



King County

Dow Constantine

King County Executive

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August 9, 2023

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits the Transit-Oriented Development (TOD) Annual Report. Motions approving the 2016 TOD Bond Allocation Plan, 2019 TOD Preservation Allocation Plan, and 2019 TOD Geographic Allocation Plan each call for an annual report to the Council on the progress of investments in transit-oriented affordable workforce housing. Accordingly, as specified in the respective Allocation Plans, this annual report describes progress through the end of 2022 in financing transit-oriented affordable workforce housing, including projects selected for funding, amount of funding recommended per project, status of each project funded, funds expended, and financing mechanisms used.

In 2016, the King County Council approved the TOD Bond Allocation Plan via Motion 14687, authorizing the use of \$87 million in funding generated by state legislation allowing the County to bond against future lodging tax revenue for the purpose of creating affordable, transit-oriented housing. Ordinance 18835, which approved the 2019-2020 Biennial Budget, appropriated an additional \$100 million in TOD funding across three expenditure restrictions. Ordinance 18835 required funding to be allocated consistent with the Council-approved TOD Preservation Allocation Plan (Motion 15393) and the TOD Geographic Allocation Plan (Motion 15432).

More recently, Ordinance 19546, which approved the 2023-2024 Biennial Budget, appropriated \$45 million in TOD funding for affordable housing near transit stations. While this Ordinance did not establish specific reporting requirements, the TOD report includes the status of projects that were awarded these funds. The Department of Community and Human Services (DCHS) is the lead agency managing and allocating this funding through the Housing, Homelessness and Community Development Division's Housing Finance Program (HFP).

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For each year following this 2022 reporting year, all TOD investment reporting will be incorporated into the Annual Housing Awards Memorandum/Dashboard that is planned to be transmitted to the Council by September each year, consistent with King County Code 24.10.010.B. Therefore, this is the final stand-alone TOD Annual Report that will be transmitted to the Council.

Program Activity Highlights


Through the end of 2022, DCHS committed \$182 million, or 78 percent, of the \$232 million in TOD funds appropriated through the 2016 TOD Allocation Plan, the 2019-2020 Biennial Budget, and the 2023-2024 Biennial Budget. DCHS expects these funds to create or preserve at least 4,547 housing units in 34 affordable housing projects throughout the County.

Of the \$50.3 million remaining, \$15 million was offered in Sound Transit procurements which will be awarded in 2023, and \$25.1 million will be offered in 2023 RFPs or contracted directly with agencies. The remaining \$10.2 million is available based on the 2023-2024 Biennial Budget expenditure restriction to complete funding at Sound Transit or Metro sites, or for transit areas with previous County appropriations. As of the writing of this report, these funds are being held for anticipated project gap funding. Any funds not needed for project gaps will be made available in the HFP 2023 RFP or future RFPs.

The TOD program supports King County's Equity and Social Justice Strategic Plan by providing accessible, affordable housing and creating diverse, vibrant, mixed-income communities in high-capacity transit areas throughout the region.

Thank you for your continued interest in our regional work to bring equitable development to communities in high-capacity transit areas across King County. If your staff have questions, please contact Leo Flor, Director, Department of Community and Human Services, at 206-477-4384.

Sincerely,

 for

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
ATTN: Staphanie Cirkovich, Chief of Staff
Melani Pedroza, Clerk of the Council
Karan Gill, Chief of Staff, Office of the Executive
Mina Hashemi, Council Relations Director, Office of the Executive

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Dwight Dively, Director, Office of Performance, Strategy and Budget
Leo Flor, Director, Department of Community and Human Services