She said she believes that these can be done but that it is difficult if not elevated to a higher level. Keethler said she the responsible way to address these issues to engage and provide for a community lead process.

The City Council discussed the proposed ordinance.

Ken Woodrich noted a public hearing must be held within 60 days.

Mayor Keethler also noted that the council must adopt "affordable housing thresholds" within 30 days from the date of the ordinance. She said creditability about the process falls on her to achieve the goals. Keethler said she believes the city is setting itself up for failure if the work is not done now.

The City Council discussed when a public hearing would be held. It was determined that if the ordinance is passed the public hearing would be held at the next council meeting on February 5 also inviting the Planning Commission to attend.

Jan Bending noted several corrections to the ordinance:

- 7th "Whereas" clause should read "WHEREAS, City's Comprehensive Plan Housing Policy (H-2.3) states opportunities for all economic income levels shall be encouraged, particularly workforce housing; and"
- 8th "Whereas" clause should read "WHEREAS, City's Comprehensive Plan housing goal (H-2.6) states both site built and manufactured housing shall be recognized as necessary

and functional housing although special standards in placement and locations will apply to each; and"

- Section 4, L should read: "Building Permits for single family residences to be constructed on vacant parcels of land to preserve reasonable use of property as guaranteed by the Fourteenth Amendment of the Constitution."
- Delete Sections 9 and 10 which are repetitive.

Moved by Jason Hartmann. Seconded by Amy Martin.
Motion to approve Ordinance 2020-01-1060, Adopted Pursuant to RCW 35A.63.220 and RCW 36.70A.390; Imposing a Temporary Six-Month Moratorium on Development in the Mobile Home Residential District (MHR) WSMC Ch. 17.36, Single-Family Residential District (R1) Ch. 17.23, Two-Family Residential District (R2) WSMC Ch. 17.28 and Multi-Family Residential District (R3) WSMC Ch. 17.32; Setting Forth Findings of Fact In Support of This Moratorium; Imposing the Moratorium Stating the Effect on Vested Rights; Providing for Exclusions; Recognizing that Public Hearing Will Be Held Within 60 Days; Authorizing Interpretative Authority; Providing for Severability; Declaring an Emergency Setting the Duration; and Establishing an Immediate Effective Date. CARRIED 4-0.

Amy Martin noted this is a bold move on the Mayor's behalf.

12. Consent Agenda

a. Report of Waived Late Fees
b. Change Order 1 – Small Public works Agreement – Klickitat Tree Operations Inc.
c. Amendment No. 1 – Personal Services Contract – Bartlett Tree Services
d. Change Order No. 1 – Small Public Works Agreement – Artistic Excavation LLC (Skagit Street)
e. Change Order No. 1 – Small Public Works Agreement – Artistic Excavation LLC (Concrete Work)
f. Approval of Meeting Minutes – January 2, 2020
g. Approval of Vouchers

Type	Date	From	To	Amount
Claims	1/15/2019	35784	35800	16,305.89
	12/31/2019	35753	35783	353,411.54
	12/31/2019	EFT	EFT	1,764.01
			Claims Total	**371,481.44**
Payroll	1/5/2019	35714	35720	1,490.74
	1/5/2019	EFT	EFT	106,380.09
			Payroll Total	**107,870.83**
Manual Claims				
			Manual Total	**0.00**
			Total All Vouchers	**479,352.27**

Vouchers audited and certified as required by RCW 42.24.080 and expense reimbursement claims as required by RCW 42.24.090 as of this 15th day of January, 2020.

Moved by Amy Martin. Seconded by Jason Hartmann.
Motion to approve consent agenda as presented. CARRIED 4-0.

13. Department Head and Council Reports

Russ Avery, Public Works Operations Manager said the department has been dealing with snow and that the new dump truck and snow plow are working.

Pat Munyan, City Administrator said there is currently legislation that provides funding to cities who are planning under the Growth Management Act for affordable housing incentives, but that funding is not available to those entities who are not planning under the Growth Management Act. He said he recommends contacting state legislators to make changes to the legislation.

Marla Keethler, Mayor said the 2020 Census is now underway. She said a proclamation in support of the census will be provided at an upcoming city council meeting.

14. Adjournment

The meeting adjourned at 9:02 p.m.

Marla Keethler, Mayor

Jan Brending, Clerk Treasurer