



## SCA Public Issues Committee

### AGENDA

October 9, 2019 – 7:00 PM

Renton City Hall

1. **Welcome and Roll Call** – Ed Prince, Renton, Chair 2 minutes
2. **Public Comment** – Ed Prince, Renton, Chair 10 minutes
3. [Approval of Minutes – September 11, 2019 Meeting](#) 2 minutes  
Page 4
4. **Chair’s Report** – Ed Prince, Renton, Chair 5 minutes
5. **Executive Director’s Report** – Deanna Dawson, SCA Executive Director 10 minutes
6. [Appointment of 2020 PIC Nominating Committee Members](#) 5 minutes  
ACTION  
Page 22  
Brian Parry, Policy Director
7. [2020 SCA Legislative Agenda](#) 20 minutes  
DISCUSSION/POTENTIAL FUTURE ACTION  
Page 23  
Brian Parry, Policy Director
8. [Proposed King County Regional Homelessness Authority](#) 40 minutes  
POTENTIAL FUTURE ACTION  
Page 29  
Deanna Dawson, Executive Director
9. [Affordable Housing](#) 15 minutes  
DISCUSSION  
Page 59  
Brian Parry, Policy Director
10. [Levies and Ballot Measures in King County](#) 5 minutes  
UPDATE  
Page 64  
Brian Parry, Policy Director
11. [Potential Upcoming SCA Issues](#) 5 minutes  
UPDATE  
Page 66  
Brian Parry, Policy Director

## 12. Informational Items

- a. [I-976](#)  
Page 67
- b. [King County Charter Regional Committees](#)  
Page 85
- c. [VISION 2050](#)  
Page 89

## 13. Upcoming Events

- a. SCA Partner Forum with Seattle/King County Building Trades (topic: Community Workforce Agreements) – Wednesday, October 23, 2019 – 11:30 AM – Local 32, Renton
- b. SCA Networking Dinner (panel of retiring SCA elected officials, sponsor Sound Transit) – Wednesday, October 30, 2019 – 5:30 to 8:00 PM – Renton Pavilion Event Center
- c. SCA Public Issues Committee – Wednesday, November 13, 2019 – 7:00 to 9:00 PM (6:00 PM Pre PIC Workshop on *Martin v. City of Boise* decision and implications for cities) – Renton City Hall
- d. SCA Partner Forum with CenturyLink (topic: infrastructure and economic development) – Thursday, November 21, 2019 – 3:00 PM – location to be determined
- e. SCA Annual Meeting (guest speaker University of Washington President Ana Mari Cauce, sponsor Comcast) – Wednesday, December 4, 2019 – 5:30 to 8:00 PM – Renton Pavilion and Event Center
- f. SCA Public Issues Committee – Wednesday, December 11, 2019 – 7:00 to 9:00 PM (6:00 PM SCA Board Elections) – Renton City Hall

## 14. For the Good of the Order

## 15. Adjourn

# Sound Cities Association

## **Mission**

To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

## **Vision**

Capitalizing on the diversity of our cities to lead policy change to make the Puget Sound region the best in the world.

## **Values**

SCA aspires to create an environment that fosters mutual support, respect, trust, fairness and integrity for the greater good of the association and its membership.

SCA operates in a consistent, inclusive, and transparent manner that respects the diversity of our members and encourages open discussion and risk-taking.



## SCA Public Issues Committee MINUTES

September 11, 2019 – 7:00 PM  
Renton City Hall  
1055 S Grady Way, Renton WA 98057

### 1. Welcome and Roll Call

PIC Chair Council President Ed Prince, Renton, called the meeting to order at 7:01 PM. 28 cities had representation ([Attachment A](#)). Guests present included Mayor Debbie Bertlin, Mercer Island; Councilmember Nancy Tosta, Burien (PIC Alternate); Councilmember Janice Zahn (PIC Alternate), Bellevue; Councilmember John Holman, Auburn (PIC Alternate); Mayor John Chelminiak, Bellevue; Mayor Mary Lou Pauly, Issaquah; Councilmember Pam Stewart, Sammamish; Councilmember Erin Stout, Black Diamond; Doug Levy, City of Renton consultant; Karen Wolf, King County staff; Tom Goff, King County staff; Jenny Huston, King County staff; Kelly Rider, King County staff; Colleen Kelly, City of Shoreline staff; Susan Oxholm, King County staff; Kelsey Beck, City of Seattle staff; and, Alex Herzog, City of Woodinville staff.

### 2. Public Comment

Chair Prince asked if any member of the public would like to provide public comment. Seeing none, Chair Prince closed the public comment portion of the meeting.

### 3. Approval of the July 10, 2019 PIC Minutes

Chair Prince asked if there were any amendments to the July 10, 2019 PIC minutes. **Chris Roberts, Shoreline, moved, seconded by Angela Birney, Redmond, to approve the July 10, 2019 minutes. The motion passed unanimously.**

### 4. Chair's Report

Chair Prince reported that Mayor Leanne Guier, Pacific is stepping down from the PIC Nominating Committee and that he would be appointing Chance La Fleur of Enumclaw to represent South Valley. He also announced that he would be reappointing the remaining members of the PIC Nominating Committee. He noted that the PIC will need a new Chair and Vice Chair for PIC, and the Nominating Committee will make nominations at the end of the year.

### 5. Executive Director's Report

SCA Executive Director Deanna Dawson introduced SCA's new Policy Analyst, Alexis Mercedes Rinck.

### 6. King County Charter Regional Committees

SCA Policy Director Brian Parry reported on a proposed position statement related to the King County Charter Regional Committees to respond to a request for feedback from the King County Charter Review Commission. The proposed statement was recommended for action by the PIC at the July 10, 2019 PIC meeting.

The Charter Review Commission began meeting in 2018. During their deliberations, a proposal was made to consider consolidating the three King County regional committees established in the Charter: the Regional Policy Committee, Regional Transit Committee, and Regional Water Quality Committee. SCA has appointing authority to positions on each of the three committees. Additional background on the role and make-up of the committees can be found in the [July 10, 2019 PIC Packet](#).

In response to the request for feedback on possible consolidation of the Charter Regional Committees, SCA formed a working group including the SCA caucus chairs from each of the three committees. At the June PIC meeting, members discussed potentially advancing a formal position related to the regional committees and the importance of including city representation in decisions affecting the region. At the July PIC meeting, members voted to consider acting on a policy statement at the PIC meeting on September 11.

At the July PIC meeting, members voted unanimously to consider action at the September meeting to recommend a position statement related to the Charter Regional Committees. PIC members were encouraged at the July meeting to provide any proposed changes to the draft position statement. SCA staff said any proposed revisions would be sent to PIC members well in advance of the September meeting so that cities would have adequate time to review. The City of Redmond proposed an amended version of the position statement that was included (along with the version considered at the July PIC meeting) in an email distributed to PIC members on August 2.

Parry said that if a policy statement was recommended to and approved by the SCA board, the policy statement would be communicated to the Charter Review Commission. The Commission is scheduled to meet next on September 25 before finalizing any ideas under consideration for public comment with a goal of wrapping up their work prior to the end of the year.

**Councilmember Henry Sladek, Skykomish, moved, seconded by Council President Angela Birney, Redmond, to recommend the SCA Board of Directors adopt the following position statement to be communicated to the King County Charter Review Commission:**

***SCA supports the structure of the regional committees as approved by voters in the King County Charter and value the role they play in ensuring cities and the county truly collaborate when making decisions on important regional issues.***

***SCA members have serious concerns that consolidating the regional committees would limit city participation in regional decision-making. SCA believes there is significant value in having different perspectives from cities large and small and in different parts of the county brought to bear on regional issues.***

***SCA would welcome the opportunity to explore how the charter committees can be best utilized to facilitate regional collaboration and communication between cities and the county.***

Chair Prince asked if there was any discussion.

**Council President Angela Birney, Redmond, moved, seconded by Councilmember Kate Kruller, Tukwila, to strike the original position statement and amend to read as follows:**

***The King County Charter provides that three regional committees shall be established by ordinance to develop, recommend, and review regional policies and plans for consideration by the Metropolitan King County Council; one for transit, one for water quality, and one for other regional policies and plans. SCA supports the Charter provisions for city involvement in decision-making in regional policies and plans.***

***SCA members believe that regional policies and plans adopted by the Metropolitan King County Council are stronger and more effective when cities are part of the decision-making process. It is crucial to have diverse perspectives from cities large and small and in different parts of the county brought to bear on regional issues.***

***SCA would welcome the opportunity to explore with the Metropolitan King County Council how the regional committees can best be utilized to improve the committee process and resulting outcomes.***

Chair Prince asked if there was any discussion. Council President Birney, Redmond, said that the amended language provides a stronger focus on having a city voice in regional decision making and that it was important to provide a strong message to the Charter Review Commission.

Deputy Mayor Catherine Stanford, Lake Forest Park, said that she appreciates the work that went into crafting the position statement and that there was strong feedback from her council not to support consolidating the committees.

Councilmember John Stokes, Bellevue, said that a meeting that afternoon of the Regional Policy Committee where cities were asked to engage in the discussion around creating a Regional Homelessness Authority is a good example of the role these committees can play.

Council President Birney, Redmond, suggested that SCA explore whether it would be possible for Executive Director Dawson to provide testimony to the Charter Review Commission expressing the SCA position at their next meeting on September 25, 6:00 to 8:00 PM, at the King County Chinook Building rooms 121/123.

**Chair Prince asked if there was any further discussion related to the amendment to the motion. The amendment to the motion passed unanimously.**

**Chair Prince asked if there was any further discussion related to the amended motion. The amended motion passed unanimously.**

## **7. VISION 2050 Guiding Principles**

SCA Policy Director Brian Parry reported on a proposed position statement related to the draft VISION 2050 plan update, and to guide the work of SCA members on the Puget Sound Regional

Council (PSRC) Growth Management Policy Board and the King County Growth Management Planning Council as they engage with regional stakeholders to approve and implement VISION. The proposed statement was recommended for action by the PIC at the July 10, 2019 PIC meeting.

PSRC released a [draft update](#) to the region's long-range plan for growth – VISION 2050 – for a 60-day comment period ending on September 16. The proposed guiding principles were provided at the July 10 PIC meeting and emailed to PIC members on August 2 to solicit feedback. Additional background on the update to VISION 2050 and the proposed guiding principles can be found in the [July 10 PIC packet](#).

Parry said that the proposed guiding principles are based on comments by cities during the update to VISION 2050, feedback from staff, and PIC discussions. SCA cities providing comments during the update to VISION have broadly offered their support for focusing a significant share of future growth near transit and in compact centers at the regional level. Most noted the importance of leveraging ongoing transit investments and the benefits this provides with regard to environmental impacts, climate change, increases in transit usage, access to jobs, air quality, health, and increasing the supply of moderate density housing – the housing type most associated with affordability. Some also noted that the Transit Focused Growth alternative carries with it the greatest risk of displacement due to redevelopment and encouraged a strong focus in VISION on mitigation measures. He said many cities also stressed the need for clarity around how the distribution of growth ultimately included in the Regional Growth Strategy will be implemented. While growth targets that cities will be required to plan for in their comprehensive plans are set at the countywide level (in King County this is through the Growth Management Planning Council), those targets are required to be consistent with the policies and growth shares included in VISION 2050.

Parry noted that while the guiding principles are the action item under consideration, that at the July PIC meeting he said he would provide for PIC feedback a letter being considered by the King County Growth Management Planning Council (GMPC) related to the update to VISION. The letter was drafted by the staff team to the GMPC, which includes staff from SCA cities as well as King County and the City of Seattle. He said the letter is less specific about some topics addressed in the proposed guiding principles, such as expectations for how growth targets are set, but offers more detailed comments related to other topics such as efforts through VISION to address racial and social equity, climate change, hazard mitigation, and promoting open space planning across the region. The draft letter can be found under Item 7, Attachment B, in the [September 11, 2019 PIC Packet](#). He said any feedback on the letter would help determine how SCA staff and elected members of the GMPC should move forward.

**Councilmember Chris Roberts, Shoreline, moved, seconded by Councilmember Lydia Assefa-Dawson, Federal Way, to recommend that the SCA Board of Directors adopt the following guiding principles to guide the work of SCA members on the Puget Sound Regional Council Growth Management Policy Board and the King County Growth Management Planning Council as they engage with regional stakeholders to approve and implement the region's long-range plan for growth, VISION 2050:**

**Maximize the benefits of the region's significant investments in high-capacity transit by setting ambitious regional goals for attracting housing and jobs in proximity to this transit.**

***The Transit Focused Growth alternative analyzed in the DSEIS performed comparably better regionally in modeling potential environmental impacts of 1) air quality and community health; 2) the degree of forecasted climate change; 3) increases in transit use and thus access to jobs; and 4) an increased supply of the moderate-density housing most associated with increasing access to affordability.***

***The draft Regional Growth Strategy includes an ambitious goal to “attract 65% of the region’s residential and 75% of the region’s employment growth to high-capacity transit station areas.” PSRC has previously affirmed this numerical goal as an aspirational regional statement and not as a standard applied to individual jurisdictions and their station areas and this should be clearly stated in the plan. Implementation of a transit focused strategy should not be one-size-fits-all and significant analysis will be required to determine what can be realistically achieved within individual jurisdictions while promoting improved quality of life.***

**Incorporate policies and regional actions that mitigate displacement risk, ensure equitable outcomes and access to opportunity, and support affordable housing preservation and development most suitable for each city and town across the four-county region.**

***Because focusing growth near transit emphasizes redevelopment, it also carries a relatively greater risk of displacing existing affordably-priced housing and vulnerable populations. SCA supports the development of effective displacement mitigation tools and strategies for centering equity in regional planning. This work should be supported by the development of a regional housing needs assessment and through direct PSRC technical assistance to develop effective affordable housing goals, strategies, and programs. Providing tools to address affordability is preferable to “top-down” mandates as cities and towns address the region’s affordable housing crisis within the constraints of their own local housing markets.***

**Conduct further work by PSRC and member jurisdictions to mutually clarify expectations related to local plan growth targets.**

***It is critical to include counties, cities, and towns in a process to transparently set targets, and in developing the guidance that PSRC will provide. Local targets must: 1) be based on real-world circumstances; 2) reflect the ability of jurisdictions to provide necessary services and infrastructure; and 4) recognize that market forces often act independent of local policy.***

***Meeting the goal of encouraging efficient use of urban land requires that the Regional Growth Strategy not be used to set caps on growth when it can be demonstrated that existing or planned infrastructure—including access to transit—is available to accommodate that growth.***

**Provide technical assistance and advocate for resources for cities and towns to implement VISION 2050.**

***Developing local comprehensive plans is complex and demands significant resources. It is critical that the four-county region advocate for state resources for local planning, necessary infrastructure investments, and provide technical assistance for cities and towns, especially smaller jurisdictions, to effectively implement VISION 2050.***

Councilmember Benson Wong, Mercer Island, said his city supports preserving local control of land use and zoning decisions, and that VISION needs to recognize the unique attributes of cities. He said that it would also be important for the region to advocate for state resources for cities to implement the plan.

Mayor Christie Malchow, Sammamish, said that extra consideration needs to be given in regional planning to the unique impacts of growth and traffic on cities that are on the boundary of the Urban Growth Area. She said these communities are particularly impacted by pass-through traffic and connected by state and county roadways that don't have sufficient capacity or funding.

Deputy Mayor Jay Arnold, Kirkland, said that as an SCA representative on the PSRC Growth Management Policy Board (GMPB) that he appreciated the feedback from SCA cities and that they have been carrying forward that feedback as members of the GMPB.

Council President Angela Birney, Redmond, said that she was supportive of the proposed guiding principles. She said that the city has significant concerns with the letter before the GMPC and felt that many items addressed in the letter are not currently in VISION 2040. She said that she would provide detailed feedback to SCA staff.

Councilmember Roberts, Shoreline, said the GMPC letter included feedback provided by members of the GMPC and that included proposed revisions to the draft VISION 2050.

Council President Tola Marts, Issaquah, said his city council discussed VISION and supported the proposed guiding principles. He said they were also generally supportive of the GMPC letter, but felt that language around displacement was not proactive enough and that requests related to funding and local planning should be addressed to the state legislature.

Councilmember Michelle Hogg, Duvall, said that her city council discussed VISION and supported the proposed guiding principles. She said they have similar concerns to those raised by the City of Sammamish with regard to the impact of passthrough traffic on cities on the edge of the Urban Growth Boundary or that are connected to major regional corridors by state and county roadways without capacity or access transit.

**Chair Prince asked if there was any further discussion on the proposed motion. The motion passed unanimously.**

## **8. Proposed King County Regional Homelessness Authority**

SCA Executive Director Deanna Dawson provided a staff report, noting that in May of 2018, King County Executive Dow Constantine and Seattle Mayor Jenny Durkan signed a Memorandum of Understanding (MOU) between the City of Seattle and King County to increase collaboration on homelessness services. This was in response to several reports that found that the current homelessness response system was fractured – addressing this issue has been described as necessary (but not sufficient) to address the homelessness crisis.

Seattle, King County, and All Home retained consultants to issue recommendations on homelessness governance. PIC had a workshop with those consultants in October of 2018, and the consultants issued recommendations in December of 2018 that included a recommendation to consolidate the region’s investments and efforts to address homelessness into a new agency. Following the release of those recommendations in December 2018, Mayor Durkan and Executive Constantine expressed support for moving ahead with consolidation. SCA representatives working on this issue (Mayor Nancy Backus, Mayor John Chelminiak, and PIC Chair Prince) indicated SCA would need more information about a new agency and governance board before it could support consolidation.

SCA staff presented the consultant’s findings at the January 2019 PIC meeting, and PIC also discussed this topic at the March, April, May, and June PIC meetings. Additionally, SCA and King County Department of Community and Human Services (DCHS) hosted a briefing for all SCA member cities on this proposal on July 30, 2019. At that time, DCHS staff provided a PowerPoint presentation summarizing the proposal for SCA members. Members who attended the meeting gave feedback expressing general support for working together as a region to address homelessness. Members also gave feedback about the need for sub-regional planning to address the different needs of communities throughout the County, and a robust role for elected policymakers in the governance structure.

The Regional Policy Committee (RPC) has been briefed on this proposal four times since June 2019, including on September 11, 2019. At the August meeting of the RPC, SCA members on the RPC gave feedback on the proposal. Their feedback was consistent with the feedback given at the July 30, 2019 meeting. RPC members also stressed the need to allow time for all SCA cities to give feedback on the proposal.

On September 4, 2019, Seattle Mayor Durkan and County Executive Constantine transmitted legislation to their respective councils that would charter a King County Regional Homelessness Authority, along with companion legislation that authorizes the Executive to execute an Interlocal Agreement (ILA) with cities across King County.

The proposal made by the Seattle Mayor and County Executive includes forming a Public Development Authority (PDA) to address the region’s homelessness crisis response. It would not include “upstream prevention” (e.g., anti-poverty measures). It would include “down-stream prevention” (measures to assist people at imminent risk of homelessness). It includes things like outreach (although the City of Seattle’s Homelessness Navigation Team would not be included), diversion, shelter, and rapid rehousing. The scope would also include the services side of permanent supportive housing, but not include capital construction of permanent

supportive housing, or creation of affordable housing. It would not include root causes of homelessness, as identified in the One Table process. Functions of the current Continuum of Care (All Home) including coordinated assessment and referral to housing placements and the Homelessness Management Information System (HMIS) would also be migrated to the new PDA, pending decisions of the All Home Board.

The total value of the programs that would go to the PDA, including both funds contracted to outside entities and internal staff, would be approximately \$128 million (\$73 million from Seattle, \$55 million from King County). This includes local funds, as well as state and federal funds that flow through Seattle and King County. \$42 million of the total are federal funds that currently flow through the Continuum of Care (All Home). The majority of funds that are proposed to be overseen by the PDA will be funds distributed by contract by King County and Seattle to outside agencies.

The ILA and Charter anticipate some form of sub-regional planning to “provide capacity to work with stakeholders from geographically diverse parts of the region to analyze, identify, and implement priority services distinct to those sub-regions.” There is not a great deal of detail in either the Charter or the ILA as to how the sub-regional planning would work, and it is somewhat unclear what distinctions (if any) would be made for programs and funding in cities that sign onto the ILA, versus cities that do not, and any impact on the county, state, and federal funding that flows into cities from the current structure. SCA staff have asked for a detailed breakdown on this, and RPC members asked for this information on the dais on September 11, 2019.

RPC members were informed that the PDA would not have taxing authority. Any PDA would need to have state legislative authority to seek this. However, the proposed charter specifically states that the PDA would have power to:

“Recommend to the United States, a state, and any political subdivision or agency of any of them, such tax, financing, and security measures as the Authority may deem appropriate to maximize the public interest in the County.” This seems to anticipate that the PDA would seek taxing authority in the future.

How this new PDA would be governed has been the subject of much discussion. Initial proposals and recommendations from the consultants would have removed elected officials entirely from the governance. This was the subject of concern for many PIC members, as well as some of the county council.

The current proposal from the Seattle Mayor and King County Executive includes a three-tiered governance structure.

The proposal includes an 11-member governing board made up of experts, with no elected officials or government staff. This is the board that would oversee the day to day operations of the entity.

The proposal would have the 11 members of the governing board appointed by City of Seattle, King County, and people with lived experience with homelessness – with no appointees from SCA member cities.

The proposal also includes a “Steering Committee” of up to eight members. These would include two Seattle members (mayor and one councilmember), two King County members (Executive and one councilmember), two members representing stakeholders who have experienced homelessness, and one SCA member, with the opportunity to add one more SCA member if 20 or more SCA cities sign-on to the ILA.

