



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

April 17, 2018

Motion 15124

Proposed No. 2018-0152.1

Sponsors Lambert

1 A MOTION that approves a plan to complete the Vashon
2 Affordable Housing Incentive Report and annual
3 evaluations of the Vashon Rural Town Affordable Housing
4 Special District Overlay, in compliance with the 2017-2018
5 Biennial Budget Ordinance, Ordinance 18409, Section 88,
6 as amended by Ordinance 18602, Section 47, Proviso P2.

7 WHEREAS, the 2017-2018 Biennial Budget Ordinance, Ordinance 18409,
8 Section 88, as amended by Ordinance 18602, Section 47, Proviso P2, requires the
9 executive to transmit a motion and plan by March 1, 2018, and

10 WHEREAS, the county executive has transmitted to the council a response that
11 contains the information required by the proviso, including a plan to complete the Vashon
12 Affordable Housing Incentive Report and annual evaluations of the Vashon Rural Town
13 Affordable Housing Special District Overlay, and

14 WHEREAS, the plan contains:

15 1. A description and schedule of how the executive will complete the Affordable
16 Housing Incentives Report by December 31, 2018, that includes:

17 a. A description of the current requirements and incentives in the King County
18 Code, or supported by King County Comprehensive Plan policy, related to affordable
19 housing;

20 b. Research from other jurisdictions' approaches to incentivizing development
21 of affordable housing, including programs or proposals that are developed or
22 implemented as a result of the Regional Affordable Housing Task Force;

23 c. Evaluation of potential alternative housing models, including community land
24 trusts and accessory dwelling units, and low impact building practices that could support
25 development of affordable housing while limiting environmental impacts, including
26 potential impacts to water resources;

27 d. Evaluation of whether the approaches, models, and practices evaluated in b.
28 and c. of this subsection 1. would be appropriate for Vashon-Maury Island;

29 e. Evaluation of the need, and potential strategies to address the need, of
30 affordable housing for households on the island with incomes at or below thirty percent
31 of area median income; and

32 f. Evaluation of the implementation of the Vashon Rural Town Affordable
33 Housing Special District Overlay; and

34 2. A description and schedule of how the executive will complete the Vashon
35 Rural Town Affordable Housing Special District Overlay Evaluations that includes:

36 a. An examination of the advantages and disadvantages of the special district
37 overlay;

38 b. The public benefits and risks of retaining or repealing the special district
39 overlay;

40 c. A review of the relationship between the parcels that the special district
41 overlay applies to and potable water supply;

42 d. The current need for affordable housing on Vashon-Maury Island, including

43 for households with incomes at or below thirty percent of area median income;

44 e. Infrastructure capacity, including public roads and sewer;

45 f. Potential impacts to affordable housing funding if the special district overlay
46 is modified or eliminated;

47 g. A list and evaluation of ongoing permit applications using the special district
48 overlay and feedback from those permit applicants on the efficacy of the special district
49 overlay;

50 h. An evaluation of whether any code changes are necessary to further the
51 purpose of the special district overlay; and

52 i. Information about other jurisdictions' approaches to incentivize affordable
53 housing and an assessment of how those incentives may apply to Vashon-Maury Island;

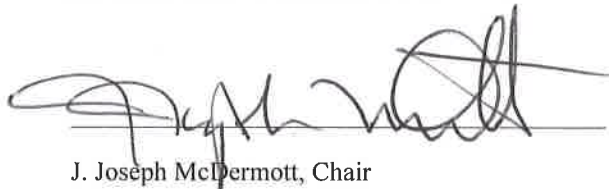
54 NOW, THEREFORE, BE IT MOVED by the Council of King County:

55 The plan, which is Attachment A to this motion, is hereby approved in response to
56 Ordinance 18409, Section 88, as amended by Ordinance 18602, Section 47, Proviso P2.
57

Motion 15124 was introduced on 4/2/2018 and passed by the Metropolitan King
County Council on 4/16/2018, by the following vote:

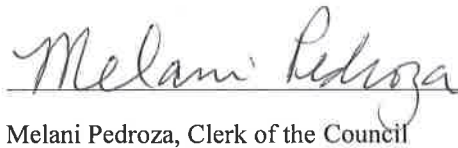
Yes: 8 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr.
McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and
Ms. Balducci
No: 0
Excused: 1 - Mr. Dunn

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Clerk of the Council



Attachments: A. Executive Response to King County Council Proviso P2 - King County Department of
Permitting and Environmental Review

