Proposed No. 2023-0420.1

King County

KING COUNTY

Signature Report

Motion 16496

Sponsors Kohl-Welles

1 A MOTION requesting the executive to provide 2 recommendations to restore justice for race-based 3 restrictive real estate practices based on the findings in the 4 Impact of Redlining and Racist Real Estate Practices on 5 King County Residents report. 6 WHEREAS, in 2001, Washington state voters approved Initiative 747 to limit 7 annual property tax levy increases to one percent plus the growth from new construction, 8 and 9 WHEREAS, in 2007, the state Supreme Court ruled on the case of Washington 10 Citizens Action v. State to find Initiative 747 unconstitutional. However, that same year 11 the state reinstated the one-percent limit through Chapter 1, Laws of Washington 2007 12 1st Special Session, and 13 WHEREAS, in the two decades since the limit was instituted, the revenue sources of counties have been structurally insufficient, as counties do not have the ability to 14 15 impose business and utility taxes, unlike cities and the state, and 16 WHEREAS, since 2001, the county population has grown thirty percent, while 17 consumer prices have increased seventy percent, and inflation since the start of the 18 COVID-19 pandemic has been as high as 9.5 percent, and

19	WHEREAS, despite the cumulative increase in costs of operating the county, the
20	county's property tax levies have grown only an average of 2.68 percent in recent years,
21	and
22	WHEREAS, at the June 14, 2023, budget and fiscal management committee
23	meeting, the director of the office of performance, strategy and budget provided a
24	briefing on the current \$50 million revenue shortfall to the county's general fund as a
25	result of the one percent limit on annual property tax levy increases, and
26	WHEREAS, the director also briefed the committee on the executive's plan to
27	respond to the revenue shortfall by proposing budget reductions to the general fund in the
28	midbiennial supplemental appropriation ordinance to the 2023-2024 Biennial Budget
29	Ordinance, Ordinance 19546, and additional reductions to the general fund in the 2025
30	annual budget, and
31	WHEREAS, on October 10, 2023, the executive transmitted Proposed Ordinance
32	2023-0355, the midbiennial supplemental appropriation ordinance, which would make
33	\$13 million of budget reductions to the general fund, including eliminating sixty
34	positions, and
35	WHEREAS, in prior years, the county was able to avoid major budget reductions
36	through increases in other revenue sources such as increase in sales tax receipts from the
37	county's economic growth and federal grant allocations during the COVID-19 pandemic,
38	however, such alternative revenue sources are no longer available, and
39	WHEREAS, in July 2023, the council acknowledged receipt of the Impact of
40	Redlining and Racist Real Estate Practices on King County Residents – Wastewater
41	Capacity Charge Exemption Recommendations final report, as required by the 2021-2022

Biennial Budget Ordinance, Ordinance 19210, Section 112, Proviso P2, which required				
the executive to transmit a report on the application of the county's wastewater capacity				
charge to county residents who themselves, or whose progenitors, or both, were impacted				
by racial deed restrictions, racial covenants, and redlining practices, and				
WHEREAS, the report found that, since 1950, the lost intergenerational wealth				
for Black, Indigenous, and People of Color ("BIPOC") county residents impacted by				
race-based restrictive real estate practices is between \$12 billion and \$34 billion and of				
the total between \$5.4 billion and \$15.8 billion for Black residents, and				
WHEREAS, the report also found that trends in homeownership rates show that				
the Black homeownership rate in 2019 continues to be well below that of other races and				
ethnic groups in the county and research on the national scale reveals that barriers to				
accessing credit and financial products, mortgage discrimination, eviction rates,				
gentrification, and displacement are all current contributors to homeownership disparities				
among racial and ethnic groups, and				
WHEREAS, the report noted that discriminatory practices and policies in				
government, banking, and real estate industries continue to impede access to				
homeownership for BIPOC households and such discriminatory practices negatively				
affect credit scores, mortgage access, and the general financial security of BIPOC				
households, such that obtaining homeownership has been, and continues to be, a				
significant and unacceptable hurdle, and				
WHEREAS, the report estimates that the number of BIPOC residents present in				
the county during the periods when race-based restrictive real-estate practices were				

64	enforceable is estimated to be 386,600, which represents approximately 129,300
65	households, and
66	WHEREAS, based on federal and state legal limitations, the final report did not
67	recommend an exemption or a reduced rate to the wastewater capacity charge for those
68	impacted by racial deed restrictions, racial covenants, and redlining practices, and
69	WHEREAS, given the scope of the budget proviso, the executive's
70	recommendation was limited to the wastewater capacity charge. However, the report
71	highlighted additional policies that local jurisdictions in the country have considered and
72	implemented to restore justice for race-based restrictive real estate practices such as
73	direct cash payments, housing assistance, education assistance or job training, land
74	return, and startup capital;
75	NOW, THEREFORE, BE IT MOVED by the Council of King County:
76	A. The council requests the executive to provide recommendations to restore
77	justice for race-based restrictive real estate practices based on the findings in the Impact
78	of Redlining and Racist Real Estate Practices on King County Residents report. The
79	recommendations should include, but not be limited to, the following:
80	1. Reparative actions that local jurisdictions in the country have considered and
81	implemented as described in the report such as direct cash payments, housing assistance,
82	education assistance or job training, land return, and startup capital;
83	2. General fund budget reduction proposals for the 2025 annual budget that
84	would minimize the following:
85	a. loss of intergenerational wealth for BIPOC county residents,
86	b. decreases in Black homeownership rates,

87	c. increases in eviction rates, gentrification, and displacement of BIPOC			
88	communities, and			
89	d. adverse effects on the general financial insecurity of BIPOC households;			
90	and			
91	3. Reparative actions that can be taken by federal government and Washington			
92	state to be considered for the county's federal and state legislative agendas.			
93	B. The executive should consult with the subject matter experts that contributed			
94	to the Impact of Redlining and Racist Real Estate Practices on King County Residents			
95	report including county employees, ECONorthwest, and affiliated scholars to determine			
96	whether recommendations would restore justice for race-based restrictive real estate			
97	practices.			
98	C. The executive should also consult with the community groups and			
99	Washington state agencies involved in the implementation efforts of the Covenant			
100	Homeownership Program, established in Chapter 340, Laws of Washington 2023.			
101	D. The executive should include the recommendations as requested in section A			
102	of this motion in the form of a letter. The executive should electronically file the letter by			
103	June 1, 2024, with the clerk of the council, who shall retain an electronic copy and			
104	provide an electronic copy to all councilmembers, the council chief of staff, and the lead			
105	staff for the committee of the whole, or its successor.			
	Motion 16496 was introduced on 11/7/2023 and passed by the Metropolitan King County Council on 12/5/2023, by the following vote:			
	Yes: 8 - Balducci, Dembowski, Kohl-Welles, Perry, McDermott, Upthegrove, von Reichbauer and Zahilay			

KING COUNTY COUNCIL KING COUNTY, WASHINGTON

—DocuSigned by:

Dave Upthegrove, Chair

ATTEST:

DocuSigned by:

Melani Hay

Melani Hay, Clerk of the Council

Attachments: None

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