The proposal also includes one or more advisory committees, including one that would serve as the board for the federally required Continuum of Care (which is now All Home).

SCA cities and RPC members have expressed some concerns about the role of SCA in this governance structure. Specifically, they have given feedback on need to have sub-regional representation in the new entity, noting that just as SCA cities may differ from Seattle, they also differ in meaningful ways from each other. At a minimum, representation from the south, and the north/east has been suggested.

They have also expressed some concerns about the limited role of the proposed Steering Committee. Under the proposal, the role of elected leaders would not be to make policy, but to confirm a five-year plan without amendment, and confirm a budget without amendment. The governing board would be responsible for developing and approving the budget and plans.

As also noted in PIC materials, a Regional Action Plan is being developed by consultants retained by philanthropic leaders. It is staff’s understanding that this Plan is anticipated to guide the PDA in its work, but it is not anticipated that any elected officials will approve this Plan.

Following the release of this proposal from the Mayor of Seattle and the County Executive, Councilmember Reagan Dunn also released a series of recommendations. These include convening a countywide summit of elected officials. He has also suggested funding a “homeward bound” program to pay to reunite people experiencing homelessness with family or other supports outside the region. It is unclear at this time whether Councilmember Dunn’s proposed legislation will proceed in tandem with the legislation on homelessness governance.

Dawson proposed a series of topics to guide discussion including:

- Do members generally support the idea of a regional governance structure to address homelessness?
  - A question was raised at RPC about whether formation of a PDA is necessary to achieve the goals of the proposal, or whether another model (e.g., a public health model) could better achieve the goal
- What feedback do members have about the proposed governance structure?
  - What role do SCA members think is appropriate for city elected officials?
  - How should the governance structure reflect sub-regional planning efforts?

- Do members support the concept of a board of experts, who are insulated from political pressures?
- If members are generally open to the idea of the proposed structure, what specific feedback do members have on the role of the Governing Board, and Steering Committee?
- Should SCA have a role in appointing members to the Governing Board?
- Should the Steering Committee have sufficient SCA representation to ensure that different parts of the County are represented, and that sub-regional planning efforts can be reflected?
- What other feedback on the role and makeup of a Governing Board and Steering Committee do members have?
- Until a Five-Year Plan is presented, what guiding principles should drive the work of the PDA?
  - What will be the role of the “Regional Action Plan”?
  - Should cities have an opportunity to weigh in on the Regional Action Plan?
    - RPC members gave feedback suggesting that SCA members should have opportunity to weigh in
- What feedback do SCA members have on sub-regional planning?
- What remaining questions do SCA members have about how the proposed PDA would function?
- What questions do members have about what is proposed to be included, and what is not, in this new structure?
- What is the best way for SCA members to give feedback as the County Council considers the proposed legislation?
  - Do members support the proposal from Councilmember Dunn to convene a regional homelessness summit?
  - Do PIC members support taking a formal position on the proposal?
  - What should the timing of this look like?
    - RPC Chair vonReichbauer indicated this would not be “fast tracked” and that it would be done right, not fast

Chair Prince asked Mayor Nancy Backus, Auburn, and Mayor John Chelminiak, Bellevue, if they wanted to give feedback on the proposal, as members of the Executive Leadership Group (ELG).

Chelminiak noted that Backus and Prince had been doing a very good job of protecting SCA city interests. He noted that the process had been difficult at times. He stated that members of the ELG were getting updates, but had not been negotiating terms of the Charter and ILA. This is an ILA between Seattle and King County. It will not be possible to merely replace Seattle’s name with that of another city. He noted that the message from Seattle and King County had been clear that they were moving forward and that cities need to come together sub-regionally, and express what they want to see. Chelminiak noted that he had concerns about the proposed Governing Board setting regional policies, noting that if elected policy makers were not on the governing board, it should not be setting policy. He expressed concerns about whether cities would need to change their local policies if they signed on.

Backus noted that addressing the homelessness crisis is a lofty goal. She noted that many believed there was value in a regional approach. But she noted concerns about how much of the proposal was based on what would be good for Seattle, and had questions about how this would impact other cities in the region. Backus expressed concern that the proposal took an academic approach, and was focused on the needs of the largest city in the region, and may not reflect what we need in SCA cities. Backus expressed hope for a positive conclusion. But she noted that the proposal showed the new entity would not be responsible for upstream prevention, leaving that for individual cities to address, but the new entity would be responsible for shelter. Will that mean that the County will be providing shelters in our communities? Will they pass funding along to allow cities to continue working with their shelter providers? Will we be able to do the things we know are working? Or do we have to do something different to be eligible for funding? Backus stressed that she is committed to working on this issue, but that we need to be a part of the solution.

Chair Prince praised Backus and Chelminiak for their work on this issue to date. He stated that he wants to be able to get to “yes” on a recommendation. He said it is vitally important to have elected officials involved. Elected officials are the ones who are accountable to the people, and who people will question if the approach is not successful. He expects to see changes in the proposal through the legislative process. He wants to see a regional approach, but there is still more work to do.

Council President Tola Marts, Issaquah, noted that in recent discussions on housing initiatives, SCA members had wanted to see a roadmap of the existing ecosystem and that would like to see something similar regarding homelessness. He noted that housing and homelessness are interrelated. He said the fact that this proposal involves \$128 million in public funding demands that elected officials be involved in governance. The public would not support an approach that removes their representatives from the process. He pointed to the E911 steering committee that worked alongside a staff working group, wherein the steering committee of elected officials made policy decisions, as a process that worked effectively. He is unsure of direction for SCA at this time, as there are too many question marks.

Councilmember Chris Roberts, Shoreline, stated that we need to recognize within the county that we need more places with multiple services for people experiencing homelessness, and not send people from city to city to get the services they need. The more places where people experiencing homelessness can get a comprehensive suite of services the better. He noted that at this point, his community would likely take a wait-and-see approach to ensure that providers they are currently working with and support would not be harmed. He took issue with the part of the proposal that would grant the governing board authority to sell property. He said that this was the type of decision that needs to be made by elected officials.

Councilmember Kate Kruller, Tukwila, was overall supportive of the direction. She is supportive of South King Housing and Homelessness Partners (SKHHP) representing the South County subregion. She was also concerned about impact on providers. She noted value in hearing the perspectives of experts and those with lived experience, but said that the final approvals should go through elected officials. She also noted the need to recognize different needs in different parts of the county. She does not want a Seattle-centric approach. She said that it feels like

“extortion” to require 20 cities to sign onto an ILA for SCA to have a second seat, noting that SCA represents over one million people and should have a seat at the table.

Deputy Mayor Catherine Stanford, Lake Forest Park, stated that she still has more questions than answers. She had questions about what a budget would look like. She questioned the need for a PDA/a separate bureaucracy. She questioned whether overhead would take away from services. She said she would support SCA working through and adopting a set of guiding principles, and get more specific from there. She noted that funds contributed from King County actually come from residents of our cities. We know our cities well, we know our challenges, we know how to bring those voices into the discussion. She expressed concern that Seattle does not have a good track record in dealing with homelessness.

Council President Angela Birney, Redmond, noted that she was a member of the RPC and has been involved in ongoing discussions. She agreed that getting more financial details was huge, and looked forward to seeing that information. She appreciated hearing that people want to get to yes, noting that something needs to be done differently to address this crisis. Determining what that something is, is the challenge. She said that many SCA cities do a lot to address homelessness in their communities, noting that Redmond spends over \$720,000 annually to address the issue. She feels that city contributions are being discounted by some, because they do not see the whole picture. She believes that there may be efficiencies that can be found by combining forces between Seattle and King County, and wants the discussions to keep moving forward.

Councilmember Ross Loudanback, North Bend, noted that no matter what we do, we will need regional cooperation to make inroads on the homelessness crisis. He feels like smaller cities are along for the ride, that their county councilmembers will be advocating for them. He was very concerned about the self-perpetuating board. He questioned “where the rip cord” was, and what would happen in five years if the process was not working.

Dawson noted that the question of an “out” if the process was not successful was also raised at the RPC meeting earlier, and is an active topic of discussion.

Chelminiak noted that while consultants have been talking to providers, he does not think that they have vetted this proposal for structure widely.

Councilmember John Stokes, Bellevue, also raised concerns about the self-perpetuating board, noting that after the initial appointments the board would appoint its own members. He stated that this did not go over well with RPC members. We all want something done, but as designed this does not feel like a regional approach. Rather, this is a Seattle and King County approach, with a lot of money from our communities. He stated that there are many layers to questions that need to be addressed. He wondered about the role of ARCH and SKHHP. He doesn’t think this feels like a holistic approach to addressing homelessness. It is not tied to affordable housing. He believes the steering committee needs more authority. A mere up or down vote is insufficient. He disagrees with having no policy makers on the governing board. He agreed with Birney that we need to educate Seattle and King County on what cities are doing. He feels that what is being proposed is very cumbersome. He noted that Seattle and King County Councilmembers

seemed to be listening to SCA concerns. He stated that it was very positive to see SCA members coming together to address the crisis.

Mayor Elaine Cook, Woodinville, agreed with many of the comments made by Stokes. She worried about the multiple layers of proposed board structure and time it might take to get things done. She asked about the recent trip that some had taken to Los Angeles to learn about their work. Dawson noted that the consultants had indicated that they had looked to Los Angeles, Portland, and Houston as governance examples. Dawson referred members to the consultant's website for more details on recommendations and basis:  
[www.regionalhomelesssystem.org](http://www.regionalhomelesssystem.org).

Councilmember Chance La Fleur, Enumclaw, stated that the proposal feels half-baked. He stated that elected officials need to be in charge of the funding. It appears that there is not enough focus on substance abuse, mental health, and other root causes of homelessness.

Councilmember Benson Wong, Mercer Island, stated that he agreed with a regional approach. He had many questions, and asked for a date by which cities should communicate questions. Dawson suggested sending questions to her, and SCA staff would work to get answers to the questions. She suggested getting questions to SCA staff by September 25 so that staff could get answers for the October PIC materials. She noted that SCA may wish to take a policy position, and staff would seek Board feedback on this as well. If so, PIC could consider draft principles in October, and possible adoption in November.

Backus noted that there was both urgency to address the crisis, and need to take time to get it right. At the end of each meeting, she wonders "what have we done today to shelter or house people?" Having meeting after meeting is frustrating, but will be worth it if we can get results that help people. She is not supportive of adding any additional funding until we can show that the funding we have currently is being spent effectively. She commends Seattle and the county for recognizing there may be overlap on programs and seeking to eliminate those inefficiencies. She is concerned if we don't address behavioral health challenges we may not be addressing the challenge holistically. In One Table we looked at root causes. We need to address the causes, not just symptoms. All SCA members seem to agree there should be at least two SCA representatives. There should be no condition placed on this, but if there were, having one based on population versus number of cities may make sense. SCA is the voice of more people than Seattle and unincorporated King County combined. Elected officials need to be involved. They are accountable to the public. Backus noted that there was a discussion on this topic at the All Home meeting earlier. SCA staff will draft a summary of that meeting.

Chelminiak stated that Backus's point was very important. We are talking about people. Our residents are experiencing homelessness. Having an entity focused on emergency housing, as long as root causes are also addressed, could make sense. But we need to answer the question of what we hope to accomplish. We need to state that through our efforts, the number of people living on the streets will be reduced by X percentage. X percent will have access to rapid rehousing. X percent will have access to the services they need. We need to identify outcomes and agree on what success will look like.

## **9. Affordable Housing**

SCA Policy Director Brian Parry provided an update on the work of the King County Affordable Housing Committee (AHC). The AHC was created out of a recommendation of the Regional Affordable Housing Task Force in its Five-Year Action Plan adopted in December 2018. The Committee is an advisory body, and includes representatives from SCA as well as King County, the City of Seattle, housing providers, private sector partners, housing advocates, and philanthropy. The intent is for the committee to be a focal point for moving affordable housing policies forward and measuring results.

The Committee began meeting in June, and for their first items of work they have been considering recommendations related to implementing the sales tax credit for affordable housing created by the legislature in 2019 (HB 1406). In addition, they are developing their work plan, which will identify where the committee focuses its discussions and recommendations over the coming year.

Parry noted that members previously discussed HB 1406 at PIC, and the feedback from many cities was that they were exploring how to best utilize these funds, and that many were looking to maximize impact by partnering through subregional collaborations like ARCH or SKHHP. Parry noted that AHC supported this approach of pooling funds considering the limited annual amount that will be collected by many individual cities. He said some Committee members have also suggested that jurisdictions prioritize construction and preservation of homes affordable to those earning at or below 30% of Area Median Income; and recommendations related to partnering with at-risk communities. He said these recommendations were expected to be finalized by the AHC in late September and would be distributed to PIC members for their consideration as they look to implement HB 1406.

Parry said the AHC is also developing a work plan, which will identify several priority actions from the Five-Year Action Plan as the focus of the Committee's work over the coming year. He said SCA has heard feedback from cities that the focus of the AHC should be to provide technical assistance, recommend policies, and support the work of cities to implement housing strategies; as well as measuring the results of those efforts. The Committee is already expected to lead an effort to create a regional dashboard that monitors affordable housing countywide and what policies are most effective in that regard. He said that some AHC members have expressed that the biggest priority for the committee should be to create a funding strategy that looks at the total need for affordable housing and sources at the federal, state, and local government level. He said others have said the Committee should prioritize providing technical assistance focused on different goals: such as increasing affordable housing around transit, tenant protections, or preserving existing manufactured housing communities. Another strategy being discussed is potentially developing through the committee a state and federal legislative agenda to coalesce around support they can provide.

Parry said the AHC is expected to sift through the many recommendations from the Action Plan at their next meeting on September 20, 2019. He said following that meeting he expects a refined list of priorities will be made available in October for more specific review and comment.

## **10. SCA 2020 Legislative Agenda**

SCA Policy Director Brian Parry reported that SCA is looking forward to partnering with the Association of Washington Cities throughout the 2020 legislative session to keep members informed. Dawson said the SCA Legislative Committee is expected to meet in the coming week and she asked that member cities provide information on their legislative priorities to help the Committee craft an SCA legislative agenda to recommend to PIC.

Deputy Mayor Catherine Stanford, Lake Forest Park, said that she participated in a recent AWC meeting to set legislative priorities for 2020. She said there was a lot of interest from cities to advance Tax Increment Financing legislation, to address city funding constraints, and to explore options for increasing state transportation funding.

SCA Executive Director Deanna Dawson asked members to provide any information on legislative priorities being considered by September 25, 2019 so that it could be distributed to members for discussion at the October PIC meeting.

## **11. Domestic Violence Awareness Month**

SCA Policy Analyst Cynthia Foley reported that in August, SCA members of Domestic Violence Initiative sent a letter inviting cities to participate in Domestic Violence Awareness month in October. She reported that twenty-five cities have communicated their planned activities for 2019.

As of September 11, 25 SCA cities communicated that they are planning to participate in raising awareness about Domestic Violence Awareness Month in 2019. Cities that have already or are planning to pass proclamations include: Algona, Auburn, Bellevue, Bothell, Burien, Covington, Duvall, Des Moines, Issaquah, Kenmore, Kent, Lake Forest Park, Maple Valley, Medina, Mercer Island, North Bend, Pacific, Redmond, Renton, Sammamish, SeaTac, Shoreline, Snoqualmie, Tukwila, and Woodinville.

Councilmember Kate Kruller, Tukwila, shared that the City of Tukwila is considering an ordinance that makes it a gross misdemeanor to expose minors to domestic violence, and offered to share additional information upon request (*Note: [ordinance adopted by the Tukwila City Council on September 16, 2019](#)*).

## **12. I-976**

SCA Policy Director Brian Parry reported on potential impacts to state and local transportation funding if I-976 is approved by voters in the November 2019 election. PIC was previously briefed on the potential impacts, including a reduction to state transportation funding by over \$4 billion, and elimination of motor vehicle excise tax as a funding source for locally approved transportation benefit districts (impacting 12 SCA cities). King County Metro recently completed analysis of impacts on local transportation funding, including estimates for losses from reduced funding in the state Multimodal Account. Detailed analysis as provided by Metro is included under Item 12, Attachment A, in the [September 11, 2019 PIC Packet](#).

Deputy Mayor Austin Bell, Burien, said the City of Burien recently adopted a position in opposition to I-976. Mayor David Baker, Kenmore, said the City of Kenmore also recently adopted a position in opposition to I-976.

### **13. Levies and Ballot Measures in King County**

SCA Policy Director Brian Parry reported on recent election results and upcoming levies and ballot measures in King County. Several measures were considered by voters during the August 2019 primary. This included approval of the King County Parks, Recreation, Trails, and Open Space levy; approval of the Seattle Public Libraries proposed operations levy; and, approval of Puget Sound Regional Fire's proposed levy. Capital bonds proposed by EvergreenHealth received 58.5% of the vote in support, but failed as it did not reach the statutorily required 60% threshold for approval. Parry said the City of Shoreline recently took action to approve placing on the ballot a \$103 million bond measure for an aquatics, recreation, and community center, and authorizing a portion of those funds to be expended for other priority parks and open space investments. Deputy Mayor Jay Arnold, Kirkland, requested additional information about the King County Parks Levy and precinct-level vote totals.

### **14. Potential Upcoming SCA Issues**

SCA Executive Director Deanna Dawson reported that there will be a pre-PIC workshop in October on the topic of toxic social media. In November, a pre-PIC workshop will be held on potential impacts to city policies related to homelessness stemming from the *Martin v. City of Boise* decision. SCA Board elections will take place during the December pre-PIC.

### **15. Informational Items**

Chair Prince noted that an informational item is included in the PIC packet related to the King County Clean Water Plan.

### **16. Upcoming Events**

Upcoming SCA events include:

- a. SCA Networking Dinner (guest speaker Commissioner of Public Lands Hilary Franz, sponsor Foster Pepper) – Wednesday, September 25, 2019 – 5:30 to 8:00 PM – Embassy Suites Tukwila;
- b. SCA Public Issues Committee – Wednesday, October 9, 2019 – 7:00 to 9:00 PM (6:00 PM Pre PIC Workshop on Social Media) – Renton City Hall;
- c. SCA Partner Forum with Seattle/King County Building Trades (topic: Community Workforce Agreements) – Wednesday, October 23, 2019 – 11:30 AM – Local 32, Renton;
- d. SCA Networking Dinner (guest speakers SCA Past Presidents Mayor Ken Hearing, Mayor Denis Law, and Mayor John Marchione, sponsor Sound Transit) – Wednesday, October 30, 2019 – 5:30 to 8:00 PM – Renton Pavilion Event Center;
- e. SCA Public Issues Committee – Wednesday, November 13, 2019 – 7:00 to 9:00 PM (6:00 PM Pre-PIC Workshop on Martin v. City of Boise decision and implications for cities) – Renton City Hall;
- f. SCA Partner Forum with CenturyLink (topic: infrastructure and economic development) – Thursday, November 21, 2019 – 3:00 PM – location to be determined;
- g. SCA Annual Meeting (guest speaker University of Washington President Ana Mari Cauce, sponsor Comcast) – Wednesday, December 4, 2019 – 5:30 to 8:00 PM – Renton Pavilion and Event Center; and,
- h. SCA Public Issues Committee – Wednesday, December 11, 2019 – 7:00 to 9:00 PM (6:00 PM SCA Board Elections) – Renton City Hall.

### **17. For the Good of the Order**

Mayor Sean Kelly, Maple Valley, recognized that it was the anniversary of the September 11, 2001 terrorist attacks and members held a moment of silent reflection and remembrance.

Councilmember Lydia Assefa-Dawson, Federal way, stated that Federal Way would be considering a proclamation recognizing Domestic Violence Awareness Month.

Council President Angela Birney, Redmond, said that Redmond PIC member Councilmember Hank Margeson was unable to attend the evening's meeting due to family medical reasons.

Mayor Leanne Guier, Pacific, said that Sumner and Pacific received a [2019 VISION 2040 Award](#) from the Puget Sound Regional Council for their joint Manufacturing Industrial Center subarea plan. The awards recognize innovate projects and programs that help ensure sustainable growth in the region.

### **18. Adjourn**

The meeting was adjourned at 9:00 PM.