Executive Response to King County Council Proviso P2
Ordinance 18602, Section 47

King County Department of Permitting and Environmental Review

On November 6, 2017, the King County Council adopted Ordinance 18602, which included Proviso P2 in Section 47. The proviso requires the Executive to transmit by March 1, 2018 preliminary information related to the following:

- **Affordable Housing Incentives Report** required by Workplan Action 3 in the Vashon-Maury Island Subarea Plan adopted in Ordinance 18623; and
- **Vashon-Maury Island Affordable Housing Special District Overlay** evaluation required in Section 10 of Ordinance 18623

The text of the proviso, and the responses to it, are outlined in the table below. The responses related to the Affordable Housing Incentives Report are labeled A(1-6) and correspond directly to proviso requirements A(1-6); the responses related to the Special District Overlay are labeled B(1-5) and correspond to proviso requirements B(1-5).

Subsequent work related to these items will be completed through an interagency process facilitated by the Department of Permitting and Environmental Review (DPER) and including the Department of Community and Human Services (DCHS) and the Office of Performance, Strategy and Budget (PSB). Other agencies will participate as needed. DPER will also consult with affordable housing developers, organizations and professionals, the Vashon-Maury Island community, and other stakeholders.

	Proviso Requirement	Response / Methods to Accomplish
A1.	<p>A description of what content will be included</p> <p>a. Description of the current requirements and incentives in the King County Code, or supported by King County Comprehensive Plan policy, related to affordable housing</p> <p>b. Research from other jurisdictions' approaches to incentivizing development of affordable housing, including programs or proposals that are developed or</p>	<p>➤ Assessment will include a review of KCC 21A.34, 21A.39.060, 21A.55.101, and a review of comprehensive plan policies in Chapters 2, 3, and 4.</p> <p>➤ Review affordable housing codes, development regulations and incentives from three Washington State jurisdictions and two out-of-state jurisdictions for applicability to Vashon-Maury Island. The length of time the codes / regulations / incentives have been in place (and any performance measures) will be considered.</p>

Proviso Requirement	Response / Methods to Accomplish
<p>implemented as a result of the Regional Affordable Housing Task Force</p> <p>c. Evaluation of potential alternative housing models (including community land trusts and ADUs) and low impact building practices that could support development of affordable housing while limiting environmental impacts, including potential impacts to water resources</p> <p>d. Evaluation of whether the approaches, models, and practices evaluated in items b) and c) above would be appropriate for Vashon-Maury Island</p> <p>e. Evaluation of the need, and potential strategies to address the need of affordable housing for households on the island with incomes at or below thirty percent of area median income</p> <p>f. Evaluation of the implementation of the SDO</p>	<p>Utilize MRSC and ARCH research and data, and contact the jurisdictions as needed.</p> <ul style="list-style-type: none"> ➤ DPER will work with DCHS and PSB staff to review the recommendations of the Regional Affordable Housing Task Force and consider their applicability for Vashon-Maury Island. ➤ Assessment of at least two housing entities that offer an alternative to traditional forms of ownership and renting (e.g., community land trusts) and an assessment of at least three alternatives to traditional single family housing products (e.g., ADUs), including potential impacts to water resources. ➤ Alternative housing products and approaches will be analyzed for their applicability to a small town surrounded by a predominantly rural landscape, and with the demographic and socio-economic characteristics of Vashon-Maury Island. Water supply will be considered. Data and information regarding the success of the alternative products and approaches will be sought and reviewed as part of the process. ➤ Assessment of the total number of people on the active waiting lists for Vashon Household and the King County Housing Authority, and of cost-burdened households on Vashon-Maury Island. ➤ Monitor the SDO and its density bonus incentive for 18 to 24 months, allowing sufficient time for the new zoning tool to be utilized and observed. ➤ In 2020, assess SDO elements (e.g., parcel eligibility, maximum densities, water conservation measures, unit affordability tenure) from the perspective of the affordable housing developer or entity. This will include feedback from applicants and potential applicants, number of

