



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Motion 16690

Proposed No. 2024-0279.3

Sponsors Zahilay, Dembowski,
Mosqueda and Barón

1 A MOTION requesting the executive develop a regional
2 workforce housing initiative implementation plan.

3 WHEREAS, the Countywide Planning Policies define workforce housing as
4 "housing that is affordable to households with one or more workers [...with a] particular
5 need for workforce housing that is reasonably close to regional and sub-regional job
6 centers and/or easily accessible by public transportation," and

7 WHEREAS, Countywide Planning Policy H-15 aims to increase housing choices
8 for everyone, particularly those earning lower wages, that is colocated with, accessible to,
9 or within a reasonable commute to major employment centers and affordable to all
10 income levels, and

11 WHEREAS, King County established the regional affordable housing task force
12 in 2017 through Motion 14873, with the charge to develop a recommended countywide
13 affordable housing strategy, and

14 WHEREAS, the regional affordable housing task force's five-year action plan,
15 accepted through Motion 15372, includes census data that showed that more than one
16 hundred twenty-four thousand low- and moderate-income households in King County are
17 cost burdened, with communities of color and renters disproportionately likely to be
18 severely cost burdened, and

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19 WHEREAS, the regional affordable housing task force's five-year action plan
20 includes a goal to strive to eliminate cost burden for households earning eighty percent
21 area median income and below, with a priority for serving households at or below fifty
22 percent area median income, and

23 WHEREAS, King County currently has approximately nine billion dollars of debt
24 capacity, and

25 WHEREAS, the King County council believes that people should be able to live
26 close to where they work, which helps with climate, congestion, morale, and sense of
27 community, and

28 WHEREAS, households are sometimes forced to relocate due to increased
29 housing costs, evictions, or the loss of neighborhood community connections, and

30 WHEREAS, the King County council believes that people should be protected
31 from displacement and should be able to stay in their home and community for as long as
32 they choose, and

33 WHEREAS, in January 2022, the Puget Sound Regional Council's Regional
34 Housing Needs Assessment shows anticipated future housing needs by income group,
35 showing a need between 2020 and 2050 for one hundred thirteen thousand units for
36 households between fifty-one and eighty percent area median income and one hundred
37 eighty-six thousand units for households between eighty-one and one hundred twenty
38 percent area median income, and

39 WHEREAS, workforce housing helps people live close to where they work and
40 works to address King County's housing affordability crisis, and

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41 WHEREAS, increasing the availability of workforce housing supply relieves
42 pressures on the rest of the market and increases housing affordability, and

43 WHEREAS, King County lacks sufficient availability of permanently rent-
44 restricted homes available to all, including low- and moderate-income households at or
45 below one hundred and twenty percent area median income;

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

47 A. The council requests the executive develop a regional workforce housing
48 initiative implementation plan with two parts: part one should consider options to utilize
49 excess debt capacity to partner with housing agencies and housing developers to provide
50 permanently rent-restricted, multiple-unit housing; and part two should consider utilizing
51 excess debt capacity to develop a revolving construction loan fund wherein housing
52 developers borrow from the county to construct housing units that would be sold to
53 income qualified homebuyers.

54 B. For the purpose of the implementation plan, workforce housing should be
55 defined as housing that is affordable to households with one or more workers that is
56 located near jobs and services necessary for residents to meet their day-to-day needs,
57 such as grocery stores and public transportation.

58 C. The implementation plan should seek to utilize at least one billion dollars in
59 excess debt capacity towards this regional workforce housing initiative.

60 D. The development of the implementation plan shall be completed with input
61 from labor organizations, labor unions, and experts in fair housing, affordable housing,
62 community development, management, public and private financing, and historically and

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63 currently underrepresented housing developers in development or construction of
64 housing.

65 E. Recommendations in the implementation plan should prioritize King County's
66 ability to maintain a strong bond rating.

67 F. Recommendations in the implementation plan should seek to increase the
68 availability of transit-oriented development within one-half mile of a transit station.