## Public Issues Committee Meeting

September 11, 2019

City	Representative	Alternate
Algona	Dave Hill	Bill Thomas
<b>Auburn</b>	Nancy Backus	John Holman
Beaux Arts Village	Tom Stowe	Aletha Howes
<b>Bellevue</b>	John Stokes	Janice Zahn
<b>Black Diamond</b>	Janie Edelman	Tamie Deady
Bothell	James McNeal	Davina Duerr
<b>Burien</b>	Austin Bell	Nancy Tosta
<b>Carnation</b>	Dustin Green	Kim Lisk
<b>Clyde Hill</b>	Barre Seibert	George Martin
<b>Covington</b>	Fran Hollums	Joseph Cimaomo, Jr.
<b>Des Moines</b>	Traci Buxton	Matt Mahoney
<b>Duvall</b>	Michelle Hogg	Jennifer Knaplund
<b>Enumclaw</b>	Chance LaFleur	Mike Sando
<b>Federal Way</b>	Lydia Assefa-Dawson	Martin Moore
Hunts Point	Joseph Sabey	
<b>Issaquah</b>	Tola Marts	Chris Reh
<b>Kenmore</b>	David Baker	Nigel Herbig
Kent	Bill Boyce	Toni Troutner
<b>Kirkland</b>	Toby Nixon	Jay Arnold
<b>Lake Forest Park</b>	Catherine Stanford	Tom French
<b>Maple Valley</b>	Sean Kelly	Linda Johnson
Medina	Sheree Wen	Alex Morcos
<b>Mercer Island</b>	Benson Wong	Tom Acker
Milton	Shanna Styron Sherrell	Mary Tompkins
Newcastle	Allen Dauterman	Carol Simpson
<b>Normandy Park</b>	Sue-Ann Hohimer	Jonathan Chicquette
<b>North Bend</b>	Ross Loudenback	Ken Hearing
<b>Pacific</b>	Leanne Guier	David Storaasli
<b>Redmond</b>	Hank Margeson	Angela Birney
<b>Renton</b>	Ed Prince	Armondo Pavone
<b>Sammamish</b>	Christie Malchow	Karen Moran
SeaTac	Erin Sitterley	Pam Fernald
<b>Shoreline</b>	Chris Roberts	Keith Scully
<b>Skykomish</b>	Henry Sladek	
<b>Snoqualmie</b>	Katherine Ross	Matt Larson
<b>Tukwila</b>	Kate Kruller	Zac Idan
<b>Woodinville</b>	Elaine Cook	
Yarrow Point	Dicker Cahill	
SCA	Deanna Dawson Brian Parry	Cynthia Foley Alexis Mercedes Rinck Leah Willoughby

Voting members are highlighted. Cities represented are **bolded**.



October 9, 2019  
SCA PIC Meeting

**Item 06:**

Appointment of 2020 PIC Nominating Committee Members

***ACTION ITEM***

---

**SCA Staff Contact**

Deanna Dawson, Executive Director, [deanna@soundcities.org](mailto:deanna@soundcities.org), (206) 495-3265

**Action**

The Public Issues Committee (PIC) Chair will appoint the following members to the 2020 PIC Nominating Committee:

- Councilmember Chance La Fleur, Enumclaw, representing the South Valley Caucus
- Councilmember Ross Loudenback, North Bend, representing the Snoqualmie Valley Caucus;
- Council President Ed Prince, Renton, representing the South Caucus; and,
- Councilmember Chris Roberts, Shoreline, representing the North Caucus.

**Background**

SCA Bylaw 4.16.7(g) provides that, “A nominating committee of the Public Issues Committee consisting of one representative of each SCA Regional Caucus shall be appointed by the Chair of the Public Issues Committee in October to recommend appointments to the committee. Members shall serve for a period of one year.”

PIC Chair Ed Prince has indicated his intent to appoint one new member to the PIC Nominating Committee this year: Councilmember Chance La Fleur, Enumclaw (South Valley Caucus), to replace outgoing member Mayor Leanne Guier of Pacific. He has also indicated intent to reappoint the three remaining members of the PIC Nominating Committee: Councilmember Ross Loudenback, North Bend (Snoqualmie Valley Caucus); Council President Ed Prince, Renton (South Caucus); and Councilmember Chris Roberts, Shoreline (North Caucus).

The PIC Nominating Committee will meet in November to make recommendations for 2020 regional board and committee appointments and will continue to meet as needed in 2020 to fill vacancies that arise during the year.



October 9, 2019  
SCA PIC Meeting

## Item 07:

2020 SCA Legislative Agenda

### ***DISCUSSION/POTENTIAL FUTURE ACTION***

---

#### **SCA Staff Contact**

Brian Parry, SCA Senior Policy Analyst, [brian@soundcities.org](mailto:brian@soundcities.org), 206-499-4159

#### **SCA Legislative Committee Members**

Mayor Leanne Guier, Pacific (Chair); Mayor David Baker, Kenmore; Mayor Dana Ralph, Kent; Mayor Amy Ockerlander, Duvall; Deputy Mayor Catherine Stanford, Lake Forest Park; Mayor Nancy Backus, Auburn

#### **Discussion**

The SCA Legislative Committee met on September 30 to begin developing the SCA 2020 Legislative Agenda to recommend to PIC. At future meetings, PIC will review the recommendations of the Legislative Committee and recommend the proposed Legislative Agenda to the SCA Board, by whom it may be formally adopted.

At PIC in October, members will review SCA priorities from the 2019 legislative session, initial ideas considered by the Legislative Committee, priorities being developed by the Association of Washington Cities (AWC), and provide input on priorities for consideration by the SCA Legislative Committee. PIC members are encouraged to provide information on any work that has already begun in your city to identify priorities for 2020 and to provide input for the SCA Legislative Committee to consider as it develops recommendations for the full PIC.

#### **Background**

The SCA 2019 Legislative Agenda ([Attachment A](#)) focused on legislative requests in three priority issue areas: Address the Affordable Housing and Homelessness Crisis; Invest in Transportation Infrastructure and Mobility; and, Provide Tools for Cities to Address Other Critical Local Priorities. As noted in the final SCA Legislative Report following the end of the 2019 session ([Attachment B](#)), the legislature did not significantly increase revenue tools for to address local transportation needs; however, significant legislation was approved reflecting SCA priorities for affordable housing, state-shared revenues, and other priorities.

The SCA Legislative Committee met on September 30 to begin developing the SCA 2020 Legislative Agenda to recommend to PIC. Initial discussions centered around potential legislative priorities related to transportation funding, maintaining local control, and securing sustainable funding tools.

### *Transportation Funding:*

During the 2019 legislative session, State Senate Transportation Committee Chair Steve Hobbs introduced a nearly \$17 billion transportation plan that included 80 transportation and environmental projects. Funding for the package was proposed to be primarily from carbon fees and an increase to the state gas tax. While the measure did not move forward in 2019, a recent [interview](#) in the *Seattle Times* with Senate Transportation Chair Steve Hobbs indicates there will be continued discussion of a transportation package in 2020.

In 2018, SCA joined King County in analyzing unmet maintenance and capacity needs on the regional road network as part of the Regional Transportation System Initiative. The final report from that effort identified an estimated \$7-\$8 billion in unmet revenue needs for city and county-maintained roads based on current funding sources. Funding for local roads and transit may be further reduced by as much as \$200 million per year if voters approve I-976 in November.<sup>1</sup> A recent [City Transportation Funding report](#) by the Legislature's Joint Transportation Committee further defined and raised the profile of the challenge facing cities in funding transportation projects and provides a series of proposals for consideration by the Legislature.

The Legislative Committee identified transportation funding and the need to engage with the development of any statewide transportation package as a potential SCA priority. They also identified the need for sub-regional/corridor planning.

### *Maintaining Local Control*

During the 2019 legislative session, several proposals were brought forward that raise questions of local control over policies related to diverse topics. Most notably there was significant discussion over control of local land use planning, and policies related to addressing homelessness. The Legislative Committee discussed the need to develop a consistent message around the importance of local control and would like feedback from PIC on a potential SCA priority.

### *Sustainable Funding*

The 2019 SCA Legislative Agenda identified providing tools for cities to address local priorities as a critical need for cities. City revenue streams are limited and not structured to keep-up with rising costs. The Legislative Committee identified this as a continuing priority for SCA cities. The 2019 SCA Legislative Agenda called for replacing the arbitrary annual 1% cap on property tax increases and increasing flexibility for the use of REET and other funding sources. While REET flexibility was increased for affordable housing, there was not progress on the 1% cap. Should SCA advance a similar legislative priority in 2020? If so, are there other proposals or revenue sources that should be specifically identified?

### *AWC Priorities*

In prior years, PIC has sought to develop a legislative agenda that is largely consistent with that of the Association of Washington Cities, but with a focus on issues that are unique or

---

<sup>1</sup> Figure provided by King County Metro. For more information about I-976 see item 12a.

particularly important to SCA cities. As part of this discussion item, PIC will be joined by AWC Director of Government Relations Candice Bock who will provide an update on 2020 legislative priorities. Top issues recommended by AWC's Legislative Priorities Committee include:

- Pursue a comprehensive city transportation bill that provides new resources and options;
- Pursue full funding for the Public Works Trust Fund;
- Pursue the creation of a tax increment financing option for cities;
- Preserve city fiscal health with secure funding sources;
- Behavioral health –support statewide medication assisted treatment (MAT) services in city and regional jails if fully funded by the state and feasible in local jurisdictions;
- Continue to advance a watershed-based approach and strategic plan to address local fish-blocking culverts along with state culverts, and provide significant local funding; and,
- Continue to pursue new resources and policies to increase affordable housing both at the state and local level.

At the SCA Networking Dinner in May, legislators who participated in a panel discussion stressed the importance of working early prior to the beginning of the legislative session to set priorities and educate members about city priorities. SCA cities are encouraged to schedule meetings with local legislators at your earliest opportunity.

### **Next Steps**

PIC members are encouraged to provide information on any work that has already begun in your city to identify priorities for 2020 and to provide input for the SCA Legislative Committee to consider as it develops recommendations for the full PIC. Questions or feedback can be provided to SCA Senior Policy Analyst Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.



SOUND CITIES ASSOCIATION

38 Cities. A Million People. One Voice.

To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

## **SCA 2019 Legislative Agenda**

### **Address the Affordable Housing and Homelessness Crisis**

The state and cities must partner to preserve and increase the supply of affordable housing as, well as address behavioral health needs and other root causes of homelessness. Sound Cities Association urges the Legislature to:

- *Take steps to preserve and increase the supply of affordable housing, including:*
  - *Continued investment and expansion of the Housing Trust Fund*
  - *Expand pathways to homeownership, including reforming condominium liability law*
  - *Allow cities to create and preserve affordable housing through optional local tools*
- *Address other underlying causes of homelessness by providing support to cities to implement innovative local solutions and increasing investments in our state's behavioral health system*

### **Invest in Transportation Infrastructure and Mobility**

The economic vitality of our state demands that we invest in our existing transportation infrastructure and prioritize new investments that improve the movement of people and goods across the transportation system in an integrated, efficient, and reliable manner. Sound Cities Association urges the Legislature to:

- *Create stable, long-term funding available to cities to address maintenance and preservation of existing infrastructure*
- *Support improving mobility along significant urban, regional, and state corridors by managing them as an integrated system that supports motor vehicle, transit, bicycle, and pedestrian travel*

### **Provide the Tools for Cities to Address Other Critical Local Priorities**

City revenue streams are limited and are not structured to sustainably keep-up with rising costs. Cities need flexible local funding tools, fewer unfunded mandates, and continued support from the state for shared responsibilities. Sound Cities Association urges the Legislature to:

- *Give cities funding tools to sustainably address local priorities, such as:*
  - *Replacing the arbitrary annual 1% cap on property tax increases with a limit tied to inflation plus population growth*
  - *Increasing flexibility for REET and other existing revenues*
  - *Continuing streamlined sales tax mitigation to affected cities*
- *Maintain the state's responsibility to cities by:*
  - *Fully and equitably funding critical public safety and correctional facility investments including the Basic Law Enforcement Academy and Corrections Officers Academy*
  - *Continuing smart investments in cost-effective programs including MRSC and the Public Works Assistance Account*
  - *Meeting the state's commitment to share revenues with cities in order to provide vital services to our shared constituents*

**Sound Cities Association Legislative Report**  
**SCA Consultant Briahna Murray; bmurray@gth-gov.com; (253) 310-5477**  
**April 29, 2019**

The legislature adjourned sine die (or “last day”) on Sunday evening minutes before midnight, completing all of its work within the constitutionally mandated period of time. Below are the highlights for the end of the session. Full details will follow later this week.

**Final Budgets Summarized**

*Operating Budget*

The final operating budget spends \$52.4 billion, an increase of roughly 20% from the 2017-19 budget of \$43.7 billion. The budget is based on five new revenue sources: 1) switching from a flat rate Real Estate Excise Tax to a variable rate based on the sale price of the property (SB 5998); 2) removing a preferential business and occupation tax rate for international investment companies (SB 6016); 3) replacing the out-of-state sales tax exemption with a refund mechanism (SB 5997); 4) increasing the B&O tax rate for travel agents (SB 6004) and 5) raising the B&O tax rate for large financial institutions (HB 2167). In addition, the legislature increases the B&O tax rate for certain business categories and dedicates the revenues to higher education (HB 2158). No capital gains tax was passed.

*Capital Budget*

The capital budget invests \$4.9 billion in state agency construction projects, grant and loan programs for local governments, and in K-12 school and higher education facility construction. In addition, \$3.8 billion is re-appropriated for projects previously authorized but not yet completed. \$96.5 million for local and community projects awarded through competitive programs and direct legislative grants;

*Transportation Budget*

The final transportation budget includes a very small list of new projects. This is because actual gas tax revenue ended up being less than projected and the legislature was only able to fund new projects through a one-time \$50 million transfer of Hazardous Substance Tax revenue out of the Model Toxics Control Act Account.

**Legislative Priorities**

**Address Affordable Housing and Homelessness**

The final budgets made significant investments in affordable housing:

- \$175 million was allocated to the Housing Trust Fund (a historic high amount!);
- The Legislature approved [Senate Bill 5334](#) to reform the Condominium Liability Act;
- The Legislature approved [House Bill 1406](#) which allows local jurisdictions to impose a credit against the state sales tax to fund affordable housing. The final version of the bill authorizes cities and counties to each impose a .0146 credit against the state sales tax. A city is authorized to impose the county’s portion of the .0146 if the city has imposed a local tax to fund affordable housing (property or sales) or the county does not utilize its authority;
- [House Bill 1590](#), authorizing counties to councilmanically increase the sales tax to fund affordable housing, did NOT pass.
- Local control is maintained over density, land use and accessory dwelling units. The Legislature passed [House Bill 1923](#), which incentivizes rather than mandates cities to accept

density. The ADU bill that preempted local control, [Senate Bill 5812](#), failed to pass the Legislature.

- The Legislature approved [Senate Bill 5444](#) implementing reforms to the state mental health system in response to the *Trueblood* settlement. Additionally, the Operating and Capital Budgets made significant investments into implementing these reforms and funding community behavioral health facilities.

### **Invest in Transportation Infrastructure and Mobility**

- The Legislature did not significantly increase revenue to local governments to meet local transportation needs. The Joint Transportation Committee is tasked with making recommendations to the 2020 Legislature regarding local transportation revenues.

### **Provide the Tools for Cities to Address Other Critical Local Priorities**

- State-shared revenues are fully funded in the final Operating Budget, except for the Public Works Assistance Account. The Operating Budget swept \$160 million out of the account, leaving only \$95 million left in the account - \$85 million which will be available for competitive application.
- The Legislature approved House Bill 1219, providing increased flexibility with real estate excise tax revenues to fund affordable housing.
- The final Operating Budget allocates \$16.4 million to continue streamlined sales tax mitigation payments to impacted jurisdictions through 2021. Additionally, the four-year budget includes an intent to continue the payments through the 21-23 biennium.
- The final Operating Budget allocates the necessary funding for 9 additional classes through the Basic Law Enforcement Academy. This is the amount requested by the Criminal Justice Training Committee to meet the expected law enforcement training needs across the state.
- The Legislature approved Senate Bill 5993 increasing the hazardous substance tax to fund the Model Toxics Control Account and additional stormwater projects.

**Item 08:**

Proposed King County Regional Homelessness Authority

***POTENTIAL FUTURE ACTION***

---

**SCA Staff Contact**

Deanna Dawson, Executive Director, [deanna@soundcities.org](mailto:deanna@soundcities.org), (206) 495-3265

**Executive Leadership Group Members**

Mayor Nancy Backus, Auburn; Mayor John Chelminiak, Bellevue; Council President Ed Prince, Renton

**Regional Policy Committee members**

Deputy Mayor Austin Bell, Burien; Council President Angela Birney, Redmond; Mayor Dave Hill; Algona (alternate); Councilmember James McNeal, Bothell (alternate); Councilmember Bill Peloza, Auburn; Councilmember John Stokes, Bellevue

**Discussion**

On September 4, 2019, King County Executive Dow Constantine and Seattle Mayor Jenny Durkan transmitted legislation to their respective councils that would charter a King County Regional Homelessness Authority, along with companion legislation that authorizes the Executive to execute an Interlocal Agreement (ILA) with cities across King County. The proposed entity would address homelessness crisis response.

At the September 11, 2019 PIC meeting, members had a robust discussion, and posed a number of questions about the proposal. SCA members also submitted a number of questions to staff in the weeks since the meeting. At the October 9, 2019 PIC meeting, members will be able to review answers provided by the County to questions raised to date. PIC will also discuss whether SCA should consider adoption of principles to provide feedback to the County Council, and to guide members on the Executive Leadership Group (ELG) and Regional Policy Committee (RPC) as they weigh in on the proposal.

**Background**

A number of reports have identified the fractured nature of the current system as a barrier to addressing homelessness in King County. On September 4, 2019, the King County Executive and Seattle Mayor transmitted [legislation](#) to their respective councils that would charter a King County Regional Homelessness Authority, along with [companion legislation](#) that authorizes the Executive to execute an Interlocal Agreement (ILA) with cities across King County. The form of the proposed entity would be a Public Development Authority (PDA). The PDA would address homelessness crisis response. It would not have authority over upstream interventions, behavioral health, or affordable housing. A summary of the proposed entity is included as [Attachment A](#).

More detail on the process leading up to this proposal can be found in the [September 11, 2019 PIC Materials](#). Detailed information on the findings of consultants that led to the recommendation can be found in the [January 9, 2019 PIC packet](#), and additional materials can be found in the [March 13, April 9, May 8, and June 12, 2019 PIC materials](#). More information on the consultant work that formed the basis for the recommended governance structure can also be found at [www.regionalhomelesssystem.org](http://www.regionalhomelesssystem.org).

The PIC had a robust discussion on the proposal at the September 11, 2019 meeting (see attached draft minutes), as did the SCA Board at its September 18, 2019 meeting. Many cities held discussions on the topic at their Council meetings, and several cities provided comments and questions to SCA staff. See Attachments B-G.

SCA staff compiled the questions posed by member cities and by staff, and submitted them to County staff for response. See [Attachment H](#). The County provided responses to many of those questions, which are included as [Attachment I](#). See also [Attachment J](#), a spreadsheet of current County homelessness funding. SCA staff is in the process of reviewing those responses now, and may have additional questions and/or information for PIC prior to the October 9, 2019 PIC meeting. Several of the questions posed have not yet been answered. SCA staff will be working with County staff to get those questions answered in advance of the October 9 PIC meeting.

Additionally, King County staff have offered to host a forum in October to answer city questions, and to provide additional information on the proposal.

### **Discussion**

Based on the feedback received by SCA members to date, SCA staff has prepared the following statement of principles for consideration by the PIC:

- **The Sound Cities Association (SCA) recognizes that homelessness is a regional crisis**
  - People are experiencing homelessness throughout the region
  - The acute crisis in Seattle affects the rest of the region
  - There are differences in the challenges, and solutions, in subregions of the county that need to be addressed sub-regionally
  
- **Sub-regional planning is key to the success of a region-wide effort**
  - We need better clarity on how sub-regional plans would be incorporated into a regional plan, and how sub-regional planning efforts would be supported by a proposed regional entity
  - There must be a commitment that funding will be disbursed equitably throughout county
  - Cities have been told that funds will be distributed without regard to whether a jurisdiction agrees to sign onto an ILA or service agreement – this must be formalized in the legislation

- **SCA members have significant questions about the value of forming a new government (PDA) to tackle the challenges of a fractured system**
  - There are questions about whether the new proposal would be more efficient, or simply more bureaucracy
  - SCA cities have requested details on current administrative costs, and anticipated administrative costs under the new proposal
  - Questions remain about how signatories would extricate themselves from the structure if it does not work, and/or if future council budgets do not fund, and whether a sunset clause should be built into the legislation
  - We must ensure that the new entity is not creating additional silos (with behavioral health, affordable housing, and other systems)
  
- **Before a new entity would be formed, there needs to be high level agreement among policy makers across the region on what objectives we have for an entity**
  - A common shared understanding of goals is a minimum – more detail on a plan for how to achieve these goals will likely be necessary for many to decide whether to participate
  
- **If a new governance structure is established, policy makers (elected officials) should set policy**
  - A board of experts to oversee day to day operations may make sense but large regional policy decisions, and major budgetary decisions, need to be made by elected officials, who are accountable to the public
  
- **Any board/committee of elected officials should have equitable distribution of power between King County, Seattle, and SCA cities**
  - A minimum of two seats (north/east and south) for SCA members would be necessary to reflect the sub-regional planning efforts
  - Appointments to subcommittees and working board should be made jointly by SCA/County/Seattle
  - Approval of any major decision (budget, regional plan, etc.) should have approval from at least one representative from each of the three (SCA/Seattle/King County) to ensure that there is regional buy in

At the October 9, 2019 PIC meeting, members will review the responses provided by the County to SCA questions. PIC members will also discuss the draft principles, and decide whether to bring back a policy position for action at the November 13, 2019 PIC meeting.

### **Next Steps**

A working group consisting of King County Councilmembers Jeanne Kohl-Welles, Dave Upthegrove, Rod Dembowski, and Joe McDermott, SCA members Mayor Nancy Backus, PIC Chair Ed Prince, and Bellevue Mayor John Chelminiak, and Seattle City Councilmembers Sally Bagshaw, Mike O’Brien, and Teresa Mosqueda will next meet on October 11, 2019 to continue working through the legislation.