	Proviso Requirement	Response / Methods to Accomplish
		permits issued, units constructed or in the pipeline, feedback from the public and other stakeholders.
A2.	The methods proposed for completing the research on other jurisdictions' approaches to incentivizing affordable housing, including inclusion of the work being completed by the regional affordable housing task force	<p>Review affordable housing codes, development regulations and incentives from three Washington State jurisdictions and two out-of-state jurisdictions for applicability to Vashon-Maury Island. The length of time the codes / regulations / incentives have been in place (and any performance measures) will be considered. Utilize MRSC and ARCH research and data, and contact the jurisdictions as needed.</p> <p>DPER will work with DCHS and PSB staff to review the recommendations of the Regional Affordable Housing Task Force and determine their applicability for Vashon-Maury Island.</p>
A3.	The methods proposed for evaluating the applicability of those other approaches to Vashon-Maury Island	<p>The affordable housing approaches identified will ideally be from small towns and/or counties (less than 25,000 population), characterized by a predominantly rural landscape, and with similar demographic and/or socio-economic characteristics to Vashon-Maury Island.</p> <p>Information about water supply in these communities will be sought. Data and information regarding the success of the approaches, including performance measures such as units produced and levels of affordability attained, will be reviewed and analyzed as part of the process.</p>
A4.	The methods proposed for evaluating the needs of households with incomes at or below thirty percent of area median income	This information will be sought from social service agencies on Vashon-Maury Island that have experience and expertise in serving low- to very low-income populations. The work of the Regional Affordable Housing Task Force will also be reviewed.
A5.	A description of how and when DPER will consult and collaborate with the regional planning unit in PSB and DCHS on the evaluation	An interagency team comprised of DPER, DCHS and PSB will meet throughout the evaluation process to review and discuss the evaluation, including key research findings, project milestones, recommendations and proposals. PSB will assist with communication and coordination with the Executive Office, Councilmembers and Council staff, and will review all work for consistency with the Comprehensive Plan. DCHS will help assess any applicability to other contexts.
A6.	The methods for how and when DPER will engage in outreach to the community on the evaluation	Public engagement will include on-island meetings with affordable housing developers to assess the feasibility of alternative housing approaches; discussions with lenders and/or realtors; and distribution of a preliminary report via the

	Proviso Requirement	Response / Methods to Accomplish
		<p>DPER website. Public outreach will be part of the final evaluation required by Ordinance 18623, Section 10. Availability of the report will be advertised through island newspapers and email lists, and the DPER email list.</p>
<p>B1.</p>	<p>A description of what content will be included in each of the annual reports and the final evaluation report, and a description of how that content complies with the evaluation criteria adopted with Ordinance 18623</p> <p>a. Assessment of the efficacy of the Special District Overlay (SDO) scope and standards in achieving the SDO's purpose of incentivizing affordable housing within the Vashon Rural Town</p> <p>b. Recommendations to retain, amend, or repeal the SDO</p> <p>c. Examination of the advantages and disadvantages of the SDO, including a review of the relationship between the parcels that the SDO applies to and potable water supply.</p> <p>d. Public risks and benefits of retaining or repealing the SDO</p>	<p><i>Each Annual Report / Preliminary Evaluation:</i></p> <ul style="list-style-type: none"> ➤ Assessment to include a characterization of interest in the SDO from general inquiries and pre-application meetings vs. actual applications, permits issued, and units constructed or in the pipeline. ➤ Assessment will consider all elements of the evaluation; will seek stakeholder and public comments as directed, and will weigh benefits, costs and risks, before making a recommendation to retain, amend or repeal the SDO. ➤ Assess advantages and disadvantages of SDO elements (e.g., parcel eligibility, maximum densities, water conservation measures, unit affordability tenure) from the perspective of the affordable housing developer or entity. ➤ The SDO applies to 246 parcels. DPER will coordinate with Water District 19 and the Utilities Technical Review Committee (UTRC) to identify the best available data and most accurate approach to comply with this task. The potable water supply for any active applications filed under the SDO will be highlighted. ➤ In contrast to c. above, this will assess the broad, community-wide and public perspectives of retaining or repealing the SDO. Assessment will include all pertinent evaluation elements.