69 G. Recommendations in the implementation plan should include how to increase
70 participation of historically and currently underrepresented housing developers, including
71 those led by Black, Indigenous, and People of Color in development or construction of
72 housing should either or both options of the implementation plan be deployed.

73 H. Recommendations in the implementation plan should include a determination
74 of any shovel ready projects and sites for which the county could partner in the near term.

75 I. Recommendations in the implementation plan should include an estimate on
76 how many units could be built with the one billion dollars in financing requested in
77 section D. of this motion, as well as the mix of income levels that would make the plan
78 sustainable for both models requested in part one and part two of the implementation
79 plan.

80 J. The executive should consider funding one or more demonstration projects
81 prior to completion and transmittal of the implementation plan that are ready to
82 commence construction and could benefit from county funding using the principles
83 outlined in this motion.

84 K. The executive should consider land and building acquisition funding as part of
85 the workforce housing initiative, particularly in areas at risk of displacement, in

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86 recognition of the fact that there are few affordable housing funding sources that allow
87 for acquisition funding, while there is vacant land suitable for affordable housing
88 throughout the county.

89 L. Part one of the implementation plan, regarding the utilization of excess debt
90 capacity to partner with housing agencies and housing developers to provide permanently
91 rent-restricted, multiple-unit housing, should consider scenarios wherein rent would
92 reflect full cost recovery of developing and operating the units, specifically principal and
93 interest payments for the incurred debt. The rent charged to residents should remain
94 constant, other than to reflect interest rate changes on debt service and rising operating
95 costs for the property manager.

96 M. Part one of the implementation plan should include at least the following:

97 1. An analysis of financing options that utilize the issuance of excess debt
98 capacity to fund the construction, rehabilitation, or conversion of permanently rent-
99 restricted multiple-unit housing, including multibedroom, family sized units, with an
100 analysis of options for environmental standards, such as LEED and Passive House, where
101 feasible;

102 2. Recommendations on potential partnerships with housing agencies and
103 housing developers, including the King County Housing Authority, the Seattle Housing
104 Authority, the Renton Housing Authority, and the Seattle Social Housing Developer, with
105 accompanying analysis of any statutory requirements on housing agencies to provide
106 housing to households with certain income levels. The recommendations should assess
107 how to best harness the strengths of public-private partnerships in providing debt
108 financing support for both new construction and acquisitions, revenue through master

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109 lease agreements, and wraparound services where appropriate. Any funding provided to
110 housing agencies should be used for the capital and operating costs of housing units and
111 not the operations of the housing agencies;

112 3. A plan for partnering with private sector businesses to provide impact equity
113 for the development of the units;

114 4. Options for leveraging county debt incurred in the development of the units
115 to receive additional state and federal investments;

116 5. Recommendations on which income levels would be housed in such units,
117 with a preference for serving individuals and households with the lowest possible income
118 levels that are financially feasible;

119 6. A pro forma analysis on the feasibility of constructing new multiple-unit
120 housing versus acquiring and rehabilitating or converting existing multiple-unit housing
121 based on the income restrictions and funding mechanism proposed, with priority given to
122 projects that increase the stock of affordable housing workforce units;

123 7. An explanation of how all projects resulting from the regional workforce
124 housing initiative will prioritize fair labor practices, including the payment of prevailing
125 wage rates to workers, policies to prevent wage theft, and the utilization of King County's
126 priority hire community workforce agreement program, when required;

127 8. A risk assessment analyzing the level of risk this model could present to the
128 County;

129 9. A review of similar programs in other jurisdictions and any lessons learned
130 from those programs;

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131 10. An analysis of opportunity costs associated with pursuing this model,
132 particularly if this model would negatively affect the County's work for meeting low-
133 income housing needs; and

134 11. An analysis of potential impacts to the general fund or the county's AAA
135 bond rating, as well as recommendations for mitigating those impacts.