The Regional Policy Committee (RPC) will be discussing the legislation at its October 9, 2019 meeting. As noted in last month's materials, this is a "mandatory referral" to the RPC, triggering the following process:

- The RPC must complete its review and recommend an action within 120 days of referral (or a longer timeframe jointly agreed to by the Committee and the Council).
- If the RPC does not act within this timeframe the Council can take action with a supermajority (six votes).
- A countywide plan or policy recommended by the RPC may be adopted, without amendment, by the county council by five affirmative votes.
- A countywide plan or policy that differs from the plan or policy recommended by the RPC may be adopted by the county council by six affirmative votes after the RPC has had the opportunity to review all county council amendments.

The matter was also referred to the Health, Housing and Human Services (HHHS) Committee at the County Council, which will hold its next meeting on October 15, 2019. HHHS also has meeting scheduled for November 5 and November 19, 2019. The King County Council and Seattle City Council have indicated that they anticipate taking action on the legislation no later than mid-December 2019. SCA staff will attempt to obtain more information on timing, and how that may affect timing of a potential SCA position, prior to the PIC meeting.

Absent emergency action, the earliest date that SCA could take formal action on the proposal would be at the November 20, 2019 SCA Board meeting. (Note that pursuant to the PIC Operating Policies, "If not immediately addressing a policy issue renders SCA unable to take a position on a timely basis, 85% of those present at a regularly scheduled meeting may declare an issue an emergency and the issue may be discussed and voted upon at the same meeting.")

**Attachments:**

- [Attachment A](#): Overview of Proposed Regional Homelessness Authority
- [Attachment B](#): August 28, 2019 letter from Renton Mayor Denis Law
- [Attachment C](#): September 3, 2019 letter from Kirkland Mayor Penny Sweet
- [Attachment D](#): September 12, 2019 email from Des Moines PIC Representative Councilmember Traci Buxton
- [Attachment E](#): September 20, 2019 email from Burien City Manager Brian Wilson
- [Attachment F](#): September 24, 2019 email from Federal Way Mayor Jim Ferrell
- [Attachment G](#): September 25, 2019 email from Covington Mayor Jeff Wagner
- [Attachment H](#): Questions posed to County by SCA Staff September 26, 2019
- [Attachment I](#): Responses received from County October 2, 2019
- [Attachment J](#): Spreadsheet of current County homelessness funding

## What will the Executive and Seattle Mayor Transmit & When?

- The County Executive and Seattle Mayor will transmit to their respective Councils by early September an ordinance (with an attached Public Development Authority Charter) seeking authorization to enter into an Interlocal Agreement (ILA), creating a Regional Authority to oversee and administer regional homelessness response systems and services.
- If enacted by both King County and Seattle, the County will also simultaneously enact an ordinance to establish in County Code the PDA that is agreed upon in the ILA.

## What will be in the Proposed ILA and the Charter?

Both the ILA and Charter contain definitions as appropriate in addition to the contents for each listed below:

<b>The ILA</b>	<b>The Charter</b>
<ul style="list-style-type: none"> <li>• Statement of purpose</li> <li>• Agreement for the County to charter the PDA as attached</li> <li>• Eligibility for ILA Parties</li> <li>• Principles to guide the PDA</li> <li>• Brief description of the                             <ul style="list-style-type: none"> <li>◦ Steering Committee</li> <li>◦ Governing Board</li> <li>◦ Advisory Committee(s)</li> </ul> </li> <li>• PDA Scope of Work</li> <li>• Initial Agreements for provision of                             <ul style="list-style-type: none"> <li>◦ Program Funding</li> <li>◦ Administrative Funding</li> <li>◦ Start-Up Funding</li> </ul> </li> <li>• Agreement on Obligations of the PDA to King County and Seattle</li> <li>• Provisions for PDA Term, Withdrawal, Termination, and Amendment of the ILA</li> <li>• Provisions for Modification &amp; Disestablishment of the PDA</li> <li>• Additional Provisions of the ILA as legally necessary</li> <li>• The proposed PDA Charter as an attachment</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of the Regional Authority as a PDA</li> <li>• Necessary limitations on liability and disclaimers</li> <li>• Establishment as a perpetual PDA (unless terminated)</li> <li>• Purpose and Scope of the PDA</li> <li>• Powers of the PDA</li> <li>• Explicit limitation of PDA powers</li> <li>• Creation &amp; definition of the PDA's Steering Committee-Governing Board-Advisory Committee Structures, Powers, Procedures &amp; Appointment Processes</li> <li>• Identification of key Officers and Staff, including the Executive Director and Office of the Ombuds</li> <li>• Additional provisions of the Charter as legally necessary</li> </ul>

## What is the Proposed PDA's Scope?

### Programs and System Scope

The PDA's scope of work will be the region's homelessness response system. The PDA's scope contemplates that in addition to unifying homeless response services of Seattle and King County, it will also replace and encompass the current functions of All Home, the region's current Continuum of Care lead.



### Financial Scope

The ILA will establish initial funding minimum expectations, subject to appropriation by Councils, based upon the sum of King County's and Seattle's 2019 annualized value of programs and administration for programs within the PDA's scope of work. The ILA will also make minimum funding expectations contingent upon the ongoing availability of funds sources while also providing that any fund source subsequently attributed directly to the PDA may trigger a proportionate reduction in the minimum funding expectations for Seattle and/or King County.

King County's 2019 Annualized Program & Administrative Value <b>\$ 55 M approximate</b>	Seattle's 2019 Annualized Program & Administrative Value <b>\$ 73 M approximate</b>	Total 2019 Annualized Program & Administrative Value <b>\$ 128 M approximate</b>
Value of King County's Proposed Contributions to PDA start-up costs <b>\$ 1.8 M approximate</b>	Value of Seattle's Proposed Contributions to PDA start-up costs <b>\$ 2 M approximate</b>	Total Value of Proposed Contributions to PDA start-up costs <b>\$ 3.8 M approximate</b>

### Geographic Scope

In accordance with the agreed upon ILA, the County will create the PDA with geographic scope coincident with the boundaries of King County.

## How will the ILA provide for participation of other cities?

**Regional participation is critical**—the ILA eliminates barriers that otherwise limit participation:

- **Who?** Cities or housing authorities in King County may join
- **When?** May join immediately or over time to take advantage of the efficiencies of scale created by the PDA structure.
- **What does joining mean?** All participants would commit to align provision of in-scope homelessness response services with the PDA's 5-Year implementation plan and sub-regional plans
- **How?** The joining city or housing authority may join by becoming party to the ILA

**Service Agreements:** Each party would sign a Service Agreement with the PDA, describing their respective commitments to provide resources (funding or in-kind contributions inclusive of staff time, facility space, development sites, etc.) to support the operation of the PDA or the operation of related services.

## The Proposed Board

### Steering Committee

Primarily of elected officials ensuring overall electoral, financial, strategic, and community accountability and outcomes.

#### Up to 8 Members

KC Executive  
x1 KC Councilmember  
x1 SCA Member  
x1 SCA Member once 20 cities have joined ILA

Seattle Mayor  
x1 SEA Councilmember  
x2 Lived Experience (appointed by a Continuum of Care body representing persons with lived experience)

#### Powers

- Confirm Governing Board Appointees
- Remove Governing Board Members for Cause
- Confirm w/o amendment or Reject 5-Year Plans
- Confirm w/o amendment or Reject Annual Budget
- Receive Annual Performance Report

### Governing Board

Subject matter experts empowered by the Steering Committee to provide robust, persistent, and detailed guidance, fiscal and operational management, and oversight of the PDA and its mission.

#### 11 Members

##### Board Member Expertise & Skills

Each member has expertise in one or more of the following with a requirement that all expertise & skills are present:

- Equity Implementation
- Fiscal Oversight
- Business Operations or Strategy
- Affordable Housing Finance/Development
- Physical or Behavioral Healthcare
- Labor Unions & Workforce
- Provision of services for persons experiencing homelessness
- Data-Based Performance Evaluation or Academic Research
- Criminal Justice
- Continuum of Care expertise

##### Overall Board Characteristics

In its total composition, the board must

- Include 3 persons representing persons with **lived experience** of homelessness
- Strive to reflect a **diversity of geographies** in King County
- Include individuals with connections to or experience with the **Business Community, neighborhood or community associations, and faith/religious groups**
- A majority of the members of the Governing Board shall be persons whose identity, personal experience, or professional expertise enables them to credibly represent the perspectives of, and to be accountable to, marginalized demographic populations that are statistically disproportionately represented among people experiencing homelessness in King County
- No member shall be an elected official, an employee of ILA parties, nor an employee, official, agent or representative of current contract holders or any entity that is likely to directly benefit from the actions of the Authority

#### Powers

The Governing Board is responsible for the management, vision, community accountability, and oversight of the PDA. Specified powers include:

- Hire, fire, and review the performance of the PDA's Executive Director
- Adopt & transmit for Steering Committee confirmation a 5-Year Plan
- Appoint Governing Board Members for confirmation by the Steering Committee after the initial appointment process
- Annually adopt & transmit an operating budget for confirmation by the Steering Committee and approval by the respective funding jurisdictions
- Annually adopt a performance report
- Oversee the PDA's implementation of the 5-Year Plan, Annual Budget, and additional plans and policies necessary to carry out the duties and responsibilities of the PDA
- Other powers legally necessary for the management of the PDA as provided in the Charter

#### Initial Appointment Process

All appointing bodies in the Steering Committee will bring multiple potential nominees in order to work together to seat the Governing Board consistent with the required skills and characteristics.

- King County Executive, King County Council, Seattle Mayor, Seattle City Council **each appoint 2 Governing Board Members** for Steering Committee Confirmation
- Steering Committee's 2 Lived Experience members **jointly appoint 3 Governing Board Members** for Steering Committee Confirmation

#### Ongoing Appointment Process

After 5 years, the Governing Board appoints persons to fill Governing Board vacancies subject to Steering Committee confirmation.

### Advisory Committee(s)

The Governing Board can create and maintain an Advisory Committee or Committees as needed to ensure that the Governing Board receives the advice of a wide range of stakeholders, including providers and advocates of homelessness services. The Advisory Committee(s) may be constituted, if duly empowered, to perform the functions of the mandatory Federal Continuum of Care Board.

### Sub-Regional Planning

The Authority will value distinctions in local context, needs and priorities through effective Sub-Regional Planning, including:

- **collecting and analyzing data** that enables tailored approaches for communities disproportionately impacted by the experience of homelessness and different sub-regions within King County
- **articulating local needs, priorities and solutions** to address homelessness across the different areas of the County
- **providing capacity** to work with stakeholders from geographically diverse parts of the region to analyze, identify, and implement priority services distinct to those sub-regions.

## How will the ILA and Charter specify the PDA's planning cycle & staffing?

**5-Year Implementation Plan** required by the ILA & Charter within 18 months of the PDA's formation

- Incorporates requirements of Service Agreements from funders and the Regional Action Plan to guide the PDA's operations
- Developed by the PDA, approved by the Governing Board, and confirmed or rejected by the Steering Committee
- Inclusive of sub-regionally tailored context, needs, priorities, and approaches

#### Annual Budget

- Proposed by the Executive Director, approved by the Governing Board, and confirmed or rejected by the Steering Committee
- The annual budget would inform resource requests to be made to each party in accordance with the 5-year Strategic Plan, Service Agreements from funders, and subject to appropriation

#### Staffing

- The Charter mandates an **Executive Director**, hired by the Governing Board, with authority to hire additional staff as needed
- The Charter mandates an **Ombuds Office** to serve as a single point of contact for direct customer accountability within the PDA and the homeless service delivery system more broadly, ensuring customer accountability in the regional homeless response system, informing continuous improvement of the PDA, and increasing transparency and public trust.
- The Charter **empowers the ED to hire staff** to implement the 5-year strategic plan, including sub-regional planning, subject to budget authority and appropriation



Denis Law Mayor

August 28, 2019

Office of the King County Executive  
Attn: Ms. Rachel Smith, Chief of Staff; and Ms. April Putney, Legislative Director  
401 Fifth Ave., Suite 800  
Seattle, WA 98104  
***Sent Via E-mail***

**RE: City of Renton comments and recommendations on “Deliberative Draft” for Interlocal Agreement (ILA) and formation of new regional homeless response system**

Dear Rachel and April:

This letter is to honor your request for written input and suggestions on the Executive’s “Deliberative Draft” of a proposed Interlocal Agreement (ILA) and Charter for a “Unified Regional Homelessness Response Authority.”

We first wish to acknowledge the extensive work the Executive’s Office has done with our city and others in gathering feedback as this ILA was in development, most recently through your visit to Renton on Tuesday. Through your efforts and those of other staff such as Kelly Rider, you have asked for our perspective and sought to incorporate what you heard, which we certainly appreciate. Renton expressed initial and conditional support on a conceptual level for a unified regional response system, though we indicated that numerous questions remained.

Based on what we saw unveiled last week, and pursuant to the follow-up discussion you had on Tuesday with Councilmember Ed Prince and our regional/state/federal affairs consultant Doug Levy, we would like to share several suggestions regarding the governance model in the Draft ILA. From our perspective, these changes would better incentivize suburban cities to participate in the Unified Response System, rather than disincentivize them. Additionally, we would like to share a few other observations on details and backup material that could accompany the Draft ILA.

A primary concern of ours is that the proposed Steering Committee and Governing Board we saw in the initial Draft ILA gives very little voice to suburban cities. As structured, it would give suburban cities minimal incentive for or confidence in wanting to join into this system, undermining the regional value of it. We would recommend three revisions that the Executive’s Office could make before a more public introduction of the Draft ILA:

- Provide multiple seats—at least two—on the Steering Committee for Sound Cities Association (SCA). Having north and south seats or east and south seats would give suburban cities more confidence in being heard, versus triggering anxiety about being outweighed or not heard.
- Revise Steering Committee authority so that members are not simply in an up-or-down vote mode that doesn't appear to give them a substantive role in the process. We suggested on Tuesday a way to allow for suggested amendments that could bounce back and forth between the Steering Committee and Governing Board. Another idea that might help the process is to require a super-majority approval by the Steering Committee, to ensure the Governing Board is adequately weighing the perspectives and ideas of those Steering Committee members.
- Provide SCA/suburban cities with some of the appointing authority for the Governing Board. A suggestion you made Tuesday—that perhaps all Steering Committee Members could come armed with names for the initial appointment – could be a workable model.

We recognize that from the standpoint of some, including the City of Seattle, suburban cities are not being asked for funding and aren't being required to join the system. But as a practical matter, much of the county's revenue base is indeed from our cities and taxpayers and they would have a very limited say under this first-draft proposal. Suburban cities currently get at least one-ninth of a say under our current County Council governance, but in the model we saw last week, would get just one of seven seats on a Steering Committee that has a limited number of meetings and appears to have only up-or-down rather than substantive budget and fiscal authority. Furthermore, suburban cities have no role at all in the appointing of an 11-member Governing Board that appears to do the lion's share of the substantive policy and budget work for this Authority.

To us, this formation of a decision-making structure would be a missed opportunity, leaving Seattle, King County, and "lived experience" individuals to set a fiscal and policy direction without the benefit of other stakeholders within the region. As discussed on Tuesday, we would like to take the time to make changes to the ILA to better enable numerous suburban cities to get to yes—and we sense that both your office and County Council Members share that desire.

Finally, while the first-draft ILA does not delve into all the details, we want to share some other observations where more definition and clarity would be helpful:

- **What is covered under this proposed Authority.** We have received general information that the Unified Response System is meant to address things such as shelters, crisis response, navigation, tracking, etc. You helped clarify on Tuesday that the Response System is not designed to cover mental health and opioids-addiction services. We would



suggest that a descriptive listing of what is and what is not part of the proposed system would be useful for suburban cities. Additionally, given that a significant percentage of the homeless population also struggle with mental health and drug addiction challenges, how would the new Authority then coordinate with the services provided in these areas, especially as any holistic approach to homelessness must include a way to address mental health and drug addiction.

- **Understanding and consensus around the source of funds.** The proposal and PowerPoint handed out references a \$49-million-a-year commitment by King County. We believe it would be beneficial to have details on the source of the funding, how it is to be used, and how that would affect cities outside of Seattle. For example, it was emphasized that King County would still devote funding resources to collaborate with cities beyond the Unified System.
- **Taxing Authority.** This is another issue where there appears to be at least some mixed messages. We were glad to hear you emphasize that additional taxing authority is not an option under current Public Development Authority (PDA) statute and that such authority would not be pursued unless there was some future consensus to do so. Clarifying this in writing would be extremely helpful.
- **Sub-regional planning.** You have heard our city and other suburban cities recommend this as an important component of the new Unified Response Authority. In essence, sub-regional planning could be rolled up into the work of the Unified Response System. In fairness, the proposal released Wednesday did not get into this level of detail, but we continue to believe this would be an important component of any regional response system.

Again, we would like to emphasize that we appreciate the outreach done by the Executive and staff on this proposal. We also want to be transparent in conveying our concerns so that, hopefully, important revisions to the Unified Response System proposal can be made as it formally introduced and before it goes to the King County Council and Seattle City Council.

Sincerely,



Denis Law  
Mayor

DL:aa

19-087



September 3, 2019



The Honorable Dow Constantine  
King County Executive  
401 Fifth Avenue, Suite 800  
Seattle, WA 98104

The Honorable Jenny Durkan  
Seattle Mayor  
600 Fourth Avenue, 7<sup>th</sup> Floor  
Seattle, WA 98104

Dear Executive Constantine and Mayor Durkan:

Thank you for the opportunity to review the draft August 21, 2019 "Overview and Key Elements of Proposed ILA & Charter for a Unified Regional Homelessness Response Authority" document that you presented at the Regional Policy Committee and shared with regional partners.

The City of Kirkland applauds your efforts to develop and implement a unified, effective, regional response to homelessness. We understand the difficult challenges that must be overcome to reform and improve the existing fragmented system. Every city in King County shares the goal of a coordinated, seamless system that successfully transitions every man, woman, child and family experiencing homelessness to stable housing. We deeply appreciate the leadership provided by Seattle and King County to tackle these challenges.

We also thank you and your staff for including key leaders from the Sound Cities Association in the conversation throughout the development of the initiative. Although there is not agreement on every issue, the proposed ILA and Public Development Authority (PDA) Charter summary appear to incorporate important feedback from the cities and to make great strides in addressing several key concerns about governance and funding. While the initial interlocal agreement creating the PDA understandably begins with Seattle and King County, we are pleased that the proposed interlocal agreement allows for additional cities to join the ILA and the PDA over time, and Kirkland desires to help ensure the success of the initiative.

In that spirit, Kirkland has several important comments on the draft overview document. First, we favor the concept of the two-tiered governance structure. We firmly believe in the need for a steering committee with elected leadership to approve Board members, budgets and work plans. But we also support empowering a governing board of practitioners and experts who do not benefit from the current system to develop and implement the budgets and work plans to maximize the effectiveness of the new entity. The draft document appears to strike a reasonable balance in granting authority and accountability to both groups.

While Kirkland does support the governance framework, further regional conversation needs to occur on the specific membership allocations. It is important to remember that much of the revenue that King County invests in homelessness programs is either generated in cities through countywide taxes or is allocated to King County by the federal government based on the populations in the cities. For these reasons, both the steering committee and the governing board must include an appropriate level of geographic representation. One steering committee member from cities outside of Seattle cannot effectively represent North, South and East King County. In addition, more clarity is needed on how the steering committee and governing board will evolve as new cities join. Nevertheless, the initial proposal from Seattle and King County is an excellent place to start.

Secondly, Kirkland does have concerns about the initial Governing Board appointment process. As explained in the document, the King County Executive, King County Council, Seattle Mayor, and

Seattle City Council each appoint two Governing Board Members for Steering Committee confirmation and the "Lived Experience members" jointly appoint three Governing Board Members for confirmation. Clearly there needs to be an appointment role for Sound Cities in the final ILA. Kirkland would suggest that to create regional cohesion and strong support for the Governing Board, all Steering Committee members should jointly select all Governing Board members from a qualified pool of nominations rather than include "guaranteed slots" for various bodies.

Third, Kirkland supports the initial scope of work for the new regional authority. Seattle and King County have appropriately limited the scope to those programs and funding sources that are currently the responsibility of Seattle, King County, or the current Continuum of Care provider, All Home. By focusing the scope on these internal programs, you maximize the chance of early successes. But the more focused scope also addresses some of the key concerns of Kirkland and other cities, which is to ensure that the new PDA does not have some new authority over cities that does not currently exist and cannot raise new revenue from cities without their agreement and support.

Finally, Kirkland strongly supports the provision in the ILA that allows other cities or housing authorities to become parties to the ILA and sign service level agreements with the PDA. We recognize that Seattle and King County need to act now to address the immediate crisis. But this provision will allow the new authority to be enriched and enhanced over time by a "coalition of the willing" as the new authority demonstrates effectiveness and accountability. East King County has many successful examples of these collaborative coalitions, including A Regional Coalition for Housing (ARCH), the Eastside Public Safety Communications Agency (EPSCA), the east side dispatch center NORCOM, and the eCityGov Alliance. Each of these entities was created by cooperative interlocal agreements, and they continue to thrive because they deliver the services and outcomes that member cities value. Based on our experience, we feel confident that once the new PDA delivers results, cities will see the value in signing on to the ILA and executing contracts with the PDA. The ability to join later gives cities the time we need to evaluate the new entity and is critical for the overall success of creating a truly regional system. We appreciate Seattle and King County including this opportunity in the ILA.

Again, thank you for the opportunity to review the proposed ILA and PDA Charter. It should be noted that our position might evolve as the two-page summary shared with the region is converted to more detailed legislative documents. But that caveat aside, Kirkland overall supports the proposal that Seattle and King County have made to create a unified regional authority to tackle homelessness. It is a thoughtful, pragmatic approach, and the urgency of the issue demands action. We encourage both Seattle and King County to incorporate our suggestions and approve the ILA. Kirkland fervently hopes the new authority will be successful and looks forward to a potential future partnership.