Proviso Requirement	Response / Methods to Accomplish
<p>e. The current need for affordable housing on Vashon-Maury Island, including for households with incomes at or below thirty percent of median income</p>	<ul style="list-style-type: none"> ➤ Assessment of the total number of people on the active waiting lists for Vashon Household and the King County Housing Authority. ➤ Assessment of cost-burdened households on Vashon-Maury Island.
<p>f. Infrastructure capacity, including public roads and sewer</p>	<ul style="list-style-type: none"> ➤ Assessment of existing data from the Roads Services Division (Roads) and the Vashon Sewer District. Road-related data will include average daily traffic counts at key intersections and along collector roadways, trip generation, and traffic count estimates. Sewer-related data will include daily average versus maximum flow volumes into the Vashon Treatment Plant, and any identified maintenance concerns for the collection system.
<p>g. Potential impacts to affordable housing funding if the SDO is modified or eliminated</p>	<ul style="list-style-type: none"> ➤ If an applicant or potential applicant using the SDO (or a lender) raises this as a potential barrier to loan approvals, it will be considered as part of the evaluation and noted in the report.
<p>h. A list and evaluation of ongoing permit applications using the SDO, and feedback from those permit applicants on the efficacy of the SDO</p>	<ul style="list-style-type: none"> ➤ If any active permits in DPER’s system are utilizing the SDO incentive, DPER will seek feedback to include in either an annual or final report.
<p>i. Evaluation of whether any code changes are necessary to further the purpose of the SDO</p>	<ul style="list-style-type: none"> ➤ Assessment will focus on three sections of Title 21A (KCC 21A.34, 21A.39.060, 21A.55.101), and may also address Title 19A (land segregation). SDO applicants and/or their engineers or planners will be asked to provide feedback on this topic.
<p>j. Information of other jurisdictions’ approaches to incentivizing development of affordable housing, and evaluation of whether those approaches would be appropriate to Vashon-Maury Island¹</p>	<ul style="list-style-type: none"> ➤ See Section A2 above.

¹ This item to be included in only the first annual report and the final report.

	Proviso Requirement	Response / Methods to Accomplish
		<p><i>Final Report / Evaluation:</i> The final report / evaluation will include the same evaluation criteria as that listed above for the annual reports / evaluations except for items h. and i. above, and will follow the public process requirements in Section 10 of Ordinance 18623.</p>
B2.	The methods proposed for completing the evaluation of the special district overlay, both for the annual and final reports	<p>Methods for completing evaluation of the special district overlay include:</p> <ul style="list-style-type: none"> ➤ Evidence: Collection of data, including building permits, water supply sources, affordable housing waiting lists, etc. ➤ Research: Identify best practices, interview affordable housing professionals, discussions with service providers, etc. ➤ Outreach: Integrate public feedback collected for the incentives report in Section A, distribute draft versions of SDO evaluation via website and local media, and implement outreach required for final evaluation per Ordinance 18623, Section 10. ➤ Analysis: Assess identified risks, costs and benefits, examine trade-offs
B3.	The methods proposed for completing the research on other alternative housing models and low income building practices, and which annual reports, in addition to the final report, will include this information	<ul style="list-style-type: none"> ➤ Profile at least two housing entities that offer an alternative to traditional single-family or multi-family forms of ownership and renting. Other potential models include mutual housing associations, community land trusts, and limited equity housing cooperatives. Each profile will highlight the type of organization, legal structure, funding mechanisms, services / functions, and applicability of the model for Vashon-Maury Island. DCHS will assist with identifying organizations in the Puget Sound region that are actively researching alternative ownership models for affordable housing. This information will be included in the second annual report, and the final report. ➤ As part of its work leading the response to Comprehensive Plan Workplan Action item 6, DCHS is soliciting proposals from developers for a potential demonstration project. Outcomes from this process will be reviewed for applicability on Vashon-Maury Island.
B4.	The methods for how and when DPER will consult and collaborate with the regional planning unit in PSB and DCHS throughout the evaluation process, including the annual and final report	An interagency team comprised of DPER, DCHS and PSB will meet throughout the evaluation process to review and discuss the evaluation, including key research findings, project milestones, recommendations and proposals. PSB will assist with communication and coordination with the Executive Office, Councilmembers and Council staff, and will review all work for consistency with the Comprehensive

	Proviso Requirement	Response / Methods to Accomplish
		<p>Plan. DCHS will help assess any applicability to other contexts.</p>
<p>B5.</p>	<p>The methods for how and when DPER will engage in outreach to the community during the evaluation process, including the annual and final reports</p>	<p>Outreach for the first three annual SDO evaluations is distinct from that of the final evaluation, consistent with Section 10D of Ordinance 18623. It is anticipated that the public feedback received for the Incentives report in section A above will also inform the SDO evaluations.</p> <p>The outreach planned for the first three annual SDO evaluations will include alerting the public (via local newspapers, the Chamber of Commerce email list and DPER’s email list) to the availability of the draft report on DPER’s website, where public comments will be accepted. There will also be more targeted outreach to Vashon affordable housing developers and providers, Water District 19, social service providers, and other stakeholders.</p> <p>The specific public process requirements in Section 10D of Ordinance 18623 will be implemented by DPER prior to the final evaluation being transmitted to Council, whenever that trigger is reached.</p>