136 N. Part two of the implementation plan, regarding the utilization of excess debt
137 capacity to develop a revolving construction loan fund, should consider scenarios
138 wherein housing developers borrow from the county to construct housing units that
139 would be sold to income qualified homebuyers. The loans should get repaid to the
140 county by the housing developer upon sale of the home to an income-qualified
141 homebuyer, which should be defined in the implementation plan.

142 O. Part two of the implementation plan should include at least the following
143 components:

144 1. An analysis of financing options that utilize the issuance of excess debt
145 capacity to develop a revolving construction loan fund to fund the construction of
146 housing units that would be sold to income qualified homebuyers, with an analysis of
147 options for environmental standards, such as LEED and Passive House, where feasible;

148 2. Recommendations on potential partnerships with housing developers;

149 3. A plan for partnering with private sector businesses to provide impact equity
150 for the development of the units;

151 4. Options for leveraging county debt incurred in the development of the units
152 to receive additional state and federal investments;

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153 5. Recommendations on which income levels an individual or household would
154 need to be qualified to purchase such units, with a preference for serving individuals and
155 households with the lowest possible income levels that are financially feasible;

156 6. An explanation of how all projects resulting from the regional workforce
157 housing initiative will prioritize fair labor practices, including the payment of prevailing
158 wage rates to workers, policies to prevent wage theft, and the utilization of King County's
159 priority hire community workforce agreement program, when required;

160 7. A risk assessment analyzing the level of risk this model could present to the
161 County;

162 8. An inventory of public sites that could be developed and utilized for housing,
163 such as properties owned by Sound Transit or the state;

164 9. A review of similar programs in other jurisdictions and any lessons learned
165 from those programs;

166 10. An analysis of opportunity costs associated with pursuing this model,
167 particularly if this model would negatively affect the county's work for meeting low-
168 income housing needs; and

169 11. An analysis of potential impacts to the general fund or the county's AAA
170 bond rating, as well as recommendations for mitigating those impacts.

171 P. In the event the executive determines that bonding at least one billion dollars
172 without tax revenue backing is infeasible or inadvisable for any reason, the executive
173 may consider proposing an alternative approach or approaches to support expanding
174 workforce and more affordable housing, including, but not limited to, proposing: pilot or

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175 demonstration projects; alternative levels or mechanisms for funding; and different policy
176 approaches than those outlined in this motion.

177 Q. The executive should electronically file the implementation plan requested by
178 this motion, as well as any necessary legislation to effectuate the recommendations of the
179 implementation plan and establish the regional workforce housing initiative, no later than
180 June 15, 2025, with the clerk of the council, who shall retain the original and provide an
181 electronic copy to all councilmembers, the council chief of staff, the chief policy officer,
182 and the lead staff for the budget and fiscal management committee, or its successor. The
183 implementation plan should be accompanied by a proposed motion that should
184 acknowledge receipt of the implementation plan. The council's approval of legislation to

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- 185 effectuate the recommendations of the plan would establish the regional workforce
186 housing initiative.

Motion 16690 was introduced on 9/3/2024 and passed as amended by the Metropolitan King County Council on 11/12/2024, by the following vote:


Yes: 8 - Balducci, Barón, Dembowski, Mosqueda, Perry,
Upthegrove, von Reichbauer and Zahilay
No: 1 - Dunn

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Signed by:

E76CE01F07B14EF...
Dave Upthegrove, Chair

ATTEST:

DocuSigned by:

8DE1BB375AD3422...
Melani Hay, Clerk of the Council

Attachments: None

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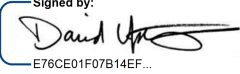
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 dave.upthegrove@kingcounty.gov
 Chair
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 Signed: 11/13/2024 12:44:30 PM

Electronic Record and Signature Disclosure:
 Accepted: 11/13/2024 12:44:21 PM
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Melani Hay
 melani.hay@kingcounty.gov
 Clerk of the Council
 King County Council
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	11/13/2024 1:04:11 PM
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Completed	Security Checked	11/13/2024 1:04:28 PM

Payment Events	Status	Timestamps
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