Sincerely,

KIRKLAND CITY COUNCIL



Penny Sweet, Mayor  
City of Kirkland

cc: Kirkland City Council

---

**From:** Traci Buxton <TBuxton@desmoineswa.gov>  
**Sent:** Thursday, September 12, 2019 10:14 AM  
**To:** Deanna Dawson  
**Cc:** Brian Parry  
**Subject:** Homelessness/PDA Questions

Good Morning!

I appreciated the robust conversation last night as a result of the well-researched and detailed presentation you provided in the Agenda Packet. Thank you for your hard work!

Below is some feedback which includes questions and concerns. I am looking forward to more definition as move toward discussion at our dais or possible communication with our King County Councilmember (Dave Upthegrove).

In agreement with many of the other cities last night, I believe Des Moines has the same questions and concerns:

- There is a noticeable lack of incorporation of elected leadership.
- There seems to be a lack of a clear model for guiding services and poignant lack in addressing substance abuse and addiction.
- Similarly, there needs to be paradigm of success – what does it look like?
- We would like more information about where resource will be coming from. We are concerned about compromising the funding of agencies whom we support.
- We are concerned about the possible taxing authority in the future.
- We are deeply concerned about the lack of sub-regional representation along with the probable sub-regional oversight and/or mandates according to a one-size-fits-all structure.
- It is unclear if lack of participation in the ILA will compromise Federal or State funding. If this is not a possibility, why was it mentioned?
- Similarly, we are concerned about the connection between ILA participation and representative seats at the table, since the resource coming from KC essentially comes from its cities and makes us automatic participants in funding (taxation without representation).
- It was said that there would be no providers on the Governing board, yet there does not seem to be clear protection from inappropriate influence.

For now, I think that is a good start and I am sure there will be more questions and need for clarification as we move forward.

Thank you for your hard work and advocacy!

Traci

---

**From:** Brian Wilson <BrianW@burienwa.gov>  
**Sent:** Friday, September 20, 2019 5:18 PM  
**To:** Deanna Dawson  
**Cc:** DL - Council Members; Leah Willoughby; Colleen Brandt-Schluter  
**Subject:** City of Burien Feedback on Proposed Homelessness Governance Structure

Ms. Dawson (Deanna):

Thank you for the opportunity to comment on the draft proposal.

The following are questions/feedback from the City of Burien regarding the homelessness governance structure proposed by King County and Seattle:

***RE: the Governing Board:***

The document calls out that regional participation is critical, therefore regional representation is needed on this board. We have concerns about the initial appointment process as it looks like no matter who signs on, the initial members are only appointed by KC Exec, KC Council, Seattle Mayor and Seattle Council. If others join the ILA, where is their representation? The Governing Board has 11 members, 8 of which represent KC and Seattle and 3 appointed from the Steering Committee who will represent the “lived experience” representatives. These are 5-year appointments and the ongoing process is still that the governing board will make the ongoing appointment decisions. Is this the intention? It would seem that all parties signed on to the ILA should be represented. It also appears SCA has one member and is removed from the appointment process. Are there criteria established for the selection of the SCA member? There is concern the SCA cities representative is outnumbered on the Board based on the proposed make-up. This is a feeling often experienced by cities outside of Seattle regarding homelessness and other regional forums.

***RE: Geographic Representation:***

Under Overall Board Characteristics – the statement “**Strive** to reflect a diversity of geographies in King County” could be strengthened to say, “Will” or “Shall” to reflect a diversity of geographies of King County. This language should also be included in the ILA and the Steering Committee and Governing Board requirements. Given the expertise/experience of the group that is the appointing authority of positions, there are opportunities to enhance language regarding representation/reflection of the diverse geographies.

***RE: The Steering Committee:***

This committee ensures overall community accountability. The further defining of community accountability should occur including the assignment of tasks, annual oversight, review of documents, quarterly and annual reports, and or a voice/process for which to report community response.

***RE: Cities supporting this effort/signing on:***

Before cities can sign on to an ILA, especially if we are paying into it, we would need to understand how this entity, Executive Director/staff would be supporting service delivery at a local level to ensure:

- Best practices are being used.
- Agencies are supported regardless of where they are located, including outside of Seattle, in a way that aligns them with the plan. We don’t want the focus to be only on agencies traditionally in and supported by Seattle.
- Agencies in Seattle will already understand the expectations and are more able to successfully advocate for themselves, have greater access to trainings, technical assistance and supports, to be better able to implement the new expectations/policies under the Regional Authority. Agencies with less support,

often outside Seattle could be defunded? There should be dedication to the broad geographies of KC and investments in agencies outside of Seattle including no barrier access to support and training.

- Cities need to understand what the benefit is to signing on, what will change, and what will be the return on investment. A case being made for why this will have a positive impact for those signing on will be helpful. What will be different for them?
- Seeing the actual language of the ILA will assist our ability to provide substantive comments.
- We have seen the All Home document delineating the responsibilities and it appears with the exception of prevention and supportive housing, all homeless services would fall under the PDA oversight. The attached document talks about requiring participants to Aligning Services to “in scope” . . . what will “in scope” mean? Cities outside of Seattle use funded and unfunded partners to address homelessness innovatively and are often a good fit for a specific community or local need. We would hate to see that “in scope” and “aligned” meant less flexibility for pilot approaches that are right sized/right fit/supportive of creative models or agencies doing good work. We believe in best practice and want to support agencies to get there.
- How are local investments in human services and/or housing initiatives impacted by signing onto the ILA. Clear parameters and impacts in this regard will be helpful.

Let me know if you have questions.

Brian J. Wilson  
City Manager

## City of Burien

(206) 248-5503 office

(206) 376-7102 cell

BrianW@burienwa.gov

**Burienwa.gov**

NOTICE OF PUBLIC DISCLOSURE: This e-mail account is public domain. Any correspondence from or to this e-mail account may be a public record. Accordingly, this e-mail, in whole or in part, may be subject to disclosure pursuant to RCW 42.56, regardless of any claim of confidentiality or privilege asserted by an external party.

---

---

**From:** Jim Ferrell <Jim.Ferrell@cityoffederalway.com>  
**Sent:** Tuesday, September 24, 2019 3:53 PM  
**To:** Deanna Dawson  
**Subject:** RE: Homelessness--Questions by the City of Federal Way

Hi Deanna,

Here are my comments on behalf of the City of Federal Way for the upcoming Public Issues Committee discussion. Thanks for asking for our thoughts as it is important the King County Council understands the concerns of our member cities.

First and foremost, the discussion must begin with the question: Is the creation of a new “public corporation” necessary when the infrastructure already exists to meet these challenges? This should have occurred at the front-end.

Unfortunately, this proposal has not taken into consideration the “why” and “what” and has proceeded directly to the “how” by creating a new and all-encompassing agency.

Just as important is a discussion of what are the goals and outcomes that need to be accomplished?

It proposes a steering committee and governance board that have little representation of our cities.

The proposed creation of this new government skips over and ignores some very crucial questions.

While the proposal alleges the inclusion of funding from the City of Seattle and King County, the Charter and other public statements allude to a significant investment of staffing and infrastructure.

For instance, an executive director and staff will be hired. This will include office space, equipment including computers, technology services and other services including vehicles. This organization will require staffing in the areas of human resources, contracting, technology and all the support services required of an agency this size. Important questions need to be asked: How much staffing will be required? Where will the staff be housed? Who are the employees that are being transferred from the City of Seattle and King County?

Most importantly, after this agency is formed, how much money will remain for the homeless challenges we face? We are creating a giant that needs to be fed.

The King County Regional Homelessness Authority was introduced without adequate input of the cities that comprise King County. The proposal initially proposes two representatives from the SCA and only one representative if only a minimum of cities sign the ILA. If few or none of our cities join, how does it relate to cities? And how will the agency impact our own city community service departments?

I think it is crucial that the Sound Cities Association and our 38 member cities shift the discussion to what strategies are best to meet the challenges of homelessness using the infrastructure currently in place that will benefit all of our cities in the entire county.

Thanks again for asking for our collective input.

Jim

---

**From:** Jeff Wagner <jwagner@covingtonwa.gov>  
**Sent:** Wednesday, September 25, 2019 2:53 PM  
**To:** Deanna Dawson; Leah Willoughby  
**Cc:** Regan Bolli; Fran Hollums  
**Subject:** Re: Homelessness--

Good afternoon Deanna,

We had a very good discussion last night at our Council meeting on this topic. Mayor Ferrell brings up a lot of the same concerns we discussed last night as well as what was discussed during PIC.

We also are concerned with:

where the funding will come from,

what will happen to funding and support for the current non-profits such as Arch and SKHHP,

why are they designing an organization first without having a real plan on what is going to be done,

how are the results being measured

if this group will be spending tax dollars, there should be elected's on the board to assist in allocating the funds

there should be more than 2 SCA elected's on the board as they will be representing 39 cities

We as the Covington City Council feel that as a member of SCA, we should work alongside King County on this proposal as well because it is moving forward with or without us and we need to be at the forefront to make sure that all cities are represented, not just Seattle

I am not sure if Fran or Regan have anything they would like to add

*Jeffrey S Wagner*

**Mayor  
City of Covington**

16720 SE 271st St, STE 100  
Covington, WA 98042  
O: 253-480-2400  
F: 253-480-2401  
C: 206-276-9640  
[jwagner@covingtonwa.gov](mailto:jwagner@covingtonwa.gov)  
[www.covingtonwa.gov](http://www.covingtonwa.gov)

## SCA questions re King County/Seattle homelessness governance proposal (9/25/2019)

### Goals:

- What are the goals of the proposed entity?
- What will success look like? How will success be measured?
  - Permanent housing?
  - Sheltered?
- What if any role will elected policy makers have in setting the goals and metrics?

### Form:

- Why is a new government (PDA) necessary to address the fractures in the current system?
- Could existing infrastructure, or an alternative form obtain the same outcomes without creating an additional layer of bureaucracy? (Public health model, other)
- How would county extricate self from new entity if results not being achieved?

### Role:

- What would it mean for cities to align their policies and funding with the proposed entity?
- How would this work when there is no current regional plan?
- When will the Regional Action Plan be available for review?
- How will the Regional Action Plan direct the new entity?
- How would the proposed entity limit cities' ability to determine siting of facilities?
- How would the proposed entity impact cities' ability to determine policies around homelessness crisis response?
- The new entity is proposed to address crisis response only. How will this interact with upstream interventions? Behavioral health system? Affordable housing?
- How is sub-regional planning envisioned to take place?
- Will there be funding available for sub-regional planning efforts from the new entity?
- How would the new entity interact with city human services and homelessness response efforts?
- If few or no cities sign on to service agreements, how would the new entity be "regional" in nature?

### Financial:

- How much of the funding to the proposed new entity would go toward admin?
  - Current total is \$6,332,121 of \$54,851,361 (11.5%)
  - That is amount of current County admin – how much of the program funding to external entities goes to admin?
  - Can we see a detailed breakdown of that \$6,332,121?
    - How many County employees are funded by the \$6,332,121?
    - What else is included in that total?
  - Many questions have been asked about whether the new entity would create additional bureaucracy, or have efficiencies of scale. What limits would there be on admin costs of new entity?

- Will a new entity create need for additional admin? HR? Office space? Equipment?
  - How many new staff would be added? Cost of those positions? Any positions eliminated?
- Can we see a breakdown of the remaining \$48,519,240?
  - Can we see a list of current recipients of the funding?
  - Can we see a geographic breakdown of where the funds are spent? How much spent in Seattle? Other subareas?
  - Can we see more detail on what is meant by each category? What is included in each bucket? More specifically, what type of “homelessness prevention” is currently funded?
- Can we get a list of all the acronyms used in the document previously provided?
- What is the process for allocating funding currently, by fund source?
- Who determines how these dollars are allocated now? Do cities have any role in determining this currently (advisory or other)?
  - CoC?
  - ESG?
  - CDBG?
  - State?
  - DRF?
  - RAHP?
  - MIDD?
  - VSHSL?
  - Other?
- What is the process for allocating funding currently?
- Is it envisioned that the same buckets of services would be funded by the new entity? At same or different levels?
- If the County signs onto the proposed ILA, would that limit the ability of future County Councils to determine how funds are allocated?
- How stable are the funds under discussion? Are they subject to future volatility based on, for example, legislative cuts, recession, etc.? What would happen if these funds shrink in the future?
- How is sub-regional planning anticipated to factor into how funds are disbursed in the future?
- How would entities like SKHHP and ARCH work with the proposed entity?
- If cities do not sign onto a service agreement (or other agreement), would this have an impact on how funds are allocated to providers in that jurisdiction in the future?
- Would the proposed entity have the ability to seek taxing authority from the legislature in the future? Would this require any acquiescence from the County Council? Language in the Charter seems to anticipate that the entity would seek future taxing authority.

**1. What are the goals of the proposed entity?**

- **Effective, Accountable Leadership and Increased Agility:** With a system created of disparate parts, there is no single, unifying entity charged with creating and adhering to a long term plan to address homelessness. A single point of authority for homelessness services will ensure that one agency truly leads this work. With a central plan and unified vision, the new authority will be able to work with all partners to identify and implement effective solutions.
- **Sub-Regional Planning to Tailor Solutions to Local Conditions, informed by evidence-based best practices from the larger system:** The new authority will be that unifying force, developing and adopting a single plan at a sub-regional scale with short, medium, and long term objectives for shelter, housing, and other services that will both address homelessness today and reduce it in the future.
- **Equity: Centering communities and reducing disparities:** A major component of the homeless system redesign is placing people living homeless at the center of the system, empowering customers to address their housing insecurity. A key part of this is the creation of the Office of the Ombuds, a place where people living homeless can go identify and address system concerns and that will work to improve operations and outcomes. This is best practice that we have adopted in many other areas of human services: centering veterans within provision of veterans services, older adults within provision of services for seniors. This proposal activates this best practice within the homelessness crisis response.
- **Unified Data and Nimble, Data-Driven Decision Making:** King County and our partners have invested heavily in homelessness data systems. We monthly or quarterly analyze and update for public review system performance (<http://allhomekc.org/system-flow/>), including updates on the populations that our system serves (<http://allhomekc.org/currently-active/>) and on the performance of our providers (<http://allhomekc.org/system-performance-2/>). A unified system will draw on increased regional data and increased data consistency to further our ability to portray a complete and useful common operational picture that informs long-term policy and short-term continuous improvement in the delivery of homelessness services.
- **Increased Efficiency:** In addition to diffuse accountability and leadership, our current system's fragmentation causes inefficiency. There is redundancy amongst government's administering services, and providers perform redundant administration in reporting to multiple contract entities. This inefficiency draws resources and focus away from services. Maximizing existing resources requires unification of the system.
- **Public Clarity:** Homelessness is a complex topic. Our current fragmented system makes it even harder to understand causes and responses—what's working and what's not--as different governments issue different updates using different metrics on different intervals. A single and unified King County Regional Homelessness Authority (KCRHA) will contribute to public accountability and clarity of understanding.

**2. What will success look like? How will success be measured?**

As proposed, the 5 year plan would specify the outcomes over the next 5 year period. Broadly, success would demonstrate transparent progress toward improving the homelessness crisis response, increased efficiency, and rebuild public confidence in our region's ability to address our homelessness crisis and.

**3. What if any role will elected policy makers have in setting the goals and metrics?**

As proposed, the Steering Committee would include membership from elected officials (including SCA elected officials). The Steering Committee would have authority to confirm or reject a 5 Year Plan, which would detail goals and metrics. In addition, the 5 Year Plan would integrate sub-regional planning, which as proposed, would be the result of working with a variety of stakeholders (including cities) from across the County to analyze, identify and implement priority services.

**4. Why is a new government (PDA) necessary to address the fractures in the current system?**

According to the King County Auditor’s Office:

- 1) “Diffuse authority and loose coordination among local funders make it difficult for the regional homeless response system to adjust and respond to the needs of the growing number of people experiencing homelessness in King County “
- 2) “Diffuse authority makes systemic change difficult.”
- 3) “Multiple experts found the governance structure of the homeless response system is too weak to drive change, but this problem has not been resolved.”

The PDA provides a clear legal framework for joining the governance **AND** implementation of our regional homelessness crisis response in order to address both the authority and coordination challenges. Consolidating only one or the other would not be sufficient to resolve our fractured system.

**5. Could existing infrastructure, or an alternative form obtain the same outcomes without creating an additional layer of bureaucracy? (Public health model, other)**

No.

**6. How would county extricate self from new entity if results not being achieved?**

In order to empower all ILA participants and provide a voice for the Authority in dissolving the partnership, Sect. 5 of the proposed Charter requires that dissolution include: 1) initiation, 2) affirmative finding and concurrence, and 3) dissolution.

- 1) Because the Authority is proposed as a creature of the County government, the proposal authorizes the County Council to initiate dissolution, either of its own accord or pursuant to either a or b below, by adopting a motion initiating dissolution proceedings.
  - a. The Governing Board may adopt a resolution requesting dissolution, after making an affirmative finding that it is necessary or appropriate.
  - b. Any jurisdiction participating in the ILA may make a formal request to the County Council to initiate dissolution—the proposal contemplates this could be through a formal resolution/motion or similar vehicle.
- 2) Pursuant to initiation, Seattle and King County would need to make affirmative findings that dissolution is warranted (again through the above-mentioned motion/resolution or a separate similar action) in order to proceed further. This process requires a public hearing and the opportunity for the Authority to comment on their views/position regarding dissolution.

All participating jurisdictions (“any additional parties” to the ILA) would also need to concur with those findings in order to proceed.

- 3) Upon affirmative finding and concurrence by all parties, Seattle and King County would be required to make written notice to the Authority to begin dissolution. Dissolution requires the Governing Board of the Authority to adopt a dissolution statement through resolution providing the information necessary to effectively terminate or pass on the responsibilities of the Authority.

An individual from each party would be appointed to oversee and review the Governing Board's dissolution process. Additional legal authority is provided to ensure dissolution is fulfilled.

**7. What would it mean for cities to align their policies and funding with the proposed entity?**

As proposed, details would be left to the Service Contracts that each member jurisdiction would sign with the KCRHA. Some example may include:

- contracting funds in alignment with the needs and priorities articulated in the 5 Year Plan,
- setting reporting standards in alignment with regional efforts to help capture a complete regional snapshot of homelessness efforts
- working to implement guidance from the Ombuds Office or other relevant policy to improve equitable delivery of services for those most disproportionately impacted by homelessness

**8. How would this work when there is no current regional plan?**

As proposed, the KCRHA would be required to create a 5 Year Implementation Plan in order to address this specific concern. That 5 Year Implementation Plan would be based in Sub-Regional Planning and require confirmation of the Steering Committee.

**9. When will the Regional Action Plan be available for review?**

The Regional Action Plan is being completed by the Corporation for Supportive Housing with funding by philanthropy and business, outside of government. Our understanding is that a draft may be available toward the end of October, but we don't have a date certain at this time.

**10. How will the Regional Action Plan direct the new entity?**

It won't. As proposed, the 5 Year Plan would need to align with the Regional Action Plan, but the 5 Year Plan would be the official document to provide broad policy guidance for the KCRHA. The 5 year plan must be confirmed by the Steering Committee.

**11. How would the proposed entity limit cities' ability to determine siting of facilities?**

The KCRHA would have no enforcement or zoning authority and therefore would have no ability to determine siting of facilities. The KCRHA, in carrying out the 5 Year Plan, would be responsible for partnering with service providers and jurisdictions to support site exploration and would be held accountable for driving toward implementation.

**12. How would the proposed entity impact cities' ability to determine policies around homelessness crisis response?**

Cities will continue to be able to respond to homelessness however they see fit, just as they do now. The KCRHA would have no authority to alter police powers within a jurisdiction. The KCRHA would be responsible for supporting cities (through providing research, education and best practice examples) through their discussions about policies that would impact the crisis response to homelessness.

**13. The new entity is proposed to address crisis response only. How will this interact with upstream interventions? Behavioral health system? Affordable housing?**

The proposed scope would ensure the KCRHA has precise accountability for the crisis response system. The KCHRA would be responsible for partnering with related/upstream/mainstream systems that affect people experiencing homelessness. This is not a new concept. We have similar expectations for other emergency response systems that focus on the emergency they are directed to address while still partnering with other related systems, such as Emergency Rooms that need to partner with Primary Care physicians but are not responsible for primary care.

**14. How is sub-regional planning envisioned to take place?**

The proposal defines Sub-regional planning as analyzing and articulating local needs, priorities and solutions to address homelessness across the different areas of the County, inclusive of Seattle and north, east, south, and rural King County. One way this will be implemented is through the commitment in Section 2.c.8 of the ILA which states “The Authority shall provide capacity to work with stakeholders from geographically diverse parts of the County to analyze, identify and implement priority services distinct to those sub-regions.” Clearly, jurisdictions and local providers would need to be heavily involved in informing sub-regional planning.

The proposal contemplates the KCRHA staff working with member jurisdictions, providers, and other partners (including jurisdictions) to plan and implement sub-regional planning. If SCA has specific requests for sub-regional planning processes, the Executive encourages you to share those with us now and to articulate those priorities to the Executive Director and is committed to working with SCA to successfully implement sub-regional planning.

**15. Will there be funding available for sub-regional planning efforts from the new entity?**

The Authority would need to prioritize capacity for this purpose, in line with the ILA language in Section 2.c.8. Current staff within DCHS, housed within the Housing, Homelessness and Community Development Division and All Home, currently work in partnership with providers and jurisdictions across the region. This explicit commitment envisions a more robust and proactive staffing arrangement that we believe can be achieved within existing resources as positions are created.

**16. How would the new entity interact with city human services and homelessness response efforts?**

The Executive expects these efforts to heavily inform the Sub-Regional Planning for the 5 Year Plan. As proposed, detailed expectations could be also built into the Service Contracts that each member jurisdiction would sign with the King County Regional Homelessness Authority.

**17. If few or no cities sign on to service agreements, how would the new entity be “regional” in nature?**

**Governance geographic diversity.** The Steering Committee has representation of suburban cities, regardless of their participation in the ILA. The Governing Board also requires board members to be from around the county.

**Sub-regional planning.** The proposal contemplates the Authority would need to define sub-regions and complete sub-regional planning regardless of ILA participation status.

**Service delivery.** King County provides homelessness services regionally, and because the Authority is anticipated to include the Continuum of Care (CoC) lead functions, the Authority would similarly be responsible for addressing the needs of the whole region, including individuals within jurisdictions that haven't signed the ILA.

**18. How much of the funding to the proposed new entity would go toward admin?**

Most of our funding sources carry restrictions about the amount that can be used for admin costs. Currently, of the funds the Executive proposes to transfer to the KCRHA, is \$6,332,121 of \$54,851,361 could be categorized as administrative. Any of these requirements stipulated through our funding sources or other related County policies would be written into our Service Contract.

**19. That is amount of current County admin – how much of the program funding to external entities goes to admin?**

It differs by Community Based Organization (CBO). DCHS' policy conforms to federal guidelines and states that CBOs are allowed to use up to their federally approved Indirect Cost Rate (ICR) or 10% (whichever is higher) of an award for administrative purposes.

**20. Can we see a detailed breakdown of that \$6,332,121**

**DCHS Administration Budget to New Entity**

Expenditure Actuals Line Items	2019 Budget
<b>HHCDD</b>	
Salaries & Benefits	381,645
Operating expense (supplies, trainings, etc)	96,000
Central Rates (Facilities, IT, HR, Legal)	171,000
<b>Total Expenditures HHCDD Staff</b>	<b>\$ 648,645</b>

**Regional Coordination**

Function	Total Budget	CoC	HCD	UWKC
HMIS System Administrator Contract	1,054,365	387,465	591,900	75,000
CEA (including RAPs)	2,567,500	1,872,500	695,000	
All Home	2,061,611	1,062,056	455,182	544,373
<b>Total Expenditures</b>	<b>\$ 5,683,476</b>	<b>\$ 3,322,021</b>	<b>\$ 1,742,082</b>	<b>\$ 619,373</b>

<b>DCHS to new entity - regional coordination</b>	<b>\$ 5,683,476</b>
---	---------------------

<b>DCHS Total Admin to New Entity</b>	<b>\$ 6,332,121</b>
---------------------------------------	---------------------

Notes:

- HHCDD refers to the Housing, Homelessness and Community Development Division of the King County Department of Community & Human Services (DCHS)
- HMIS is the Homeless Management Information System
- CEA is Coordinated Entry for All

**21. How many County employees are funded by the \$6,332,121?**

As shown in Q20 above, the total amount of funding for staff support and other administrative functions is \$6,322,121. This includes the equivalent of 18 direct full-time employees (FTE), based on the classification and salaries of staff currently in the positions, which include program staff, and other admin. Of this, \$587,791 is included in the total above for administrative/leadership functions including department director leadership, Prosecuting Attorney’s Office time, etc.

**22. What else is included in that total?**

As shown in Q.20, in addition to County employees, the administrative dollars include funding for HMIS system support (which is contracted out), Coordinated Entry for All (CEA) including funding for Regional Access Points (RAPs) and general support for All Home.

**23. Many questions have been asked about whether the new entity would create additional bureaucracy, or have efficiencies of scale. What limits would there be on admin costs of new entity?**

As contemplated, the KCRHA would need to comply with all King County funding source restrictions on administrative costs.

**24. Will a new entity create need for additional admin? HR? Office space? Equipment?**

As contemplated, we do not believe the admin required would be any greater than the admin costs for the work currently divided between All Home, Seattle, and King County. In addition, there would be efficiencies of scale related duplication of roles, for example contract monitors for Seattle and King County who monitor the same agency for the same service. Admin expenses would be shown through the 5 Year Plan and annual budgets, which, as proposed, the Steering Committee would need to confirm.

**25. How many new staff would be added? Cost of those positions? Any positions eliminated?**

The exact staffing plan would be the authority of the KCRHA Executive Director and Governing Board, within the constraints provided by the funding agencies and the confirmed annual budget.

**26. Can we see a breakdown of the remaining \$48,519,240?**

Homeless Housing Program Type	Funding to New Entity
<b>Service Contract Funding including CoC</b>	
Emergency Shelter	\$8,825,965
Transitional Housing	\$1,338,680
Rapid Re-housing	\$4,540,468
Permanent Supportive Housing *	\$15,183,259
Permanent Housing *	\$1,719,962
Housing Connection	\$795,775

Street Outreach	\$450,000
Homelessness Prevention	\$1,821,090
Housing and Essential Needs (HEN)	\$11,181,856
Youth Homelessness Demonstration Project	\$2,662,185
Total Program Funding	\$48,519,240

**27. Can we see a list of current recipients of the funding?**

We are working on generating this list in an easy to digest format and would be happy to review it in detail at our SCA member meeting if that is useful.

**28. Can we see a geographic breakdown of where the funds are spent? How much spent in Seattle? Other subareas?**

We are working on generating this list in an easy to digest format and would be happy to review it in detail at our SCA member meeting if that is useful.

**29. Can we see more detail on what is meant by each category? What is included in each bucket? More specifically, what type of “homelessness prevention” is currently funded?**

- **Can we get a list of all the acronyms used in the document previously provided?**  
CoC: Continuum of Care (under the purview of the All Home/CoC Board)
- **ESG:** Emergency Solutions Grant (federal block grant, under the purview of the Joint Recommendations Committee)
- **CDBG:** Community Development Block Grant (federal block grant, under the purview of the Joint Recommendations Committee)
- **DRF:** Document Recording Fee (local portion of King County generated document recording fees)
- **RAHP:** Regional Affordable Housing Program (a specific portion of the King County generated document recording fees, under the purview of the Joint Recommendations Committee and guided by an ILA with jurisdictions across the County)
- **MIDD:** Mental Illness & Drug Dependency Sales Tax (under the purview of the MIDD Advisory Committee)
- **VSHSL:** Veterans, Seniors, and Human Services Levy (under the purview of the Veterans, Seniors, and Human Services Levy Board)

**31. What is the process for allocating funding currently, by fund source?**

Based on policy direction given by RPC-approved implementation plans, KC Council-approved budgets, and Advisory Committee/Board guidance, the King County Department of Community & Human Services (DCHS) procures contracts for homeless services through Requests for Proposal (RFP) processes. Below is a summary of the RFPs managed by DCHS (and funded by multiple entities) for homeless services, including fund sources.

- 1) Continuum of Care (CoC) RFP** - approximately \$40M annually (including both King County and City of Seattle funds)  
**Funder:** US Department of Housing & Urban Development (HUD) McKinney funds

**Timeframe:** Annual

**Purpose of the funding round:** Funding for Permanent Supportive Housing, Rapid Re Housing, and Transitional Housing programs serving homeless single adults, young adults, and families. The Youth Demonstration Project funding is part of the CoC application starting in 2019.

**Criteria:** Criteria may change from year to year based on parameters from HUD.

**2) Time Limited RFP** – approximately \$4M annually

**Funder:** Time Limited RFP includes funding from:

- **King County DCHS**
  - Consolidated Homeless Grant (CHG), State funds
  - Emergency Shelter Grant (ESG), federal funds under the purview of the Joint Recommendations Committee
  - Community Development Block Grant (CDBG), federal funds under the purview of the Joint Recommendations Committee
  - Regional Affordable Housing Program Operating and Maintenance Fund (RAHP O&M), local funds under the guidance of the RAHP Interlocal Agreement (ILA) and under the purview of the Joint Recommendations Committee
  - King County Veterans, Seniors and Human Services Levy (VSHS Levy), under the guidance of the RPC-approved VSHS Levy and under the purview of the VSHS Levy Oversight Board
- United Way King County Shelter funding was included in 2018.

**Timeframe:** Every 2 years. Next round 2020.

**Purpose of the funding round:** Funding for new and existing **time limited** supports such as services, facility operating support, rental assistance, and emergency assistance for programs serving homeless young adults, families, and individuals.

**Criteria:** Funding priorities are identified for each funding round.

**3) Operating Support, Rental Assistance & Supportive Services (ORS) RFP** - approximately \$10M annually. *The amount to be distributed by the KCRHA would only include the portion of this RFP connected to within scope supportive services.*

**Funders:** ORS RFP includes:

- King County DCHS (Homeless Housing & Services Fund (Document Recording Fees), MIDD, and Vets Levy)
- City of Seattle Office of Housing (O&M Funds—not a King County contract)
- Seattle Housing Authority (Vouchers - not a King County contract)
- King County Housing Authority (Vouchers- not a King County contract)
- And at times
  - United Way (not a King County contract)
  - Building Changes, etc. (not a King County contract)

**Timeframe:** Annual

**Purpose of the funding round:** New and Existing **non-time limited** (Permanent) Housing for families, single adults, and young adults experiencing homelessness.

**Criteria:** Funds are primarily targeted to support people with high needs and/or who are chronically homeless. Funding priorities are affirmed annually through a Homeless Combined Funders Notice of Funding Availability. Many of the projects are those that have been prioritized as a new or previously funded Capital project via a project pipeline.

**32. Who determines how these dollars are allocated now? Do cities have any role in determining this currently (advisory or other)?**

Ultimately, the County Council adopts the budget to authorize funding amounts, the Department identifies the funding sources. This will continue to be the case with the new Authority.

Jurisdiction staff participate in planning sessions and review panels for the RFPs. In addition, the Joint Recommendations Committee approves funding allocations for the ESG, CDBG, and RAHP funding.

Finally, for the CoC, RFP cities participate in the Rank Order Committee and on the All Home Coordinating Board.

**33. Is it envisioned that the same buckets of services would be funded by the new entity? At same or different levels?**

Services would continue until such time as the KCRHA delivered a confirmed 5 Year Plan and annual budgets, with appropriation authority from the respective funding jurisdictions (Seattle and King County as proposed)

**34. If the County signs onto the proposed ILA, would that limit the ability of future County Councils to determine how funds are allocated?**

No. All funding jurisdictions for the KCRHA would maintain their appropriation authority. However, the Interlocal Agreement would commit them to working in partnership to align with the 5 Year Plan and Annual Budgets.

**35. How stable are the funds under discussion? Are they subject to future volatility based on, for example, legislative cuts, recession, etc.? What would happen if these funds shrink in the future**

Like all funding sources within the purview of DCHS, these are relatively stable, but all are subject to either 1) federal or state appropriation or 2) dependent on revenue streams that fluctuate with the economy. Please see detail below (acronyms detailed in Q29 above):

<b>Funding</b>	<b>Subject to/Dependent on</b>	<b>Notes</b>
CoC	Federal appropriation	This revenue source has steadily increased over the past 10 years
ESG	Federal appropriation	This revenue source has remained relatively stable over the past 10 years
CDBG	Federal appropriation	This revenue source has been consistently reduced at the federal level over the past 10 years
State	State appropriation and usage	These revenue sources are primarily dependent on document usage fees. While the fee has been recently increased generating additional revenue, we have seen reductions over the past 10 years

DRF	Usage fees	These revenue sources are primarily dependent on document usage fees. While the fee has been recently increased generating additional revenue, we have seen reductions over the past 10 years
RAHP	Usage fees	These revenue sources are primarily dependent on document usage fees. While the fee has been recently increased generating additional revenue, we have seen reductions over the past 10 years
MIDD	Sales tax revenue	We have seen recent increases to this funding source, but revenue would be affected by a recession
VSHSL	Property tax revenue	We have seen recent increases to this funding source, but revenue would be affected by shifts in the housing market

King County has historically managed these programs to available revenue sources. Should these funding sources shrink in the future, the County would work with all regional partners (including relevant Boards and Committees) and KCRHA to make adjustments as needed.

**36. How is sub-regional planning anticipated to factor into how funds are disbursed in the future?**

As contemplated, the Authority would be responsible for identifying, analyzing and implementing priority services in each sub-region as an integral part of the 5 Year Plan, which will inform the annual budget development.

The Executive intends to propose budgets that reflect the 5 Year Plan, inclusive of sub-regional planning priorities from the Authority.

Together the KCRHA 5 Year Plan and annual budgets, and the Council-approved budget will drive the KCRHA efforts to procure homelessness services.

**37. How would entities like SKHHP and ARCH work with the proposed entity?**

At this time, ARCH exclusively focuses on affordable housing policy and capital funding. As such, ARCH would be a partner with KCRHA along with all affordable housing actors across the region. We would also expect ARCH to help inform sub-regional planning.

The South King Housing & Homeless Partners would also need to be deeply engaged in sub-regional planning efforts. Their partnership would depend on their scope of work and would need to evolve as both actors grow in their role. As SKHHP has not yet hired a Director, this partnership may in part be dependent on the background and expertise of the Director and the direction of the SKHHP Board.

**37. If cities do not sign onto a service agreement (or other agreement), would this have an impact on how funds are allocated to providers in that jurisdiction in the future?**

No.

**38. Would the proposed entity have the ability to seek taxing authority from the legislature in the future? Would this require any acquiescence from the County Council? Language in the Charter seems to anticipate that the entity would seek future taxing authority.**

The KCRHA's efforts would need to be in alignment with Steering Committee confirmed 5 Year Plan and annual budgets. Any discussion about additional revenue authority would need to be in alignment with that guidance.

**Note: All funding is subject to Council appropriation; Dollars describe 2019 funding allocations not predictable sources; and any funding allocated to the proposed authority would still be required to adhere to whatever restrictions are placed on the funds by Council policy and relevant implementation plans, including VSHSL, MIDD implementation plans, Consolidated Plan, etc.**

**King County DCHS Funding to New Entity**

Homeless Housing Program Type	Funding to New Entity
Service Contract Funding including CoC	
Emergency Shelter	\$ 8,825,965
Transitional Housing	\$ 1,338,680
Rapid Re-housing	\$ 4,540,468
Permanent Supportive Housing *	\$ 15,183,259
Permanent Housing *	\$ 1,719,962
Housing Connection	\$ 795,775
Street Outreach	\$ 450,000
Homelessness Prevention	\$ 1,821,090
Housing and Essential Needs (HEN)	\$ 11,181,856
Youth Homelessness Demonstration Project	\$ 2,662,185
<b>Total Program Funding</b>	<b>\$ 48,519,240</b>

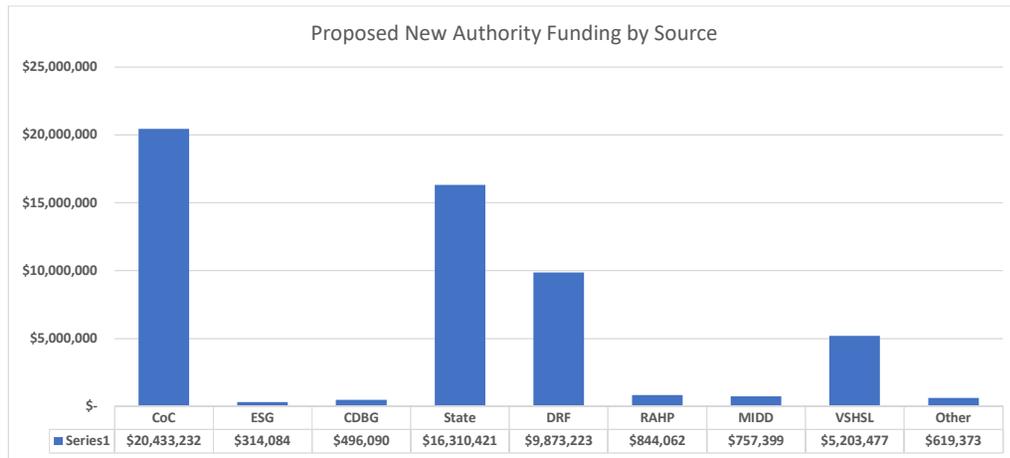
DCHS Admin including HMIS, CEA, All Home, HH \$ 6,332,121

DCHS TOTAL Funding to New Entity \$ 54,851,361

\* Currently ONLY includes scattered site non-facility based programs

**Funding by Fund Source**

	CoC	ESG	CDBG	State	DRF	RAHP	MIDD	VSHSL	Other	Total
<b>Total</b>	<b>\$ 20,433,232</b>	<b>\$ 314,084</b>	<b>\$ 496,090</b>	<b>\$ 16,310,421</b>	<b>\$ 9,873,223</b>	<b>\$ 844,062</b>	<b>\$ 757,399</b>	<b>\$ 5,203,477</b>	<b>\$ 619,373</b>	<b>\$ 54,851,361</b>



**Item 09:**  
Affordable Housing  
***DISCUSSION***

---

**SCA Staff Contact**

Brian Parry, Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

**SCA Members of the King County Affordable Housing Committee**

Mayor David Baker, Kenmore; Mayor Debbie Bertlin, Mercer Island; Councilmember Claude DaCorsi, Auburn; Councilmember Nancy Tosta, Burien; Mayor Ken Hearing, North Bend (alternate); Councilmember Marli Larimer, Kent (alternate); Councilmember Ryan McIrvine, Renton (alternate); Deputy Mayor Lynne Robinson, Bellevue (alternate)

**Discussion**

The affordable housing crisis in King County has been identified by the SCA board and PIC as a priority issue facing the region and impacting local residents, and SCA and member cities are engaged in numerous ongoing actions at the local and regional level to address the challenge.

In December 2018, the SCA Board of Directors approved PIC's recommended policy statement in support of forming a regional advisory body to recommend and coordinate affordable housing actions. The King County Affordable Housing Committee (AHC) recently adopted recommendations related to the state sales tax credit established by House Bill 1406 ([Attachment A](#)), and is working to develop a prioritized work plan from the actions identified in the [Regional Affordable Housing Task Force Five-Year Action Plan](#). At its most recent meeting, the AHC identified top priorities from the Action Plan for public feedback and possible action by the Committee in 2020 ([Attachment B](#)).

At PIC, Members will be asked for input on the priority actions identified by the committee and have the opportunity to share efforts underway in their communities to address the affordable housing crisis.

**King County Affordable Housing Committee**

The King County Affordable Housing Committee (AHC) serves as a regional advisory body formed to recommend actions and assess progress toward implementing the [Regional Affordable Housing Task Force Five-Year Action Plan](#). The Plan strives to support action to "eliminate cost burden for households earning 80% Area Median Income and below, with a priority for serving households at or below 50% Area Median Income."

PIC recommended a policy position in support of the Five-Year Action Plan, which was approved by the SCA Board of Directors in December 2018. The policy position states that "SCA supports the Regional Affordable Housing Task Force Five-Year Action Plan and recommends approval by the King County Council; Given the differing housing challenges across the region SCA supports

*the approach taken by the Task Force to recommend a menu of options for cities to address their areas of greatest need; and, SCA is committed to partnering regionally through the proposed new committee of the Growth Management Planning Council to promote affordable housing preservation and production.”*

SCA has since appointed elected members to the AHC and the committee began meeting in June. Other entities represented include King County, the City of Seattle, housing providers, private sector partners, housing advocates, and philanthropy.

The AHC recently adopted recommendations related to the state sales tax credit established by House Bill 1406 ([Attachment A](#)), and is working to develop a prioritized work plan from the actions identified in the [Regional Affordable Housing Task Force Five-Year Action Plan](#).

The Regional Affordable Housing Task Force’s Five-Year Action Plan contained over 100 separate actions that were identified as opportunities to address the region’s affordable housing crisis. These actions are summarized [here](#). These recommendations were approved not as mandates – recognizing the effectiveness of strategies will depend in part on local circumstances and housing market – but instead as a menu of options for jurisdictions to consider where the region could collaborate and provide mutual support toward implementation.

At its most recent meeting, the AHC identified top priorities from the Action Plan for public feedback and possible action by the Committee in 2020 ([Attachment B](#)). The AHC is soliciting feedback on the priorities included in Attachment B with the goal of further refining the list to two or three priorities that will be selected by the AHC in November.

In prior PIC discussions as the Regional Affordable Housing Task Force Five-Year Action Plan was being developed, PIC members provided feedback that they would like to see priority given to providing technical assistance, recommended policies, and other support the work of cities to implement housing strategies. Cities expressed that solutions cannot be one-size fits all and that resources are need to tailor potential solutions to local housing markets. Cities also expressed support for monitoring the results of new housing policies and having more information available as to what efforts were succeeding and where.

Of the priorities being considered by the AHC, what do PIC members feel would be most valuable to your city to assist with addressing the region’s affordable housing crisis? What other priority actions should be the focus of the AHC?

PIC members are encouraged to review the approved goals, strategies, and actions and provide additional recommendations on the areas of greatest need or where coordination through the KCACH would be most beneficial to your city.

### **Next Steps**

For more information, please contact SCA Policy Director Brian Parry, [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.

# Implementation of House Bill 1406 in King County

---

The newly-established Affordable Housing Committee (or Committee) was created to support greater coordination among cities, sub-regional housing collaborations, and King County in their collective efforts to meet the affordable housing crisis in our region. The creation of the Committee was a key recommendation of the Regional Affordable Housing Task Force, which estimated that King County needed 156,000 additional affordable homes in 2018, and a total of 244,000 new or subsidized affordable homes by 2040 to ensure low-income households have a safe and affordable place to call home.

The Regional Affordable Housing Task Force's Five-Year Action Plan calls for the Committee to identify new resources to build or preserve 44,000 units of affordable housing in the next five years and track progress towards that goal. More homes need to be built or preserved that are affordable to those earning at or below 30% area median income (AMI) than any other income range. The Action Plan also acknowledges a need to support community-led preservation strategies that enable communities of color and low-income residents to remain in their communities and benefit from growth and redevelopment.

Earlier this year, the Washington State Legislature adopted House Bill 1406, which creates a funding tool for cities and counties to accelerate investments in affordable and supportive housing through local retention of a portion of the state sales and use taxes already paid by taxpayers. The Committee believes that this is the most significant new funding tool available to local jurisdictions in King County to increase the number of affordable homes available to those who need them.

## Recommendations

The annual amount to individual cities may not seem large, but if looked at cumulatively, House Bill 1406 creates a significant new revenue source for affordable housing. Over the next 20 years, the sales tax credit will generate \$230-\$240 million countywide. Given the relatively small amount of money the tax will generate for individual jurisdictions annually, the Affordable Housing Committee recommends pooling funds for rapid investment to maximize the impact of this revenue source and prioritizing serving those residents with the greatest need. Specifically, the Committee recommends local jurisdictions consider the following policies:

### **Pool funds with existing sub-regional collaborations or new partners and deploy funds as quickly as possible to maximize the impact of this revenue tool.**

- Cities and the County are encouraged to pool resources and consider other tools such as bonding against future revenue to more quickly address the region's housing crisis.
  - For most jurisdictions, acting alone means waiting multiple years for House Bill 1406 funds to accumulate to a level sufficient to provide a meaningful contribution to a capital project or preservation effort. Pooling allows jurisdictions to more quickly address the region's housing crisis, leverage this resource with other investments, and deploy funds within the first two years. This approach lets jurisdictions collaboratively address regional or sub-regional pipelines of capital or preservation projects.
  - Bonding allows jurisdictions to address the urgent need for affordable housing by making future revenues available up front for capital investments.
- Cities that are members of A Regional Coalition for Housing (ARCH) or South King Housing and Homelessness Partners (SKHHP) should take advantage of existing Interlocal Agreements (ILAs) to pool their resources to create fund sources large enough to have an impact in the realm of capital funding.
- Due to the need to increase the amount of funds available for affordable housing, jurisdictions should use this new resource as an additive source of funding to their existing allocations for housing.
- Seattle and King County should closely coordinate with ARCH and SKHHP on investment of funds.

- Cities not part of a regional collaboration should consider exploring a partnership with a regional collaboration, King County, or the King County Housing Authority.

**Prioritize construction and preservation of affordable homes for households earning at or below 30% area median income (AMI) to the greatest extent possible.**

- Because the need for new affordable homes is greatest for households earning at or below 30% AMI and the capital for development and ongoing operating needs are more scarce for this housing type, King County should offer incentives to encourage jurisdictions to contribute local resources like House Bill 1406 proceeds toward the construction or preservation of housing serving those earning at or below 30% AMI.
- If other limitations prevent cities and the County from deploying the funds for affordable housing or supportive housing efforts that serve those earning at or below 30% AMI, prioritize those households at or below 50% AMI.

**Advance preservation efforts and equitable development in partnership with communities of color, immigrant and refugees, and low-income communities at risk of displacement in gentrifying areas.**

- Cities and the County should prioritize preserving existing affordable housing if the project is shown to prevent displacement of households earning at or below 50% AMI.
- Cities and the County should look to successful models like the City of Seattle's Equitable Development Initiative (EDI) when designing implementation strategies for new capital projects. New development may increase displacement risk if not developed in collaboration with existing community residents. The EDI model seeks to mitigate this impact by supporting community-driven projects that address displacement and lack of access to opportunity for historically marginalized communities in Seattle.

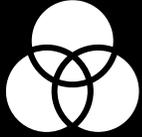
For more information, please visit: <https://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative>.

Approved September 20, 2019 by the Affordable Housing Committee of the King County Growth Management Planning Council.

**Committee Membership:**

Claudia Balducci, King County Councilmember, Committee Chair  
 Nicole Vallesterro Keenan-Lai, Puget Sound Sage, Committee Vice Chair  
 Emily Alvarado, on behalf of Seattle Mayor, Jenny Durkan  
 David Baker, Kenmore Mayor  
 Debbie Bertlin, Mercer Island Mayor  
 Don Billen, Sound Transit  
 Susan Boyd, Bellwether Housing  
 Jane Broom, Microsoft Philanthropies  
 Kelly Coughlin, SnoValley Chamber of Commerce  
 Claude DaCorsi, Auburn Councilmember  
 Larry Gossett, King County Councilmember  
 Chelsea Hicks, Northwest Justice Project  
 Jeanne Kohl-Welles, King County Councilmember  
 Stephen Norman, King County Housing Authority  
 Mike O'Brien, Seattle Councilmember  
 Nancy Tosta, Burien Councilmember  
 Brett Waller, Washington Multi-Family Housing Association  
 Bryce Yadon, Futurewise

*To learn more about the Affordable Housing Committee, please visit: [www.kingcounty.gov/AHC](http://www.kingcounty.gov/AHC).*



# 8 PRIORITY ACTIONS

FROM THE REGIONAL AFFORDABLE HOUSING TASK FORCE FIVE YEAR ACTION PLAN

## 1. EXPLORE NEW REVENUE SOURCES

Staff combined two similar action items into a single action for consideration:

- Cities and the County should identify revenue sources available to them sufficient to support the local share of funding 44,000 units over five years. Examples of potential local government fund sources for consideration: inclusionary housing in-lieu fee; 2) proceeds from land sales; 3) property tax; 4) .01% sales tax; 5) sales tax credit; 6) real estate excise tax; 7) capital gains tax. (2.A.i)
- Cities and the County should explore unused authority to raise revenue to support the goal of building or preserving 44,000 units over five years. Unused authority might include a countywide property tax, a countywide sales tax, free or discounted publicly owned land. (2.A.iv)

## 2. UPDATE REGULATIONS TO INCREASE HOUSING DENSITY

- Cities and the County to review and update zoning and land use code to increase density to accommodate greater housing growth by supporting diverse housing choices, including but not limited to: ADUs and DADUs; duplexes, triplexes, and fourplexes; zero lot line town homes, row houses, and stacked flats; and micro-efficiency units. (6.A.iii)

## 3. LOWER BARRIERS TO HOMEOWNERSHIP

Staff combined two related action items into a single category for consideration:

- Cities and the County to encourage homeownership opportunities as a way to prevent displacement within communities of color while also promoting the growth of intergenerational wealth. (5.B.v)
- Cities and the County to support alternative homeownership models that lower barriers to ownership and provide long-term affordability, such as community land trusts, co-ops, and rent-to-own models. (6.D.ii)

## 4. PRESERVE MANUFACTURED HOUSING

Staff combined two related action items into a single category for consideration:

- Where appropriate, cities and the County to acquire and preserve manufactured housing communities to prevent displacement. (5.B.vi)
- Where appropriate, cities and the County to preserve existing manufactured housing communities through use-specific zoning or transfer of development rights. (6.D.iv)

## 5. LEVERAGE PUBLIC-PRIVATE PARTNERSHIPS

Staff combined two similar action items into a single category for consideration:

- Cities and the County should work with business and philanthropy to increase and effectively leverage private investments in affordable housing. (2.A.v)
- Cities, the County, and Affordable Housing Committee to create stakeholder partnerships with business, philanthropy, non-profits, faith-based organizations, the health care sector, and others to encourage investments in affordable housing. (7.B.ii)

## 6. UPDATE REGULATIONS NEAR TRANSIT AREAS

- City and the County to evaluate and update zoning in transit areas in advance of transit infrastructure investments to achieve the deepest affordability possible. (3.A.iv)

## 7. RECOGNIZE THE NEEDS OF COMMUNITIES WITHOUT TRANSIT

- Subject to performance standards for achieving affordable housing, provide equitable footing with TOD housing projects for suburban communities to receive competitive affordable housing funding. (3.D.i)

## 8. INCREASE AVAILABILITY OF PUBLICLY-OWNED LAND

- The County to develop policies for the sale of County-owned property at reduced or no cost when used for affordable housing, which may be used as a model ordinance by cities. (2.B.iv)

**Item 10:**  
Levies and Ballot Measures in King County  
**UPDATE**

**SCA Staff Contact**

Brian Parry, Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

**Discussion**

This is a monthly item on the PIC agenda to share information on recent and upcoming local levies and ballot measures in King County jurisdictions. Items identified as “potential future ballot measures” are under consideration or reflect potential renewal of an existing levy but have not been approved to be placed on the ballot and may not ultimately move forward.

**Future Ballot Measures – SCA Cities**

Year	Month	Jurisdiction	Measure
2019	November	Covington	Advisory proposition on the sale, possession, and discharge of consumer fireworks
2019	November	Duvall	Transportation Benefit District sales and use tax of .2% for a ten-year term
2019	November	Federal Way	Advisory proposition allowing marijuana-related businesses
2019	November	Federal Way	Citizen initiative concerning enacting rental requirements for landlords and rental rights for tenants
2019	November	Medina	Levy lift of 20-cents per \$1,000 of assessed value to maintain police, fire, park, and mandated community services
2019	November	Shoreline	Authorizing the issuance of bonds of up to \$103.6 million for an aquatics, recreation, and community center, and authorizing a portion of those funds to be expended for priority parks and open space investments

**Future Ballot Measures – Other Jurisdictions and Special Purpose Districts**

Year	Month	Jurisdiction	Measure
2019	Nov.	King County	Medic One/EMS Levy. Six-year, \$1.1 billion levy. Proposed levy rate of 26.5-cents per \$1,000 of assessed value beginning in 2020.
2019	November	Renton School District	Authorizing the issuance of bonds of up to \$249.6 million to improve safety, educational opportunities, and outdated infrastructure
2019	November	Skykomish School District	Technology modernization levy at a rate of \$1.62 per \$1,000 of assessed value totaling \$75,000 per year

2019	November	Duvall Fire	Six-year benefit charge
2019	November	Proposed Hospital District No. 5	New hospital district proposed by the King County Council would encompass all territory of Vashon-Maury Island
2019	November	Northshore Parks and Recreation	Authorize a property tax levy of four cents per \$1,000 of assessed value for six years
2019	November	Vashon-Maury Island Parks and Recreation	Authorize a property tax levy of 45-cents per \$1,000 of assessed value for four years
2019	November	Statewide	Initiative 976 concerning motor vehicle taxes and fees

<b>Potential Future Ballot Measures – SCA Cities</b>			
<b>Year</b>	<b>Month</b>	<b>Jurisdiction</b>	<b>Measure</b>
2020		Kirkland	Fire Services and Capital Levy

<b>Potential Future Ballot Measures – Other Jurisdictions and Special Purpose Districts</b>			
<b>Year</b>	<b>Month</b>	<b>Jurisdiction</b>	<b>Measure</b>
2020		King County Library System	Operations Levy
2020		Seattle	Transportation Benefit District Renewal
2021		King County	Best Starts for Kids Renewal

**Next Steps**

Please share this information with your city and provide information on upcoming elections in your city to SCA Policy Director Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.



October 9, 2019  
SCA PIC Meeting

**Item 11:**  
Potential Upcoming SCA Issues  
**UPDATE**

---

**SCA Staff Contact**

Brian Parry, Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

**Update**

This is an ongoing, monthly PIC item noting issues that SCA members have asked to be brought to the PIC.

**Potential Issues**

Throughout the year, issues brought forward by SCA members are tracked in this ongoing, monthly agenda item and may be taken up by the PIC through workshops, briefings and discussion items, and as action items.

The following issues have been identified as topics for potential workshops or briefings in 2019:

- Addressing toxic social media – Pre PIC Workshop at 6:00 PM on October 9, 2019
- Homelessness and the impacts of the *Martin v. City of Boise* decision – Pre PIC Workshop at 6:00 PM on November 13, 2019

Additionally, SCA will be holding elections for the 2020 SCA Board at 6:00 PM on December 11, 2019. There will be seats up for election in all four SCA caucuses. If you are interested in running for the SCA Board, please contact SCA Executive Director Deanna Dawson for more information at [deanna@soundcities.org](mailto:deanna@soundcities.org), or 206-495-3265.

If you or your city has additional items to be added to the list of potential upcoming SCA issues, or items to suggest for future trainings or workshops, please contact SCA Policy Director Brian Parry, [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.



October 9, 2019  
SCA PIC Meeting

**Item 12a:**  
Initiative 976  
***INFORMATIONAL***

---

**SCA Staff Contact**

Brian Parry, SCA Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

**Update**

I-976 is an initiative that will appear on the November 5, 2019 general election ballot in Washington State. The initiative would repeal or reduce a range of state and local taxes and fees related to motor vehicles.

PIC members were briefed previously on anticipated impacts of I-976, and members asked to be provided with additional information as it becomes available. I-976 is projected to reduce funding for state and local government transportation projects statewide by more than \$4 billion in the next six years. This includes an estimated annual loss of more than \$30 million per year that fund Transportation Benefit Districts in SCA cities.

Recently, King County Metro completed analysis of the impacts of I-976 on the regional transit system ([Attachment A](#)). Based on their analysis, Metro estimates the region could face approximately \$200 million in potential cuts to transit and roadways in King County between 2020 and 2025. In addition, Sound Transit is estimated to face a loss of revenue of approximately \$328 million per year.

The Association of Washington Cities (AWC) has produced a [website](#) with information to help understand the impacts of I-976 on local and state transportation systems; what elected officials are allowed to do under state law to engage with an initiative; analysis of TBD's across the state; and additional resources.

**Background**

The November 2019 general election will decide I-976, the latest Tim Eyman initiative, which would repeal, reduce, and remove authority to impose a range of state and local taxes, fees, and other charges relating to motor vehicles.

PIC previously discussed the potential impacts of the passage of I-976 and those briefings can be found in the PIC meeting packets from [March](#), [April](#), and [May](#) 2019. SCA staff have continued to monitor information related to the potential impacts that may be shared with member cities.

Recently, King County Metro completed an assessment that provides new information on the potential impacts of I-976 on the regional transit system ([Attachment A](#)). Overall, between 2020 and 2025, Metro estimates the region will face over \$200 million in potential cuts to transit and roadways in King County. Of this \$200 million, the primary funds that would be impacted are

locally approved Transportation Benefit Districts (TBD's) and grants from the state Multimodal Account. In addition, Sound Transit is estimated to face a loss of revenue of approximately \$328 million per year.

The Association of Washington Cities (AWC) has produced a [website](#) with information to help understand the impacts of I-976 on local and state transportation systems. Other useful resources produced by AWC include a free [webinar](#), [PowerPoint slides](#), and a two-page fact sheet explaining the potential impacts of the initiative ([Attachment B](#)).

**Funding Sources Impacted**

I-976 would impact the following state and local funding sources:

- Repeal the authority for Transportation Benefit Districts to impose any vehicle license fee, including voter-approved license fees, eliminating this as a local funding option (TBDs would still be authorized to impose a 0.2% sales tax with voter approval);
- Repeal the authority for Regional Transit Authorities (Sound Transit) to impose a motor vehicle excise taxes (MVET);
- Repeal the authority for Public Transportation Benefit Areas to impose an MVET for passenger ferry service and for Sound Transit;
- Limit all other vehicle license and registration fees to \$30, including the electric vehicle fee, commercial trailer and snowmobile fees, and weight-based fees for vehicles up to 10,000 pounds; and,
- Repeal the 0.3% tax on motor vehicle retail sales.

**Impacts to Local Transportation Benefit Districts**

TBD's in 12 SCA cities would lose motor vehicle taxes as a source of revenue as shown in the table below:

City	Financial Impact (TBD)
Black Diamond	(\$105,000)
Burien	(\$767,000)
Covington	(\$334,000)
Des Moines	(\$919,000)
Enumclaw	(\$245,000)
Kenmore	(\$350,000)
Lake Forest Park	(\$430,000)
Maple Valley	(\$396,000)
Mercer Island	(\$376,000)
Normandy Park	(\$116,000)
Shoreline	(\$834,000)
Snoqualmie	(\$200,000)

In Seattle, the estimated impact of losing vehicle license fees as a source of TBD funding is estimated to have a \$36 million per year impact. As noted by Metro, this reduction puts at risk

175,000 Metro bus service hours on 74 routes in Seattle, Burien, Shoreline, Skyway, Tukwila, and White Center in 2020.

### **Impacts to the State Multimodal Account**

In addition to impacting local TBD's, much of the funding proposed to be reduced or eliminated by I-976 is currently deposited in the state Multimodal Account, which provides flexible funding to support a variety of local mobility projects. The specific impacts of the elimination of these funds on local projects and services is difficult to project as reductions would have to be determined by the Legislature. However, if the Legislature were to choose to make an across-the-board reduction in programs, Metro estimates the region would lose approximately \$134 million in Metro services between 2020 and 2025, including:

- \$22.8 million in grant funds to support Metro projects, including RapidRide expansion, bus layover facilities, transit access, transit integration, transportation demand management, speed and reliability projects, and 10,000 annual service hours on the Route 101 in Renton;
- \$29.2 million in cuts to grants awarded to the cities of Burien, Kent, Tukwila, and Seattle for RapidRide investments, access to transit, and speed and reliability improvements;
- \$12.2 million in cuts to the Access paratransit program;
- \$30 million in cuts to replace Metro vanpool vans;
- \$2 million in cuts to Metro/Sound Transit coordination programs, including one for affordability and accessibility improvements for low-income passengers;
- \$485,000 in cuts to the ORCA Summer Program, which provides passes to income-qualified high school students in the Lake Washington and Highline districts;
- \$1 million in cuts to a program to provide incentives to non-profits and small businesses in King, Pierce, and Snohomish County to provide ORCA passes to their employees;
- \$350,000 for the transit-oriented development pilot project at the Kirkland Kingsgate Park and Ride; and,
- \$36 million to support electrification of the bus fleet.

### **Impacts to Sound Transit**

I-976 would require the retirement or refinancing of all Sound Transit bonds that have MVET revenue pledged to them. The agency indicates this will likely lead to other fund sources Sound Transit collects being diverted away from local projects to repay bonds that are currently being repaid with MVET funds. The agency estimates I-976 will have a \$20 billion total impact through 2041, which includes approximately \$7 billion in lost revenue and \$13 billion in increased interest and construction costs.

### **Next Steps**

I-976 will be decided by voters at the November 5 general election. SCA staff will continue to monitor new information about the impacts of I-976, and PIC members are encouraged to share potential impacts of I-976 on your community. For more information, please contact SCA Policy Director Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.

## Potential Impacts of I-976 on King County Metro and Regional Transit System

*September 18, 2019*

**Introduction.** Initiative 976, “Bring back our \$30 car tab fees,” would repeal or remove authority to impose certain vehicle taxes and fees; limit state and local license fees to \$30 for motor vehicles weighing 10,000 pounds or less, except charges approved by voters after the measure's effective date; base vehicle taxes on Kelley Blue Book value; require regional transit authorities to retire bonds early where allowed; and either reduce or repeal taxes pledged to bonds depending on whether bonds are retired by 2020. I-976 will be on the November 2019 ballot statewide.

This document provides a summary of the potential impacts of I-976 to King County Metro and the regional transit system. It is based on analysis performed by the Washington State Office of Financial Management (OFM), King County, and local jurisdictions. More information on this analysis can be found in the **Technical Appendix** that begins on page 3.

**Impacts on King County Metro and local communities.** King County does not currently collect a vehicle license fee (VLF) or motor vehicle excise tax (MVET), the taxing sources that would be repealed by Initiative 976. However, the State of Washington, Sound Transit, and 13 King County cities use these tax sources to fund mobility projects in King County, including many operated by Metro.

It is difficult to definitively determine the effects of the initiative because its implementation will rely on future decisions of the Legislature, city councils, and Sound Transit Board, and resolution of any potential legal challenges. That being said, absent replacement funds, the passage of I-976 could potentially result in significant cuts to King County Metro services, as well as transit-related projects undertaken by local jurisdictions and partner agencies, including:

- **Approximately \$119 million in cuts to Metro services between 2020 and 2025 due to reductions in the State’s Multimodal Account.** These estimates are based on analysis by the Washington State OFM, which estimates a \$1.5 billion cut to the Multimodal Account over the next six years. Reductions to programs funded by this account would be determined by the Legislature, but if the Legislature were to make an across-the-board reduction, the cuts could include:
  - \$22.8 million in cuts to Regional Mobility Grant Program awards for nine Metro projects, including RapidRide expansion, bus layover facilities, access to transit, transit integration, transportation demand management, speed and reliability projects, and 10,000 annual service hours on the Route 101 in Renton;
  - \$29.2 million in cuts to grants awarded to the cities of Burien, Kent, Tukwila, and Seattle for RapidRide investments, access to transit, and speed and reliability improvements;
  - \$12.2 million in cuts to the Access paratransit program;

- \$15 million in cuts to replace Metro vanpool vans;
  - \$2 million in cuts to Metro/Sound Transit coordination programs, including one for affordability and accessibility improvements for low-income passengers;
  - \$485,000 in cuts to the ORCA Summer Program, which provides bus passes to income-qualified high school students in Lake Washington and Highline districts;
  - \$1 million in cuts to a program to provide incentives to non-profits and small businesses in King, Pierce, and Snohomish Counties to provide ORCA passes to their employees;
  - \$350,000 for the transit-oriented development pilot project at the Kirkland Kingsgate Park and Ride; and
  - \$36 million to support electrification of the bus fleet.
- **Loss of the VLF as a revenue source for the existing King County Transportation Benefit District (TBD) or a potential, new unincorporated King County TBD.**
  - **Loss of 175,000 Metro bus service hours on 74 routes in Seattle, Burien, Shoreline, Skyway, Tukwila, and White Center during 2020, as a result of the cuts to the Seattle TBD funding.** The Seattle TBD is expected to lose \$36 million a year if I-976 passes.
  - **\$30.4 million in cuts to 12 suburban cities between 2020 and 2025 due to loss of the VLF as a funding source for their local TBDs.** Cities use these TBD funds for a variety of transportation-related purposes, including improvements to the right-of-way that enhance speed and reliability for transit or increase access to transit. These cuts are estimated at:
    - Snoqualmie: \$200,000 loss per year
    - Kenmore: \$350,000 loss per year
    - Mercer Island: \$376,000 loss per year
    - Lake Forest Park: \$430,000 loss per year
    - Shoreline: \$834,000 loss per year
    - Des Moines: \$919,000 loss per year
    - Burien: \$767,000 loss per year
    - Maple Valley: \$396,000 loss per year
    - Enumclaw: \$245,000 loss per year
    - Normandy Park: \$116,000 loss per year
    - Black Diamond: \$105,000 loss per year
    - Covington: \$334,000 loss per year
  - **\$1-\$10 million per year in cuts to Metro services due to cuts in formula grant funding provided by the Federal Transit Administration** due to reductions in the services Metro provides as a result of I-976-related cuts.
  - **Cuts of \$328 million per year to Sound Transit, based on OFM analysis.** Reporting in the *Seattle Times* indicates that Sound Transit estimates that it could face a \$20 billion impact through 2041, from the combination of collecting \$6.95 billion less in car tab revenues, as well as the cost of \$13 billion more in higher interest costs in the future.

## Technical Appendix

### Initiative 976 Summary

Initiative 976, “Bring back our \$30 car tab fees,” would repeal or remove authority to impose certain vehicle taxes and fees; limit state and local license fees to \$30 for motor vehicles weighing 10,000 pounds or less, except charges approved by voters after the measure's effective date; base vehicle taxes on Kelley Blue Book value; require regional transit authorities to retire bonds early where allowed; and either reduce or repeal taxes pledged to bonds depending on whether bonds are retired by 2020.

This measure will be on the November 2019 ballot statewide.

### Potential Impacts to State Funding in King County

If I-976 is approved by voters, the Washington Office of Financial Management (OFM) estimates that the State would realize a loss of approximately \$1.9 billion in revenues over the next six years (2020-2025). Funding reductions would continue indefinitely, but OFM has only projected the impacts through 2025.

#### Primary Reductions to State Revenue (2020-2025):

- Multimodal Account - \$1.5 billion
- Motor Vehicle Account - \$265 million
- Washington State Patrol Account - \$89 million
- Transportation Partnership Account - \$45 million
- Nickel Account - \$20 million

The State Legislature will need to determine which programs and projects to fund with the remaining revenue sources. Thus, it is impossible at this time to determine the specific state-funded projects or programs that would be cut as a result of I-976.

Based on the Legislature’s decisions there could be a loss of funding from the programs listed below. Unless otherwise identified, amounts are six-year projections based on the adopted 2019-2021 Transportation budget and supporting six-year project lists.

**Multimodal Account.** I-976 will reduce the revenue deposited in the State’s Multimodal Account by 68%, representing approximately \$1.5 billion cut over the next six years. The Multimodal Account currently funds multiple State programs, grant programs and local agency projects, including the Regional Mobility Grant Program, Rural Mobility Grant Program, Highway Safety, Puget Sound Ferry Operating and Capital programs, Washington State Patrol, Rail Capital and Operating, Transportation Improvement Board, Bicycle/Pedestrian, Safe Routes

to School, and direct allocations to cities and counties. The Multimodal Account funds many transportation investments and programs and is not restricted by the 18<sup>th</sup> Amendment. It is the largest source of State funding for public transportation. As a result, it is likely that public transit would be significantly affected, given the magnitude of reductions in this account.

Metro receives funding for capital projects from multiple grant programs that are funded from the State’s Multimodal Account, including the Regional Mobility, Special Needs, Transit Coordination, and Vanpool programs. In addition, Metro has multiple projects funded directly from the Multimodal Account in the state transportation budget. Metro funded projects that could be at risk due to their reliance on Multimodal funds are listed below.

**1. Regional Mobility Grant Program – \$52 million**

Metro currently has nine projects awarded totaling \$22.8 million. Cities in King County have five projects that benefit Metro that have been given an additional \$29.2 million. These funds are awarded to projects that support the RapidRide expansion program, service, bus layover facilities, access to transit, transit integration, transportation demand management and speed and reliability projects.

Metro and partner cities throughout King County have been planning to seek funding from the Regional Mobility grant program to help implement METRO CONNECTS elements such as RapidRide expansion, base expansion, and other capital improvements.

Most of the Regional Mobility Grant programs are for capital improvements, except in Renton where nearly 10,000 hours of service on the Route 101 could be affected if these grants are reduced.

Metro or its city partners would likely qualify for additional grant funding in 2023-2025, but these funds have not yet been allocated and so cannot be tallied here.

<b>Regional Mobility Grant Program</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>	<b>Total</b>
<b>Metro Lead Projects</b>	<b>\$19,917</b>	<b>\$2,889</b>	<b>\$0</b>	<b>\$22,806</b>
King County Metro Northgate Transit Center TOD - Access and Facility Imp - 20170003	4,512	0	0	4,512
King County Metro Route 101 Service Increase: Renton to/from Seattle - 20170004	1,460	0	0	1,460
King County Metro Eastlake Off-Street Layover Facility - 20170005	6,337	0	0	6,337
King County Metro Renton to Auburn Transit Speed, Reliability & Service - 20170008	3,496	1,269	0	4,765
King County Metro/Sound Transit Link Station Integration - 20170013	1,456	0	0	1,456

<b>Regional Mobility Grant Program</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>	<b>Total</b>
King County Metro Totem Lake/Kirkland to Bellevue/Eastgate Transit Imp - 20170020	500	1,620	0	2,120
King County Metro Transit Speed & Reliability Hot Spot Imp Program - 20170024	1,400	0	0	1,400
King County Metro - Park and Ride Efficiency and Access Project - 20150009	100	0	0	100
King County Metro - Route 245 Corridor Speed and Reliability Improvement - 20150008	656	0	0	656

*Dollar amounts shown in thousands*

<b>Regional Mobility Grant Program</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>	<b>Total</b>
<b>City Lead Projects</b>	<b>\$20,396</b>	<b>\$8,764</b>	<b>\$0</b>	<b>\$29,160</b>
City of Kent: Rapid Ride Facility Passenger Amenities & Access Improv. - 20190004	1,236	6,764	0	8,000
City of Tukwila: South King County Regional TDM for Centers & Corridors - 20190005	160	0	0	160
Seattle DOT: Market/45th RapidRide - 20190009	4,000	2,000	0	6,000
City of Burien: Ambaum Blvd and H Line Transit Pathway Improvements - 20190011	10,000	0	0	10,000
Seattle, City of - Delridge to Burien RapidRide Line - 20170025	5,000	0	0	5,000

*Dollar amounts shown in millions*

## **2. Special Needs Transportation Funding - \$14.5 million (2019-2021)**

- Metro receives funding from the State to help cover the cost of providing transportation for customers with special needs. This helps to fund our Access paratransit program.
- Absent additional revenue, loss of this funding would affect Metro's ability to maintain or improve the quality of this service.
- In addition, multiple non-profit providers of transportation for special needs customers could be affected by reductions to this program.

**3. Vanpool Program - \$15 million**

- Metro receives funding to help to replace vans that have reached the end of their useful life.
- With the largest vanpool program in the state, Metro typically receives \$5 million per biennium.

**4. Central Puget Sound Transit Coordination Grant Program - \$2 million (2019-2021)**

- Metro partners with Sound Transit, Community Transit, Pierce Transit and Everett Transit to receive funding to help integrate planning, transportation demand management programs, and ORCA fare payment programs in King, Pierce, and Snohomish counties.

<b>Transit Coordination Grant Program</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>	<b>Total</b>
<b>Projects</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000</b>
Sound Transit - Affordability and Accessibility Improvements for Low Income Riders	1,000	0	0	1,000
Sound Transit - Regional Transit Marketing Program	1,000	0	0	1,000

*Dollar amounts shown in millions*

**5. Specific Appropriations included in State Transportation Budget – \$1.8 million**

- ORCA Student Summer Program - \$485,000
- Incentives to nonprofits and small businesses in King, Pierce, and Snohomish Counties to provide ORCA passes to their employees - \$1 million
- Transit-Oriented Development pilot project at the Kirkland Kingsgate Park and Ride - \$350,000

**6. State Green Transportation Program – \$36 million**

- This new grant program, which was authorized in the 2019 State Legislative session, supports public transportation’s investments in cost-effective electrification projects.

**State Roads Grant Funding & Capital Project Impacts.** King County’s Department of Local Services (DLS) receives funding for capital projects from multiple grant programs that are funded from the Multimodal Account and Rural Arterial Trust. Both accounts will be reduced if I-976 passes. In addition, DLS is eligible to receive (though has not routinely received) state funds from other accounts that will be affected by I-976, such as the Transportation Improvement Board.

### **1. Direct distribution – \$3 million (six year total)**

- Roads receives about \$500,000 per year in direct distributions from the Multimodal Account, as part of the Connecting Washington tax package.

### **2. County Road Arterial Board (CRAB) – Likely less than \$1 million impact over six years**

- The Rural Arterial Trust Account would be reduced by approximately \$5 million from a total of \$166 million<sup>1</sup>. DLS has received less than \$10 million over the last six years from this program, primarily for road overlay projects.

### **3. Transportation Improvement Board (TIB) – Likely no impact**

- Over the six-year period the Transportation Improvement Account would be reduced by approximately \$2.5 million from a total of approximately \$726 million. Roads has not received any grant funds from this account since 2014.

## **Potential Impacts to Federal Funding in King County**

Metro receives approximately \$80 million each year in formula grant funding from the Federal Transit Administration that is based partially on service that Metro provides. The full financial federal impact is unknown until specific information is known on any resulting bus service reduction. The impact likely would be between \$1-\$10 million per year.

## **Impacts to King County Revenue Authority**

Passage of I-976 would eliminate the VLF revenue option for Transportation Benefit Districts (TBD) in the future, including the existing King County TBD (Ordinance 17746) and a potential future unincorporated King County TBD. The existing County TBD or a potential, new unincorporated TBD would still have the ability to levy other taxes allowed to TBDs under State law, including sales tax, gas tax, and tolling.

## **Impacts to Cities in King County**

King County's cities will experience a number of impacts if I-976 passes, including the loss of the ability to use VLF as a revenue tool as part of a local TBD, as well as potential redirection of limited state funds by the Legislature.

Loss of VLF revenue to cities that use it as part of a TBD would be an immediate revenue impact to King County's cities. That is because, while possible state-funded program cuts would be made at the discretion of the legislature, city-funded investments through local TBDs are presumed to be eliminated due to I-976's repeal of the funding source.

<sup>1</sup> Current total program size is based on Governor's proposed 2019-21 budget

Seventeen cities in King County have formed TBDs, with 13 using VLF as a source of revenue, for a potential revenue loss of approximately \$240 million over the next six years.<sup>2</sup> The City of Seattle alone is projecting an annual loss of \$36 million (\$216 million over six years) that will potentially require cuts to 175,000 bus service hours on 74 routes purchased from Metro through the Seattle TBD. More information about these TBDs is listed below.

**East King County.** Three cities in east King County have enacted TBDs, which collected \$928,147 in 2018. Revenue loss to those cities is projected at approximately \$4.6 million by 2025.

<b>East King County Area TBD's (using VLF)</b>	<b>Estimated Revenue Collected in 2018</b>
Snoqualmie	\$196,317
Kenmore	\$355,950
Mercer Island	\$375,880
<b>Total</b>	<b>\$928,147</b>

**Northwest King County (Shoreline and Lake Forest Park).** Two cities in the northwest portion of the King County have enacted TBDs, which collected \$1,263,029 in 2018. Revenue loss to those cities is projected at approximately \$4.6 million by 2025.

<b>King County Area TBD (using VLF)</b>	<b>Estimated Revenue Collected in 2018</b>
Lake Forest Park	\$429,261
Shoreline	\$833,768
<b>Total</b>	<b>\$1,263,029</b>

<sup>2</sup> Based on the Office of Financial Management's fiscal impact statement, and assuming that, without I-976, the Seattle TBD would be renewed at the same level in 2020.

**South King County.** Seven cities in South King County have enacted TBDs, which collected \$2,882,230 in 2018. Revenue loss to those cities is projected at approximately \$14.4 million by 2025.

<b>King County Area TBD (using VLF)</b>	<b>Estimated Revenue Collected in 2018</b>
Des Moines	\$918,908
Burien	\$767,493
Maple Valley	\$396,348
Enumclaw	\$245,421
Normandy Park	\$115,620
City of Black Diamond	\$104,663
Covington	\$333,777
<b>Total</b>	<b>\$2,882,230</b>

**City of Seattle.** The Seattle TBD currently imposes an \$80 vehicle license fee (VLF) and 0.1% sales tax, which together generate approximately \$62 million annually. The total estimated revenue impact of I-976 is a loss of \$36 million per year.

This revenue loss from the Seattle TBD would have significant service, customer, and staffing impacts for Metro:

- Seattle TBD currently funds approximately 350,000 annual service hours, which Seattle purchases from Metro. Passage of I-976 would require the reduction of approximately 50% of those hours, or approximately 175,000 annual hours, absent additional revenue (even assuming that the Seattle TBD uses its \$20 million reserve fund to help cover service during 2020).
- Metro and the Seattle Department of Transportation (SDOT) are working together to develop service reduction scenarios to better understand the composition of the 175,000 annual service hour reduction that would be required. This level of cuts could be made using Metro’s administrative authority, which allows cuts of up to 25% of service hours in a route within a single service change without seeking King County Council approval. However, given the magnitude of the cumulative impact, Metro would plan to engage with King County Councilmembers to provide information on the cuts and their impacts ahead of any planned service changes if I-976 is enacted.
- Based on analysis to date, and absent additional revenue, the necessary service reductions would likely occur in stages during the two service changes in 2020. In March 2020, a reduction of approximately 115,000 hours would be necessary, with 20,000 of those

hours for peak period service. In September 2020, the remaining approximately 60,000 hours would be cut.

- While cuts would predominantly affect Seattle, cuts would also be felt directly in Burien, Shoreline, Skyway, Tukwila, and White Center, because Seattle is funding numerous routes that cross city boundaries. In addition, the impact of the cuts would be experienced throughout the region, due to the fact that Metro provides many first/last mile trips within downtown Seattle as part of the regional transit network.
- Cuts would be expected to affect some trips on all or nearly all the 74 routes receiving some funding from the Seattle TBD, which includes the C, D, and E RapidRide lines, in addition to many of Metro's other highest-ridership routes.
  - The impacts of this reduction are likely to include increases in customer pass-ups and crowding, as well as reduced frequencies and service span.
  - Other services that would be jeopardized include Trailhead Direct and Night Owl, both of which have been funded in partnership with SDOT.
- Cuts of 175,000 annual services hours roughly translates to reductions in operations staffing of: 78 operator FTEs (if layoffs occur, part-time operators would be laid off first so actual number of affected employees could be higher); 3 first-line supervisors; and 1 chief.

## **Washington State Office of Financial Management Analysis of I-976**

I-976 changes vehicle taxes and fees by lowering motor vehicle and light duty truck weight fees to \$30; eliminating the 0.3 percent sales tax on vehicle purchases; lowering electric vehicle and snowmobile fees; modifying and reducing Sound Transit motor vehicle excise tax provisions; and removing authority for transportation benefit districts to impose a vehicle fee. Total revenue loss to the state in the next six years is \$1,921,901,238. Total revenue loss to local governments in the next 6 years is \$2,317,121,034. The departments of Licensing and Revenue have estimated implementation costs of \$2,846,800 in the 2019-2021 biennium.

### **General Assumptions**

- Except as otherwise provided, the effective date of the initiative, if approved by voters, is December 5, 2019. Section 10 and 11 take effect on the date that the regional transit authority complies with Section 12 of this act. Section 13 takes effect on April 1, 2020, if Sections 10 and 11 have not taken effect by March 31, 2020.
- The provisions of the initiative apply prospectively, not retroactively.
- Fiscal estimates use the state's fiscal year of July 1 through June 30. Fiscal year 2020 is July 1, 2019, to June 30, 2020.
- State revenues are based on the June 2019 transportation revenue forecast.
- Local revenues are based on the most recent actual figures and are not forecasted.
- Transportation benefit districts (TBDs) have the authority to collect vehicle fees, and sales and use tax. This initiative repeals only the authority to collect vehicle fees, so TBDs could continue to collect sales and use tax.
- Section 5(1) erroneously states that the electric vehicle fee is \$130 total. RCW 46.17.323 includes two fees. \$100 in section (1) and \$50 in section (4)(a). The current electric vehicle fee is \$150 total. Calculations for the impact of the fee reduction are based on the

correct fee. Chapter 287, Laws 2019 establishes the transportation electrification fee of \$75. I-976 would lower the \$100 in section (1) to \$30 and eliminate the \$50 in section (4)(a). It does not affect the new \$75 fee.

### State Revenue

The initiative reduces license fees for vehicles under 10,000 pounds to \$30. The additional 0.3 percent sales and use tax on motor vehicle sales is eliminated. The snowmobile license fee is reduced from \$50 to \$30. Commercial trailer fees are reduced from \$34 to \$30. The electric vehicle fee in Section 5(1) is reduced from \$100 to \$30. An additional electric vehicle fee in Section 5(4)(a) of \$50 is eliminated.

Potential Revenue Impact by Fund Distribution	Beginning Dec. 5, 2019						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Registration Fees:							
Snowmobile Account (01M)	(\$240,300)	(\$447,200)	(\$448,500)	(\$449,900)	(\$451,200)	(\$453,000)	(\$2,490,100)
WSP Highway Account (081)	(\$9,916,900)	(\$15,661,000)	(\$15,692,400)	(\$15,723,900)	(\$15,755,400)	(\$15,823,800)	(\$88,573,400)
Transportation Partnership Account (09H)	(\$5,115,000)	(\$8,077,700)	(\$8,094,000)	(\$8,110,100)	(\$8,126,400)	(\$8,161,700)	(\$45,684,900)
Rural Arterial Trust Account (102)	(\$202,163)	(\$539,700)	(\$714,975)	(\$928,725)	(\$1,176,675)	(\$1,451,700)	(\$5,013,938)
Motor Vehicle Account (108)	(\$28,223,075)	(\$45,210,500)	(\$46,151,950)	(\$47,278,650)	(\$48,576,750)	(\$50,112,500)	(\$265,553,425)
Puget Sound Ferry Operations (109)	(\$609,800)	(\$963,000)	(\$965,000)	(\$966,900)	(\$968,900)	(\$973,100)	(\$5,446,700)
Transportation Improvement Account (144)	(\$202,163)	(\$539,700)	(\$714,975)	(\$928,725)	(\$1,176,675)	(\$1,451,700)	(\$4,272,075)
Multimodal Account (218)	(\$128,650,600)	(\$227,504,000)	(\$231,592,800)	(\$294,399,500)	(\$298,790,300)	(\$303,184,500)	(\$1,484,121,700)
Nickel Account (550)	(\$2,322,700)	(\$3,668,000)	(\$3,675,400)	(\$3,682,700)	(\$3,690,100)	(\$3,706,100)	(\$20,745,000)
Total	(\$175,280,538)	(\$302,071,100)	(\$308,050,000)	(\$372,469,100)	(\$378,712,400)	(\$385,318,100)	(\$1,921,901,238)

### Description of affected accounts

- The Snowmobile Account funds administration, acquisition, development, operation and maintenance of snowmobile facilities and the implementation of snowmobile safety, enforcement and education programs.
- The State Patrol Highway Account funds activities of the Washington State Patrol, including traffic enforcement (and associated criminal investigations), commercial vehicle enforcement and ferry vessel and terminal security.

- The Transportation Partnership Account funds projects and improvements from the 2005 Transportation Partnership Omnibus Transportation Appropriations Act.
- The Rural Arterial Trust Account funds construction and improvement of county roads and bridges.
- The Motor Vehicle Account is the main source of funds for highway construction, maintenance, ferries and support services. A portion of motor fuel tax revenues is distributed to cities and counties for road programs.
- The Puget Sound Ferry Operations Account funds ferry operations and maintenance.
- The Transportation Improvement Account funds administration of the Transportation Improvement Board and grants for local government transportation projects that address congestion.
- The Multimodal Transportation Account funds all modes of transportation projects, including public transportation, rail and bicycle/pedestrian projects.
- The Transportation 2003 Account funds debt service on bonds and Washington State Department of Transportation operating and capital highway programs.

**Local Revenue**

This initiative repeals local authority to impose a TBD vehicle fee. TBD vehicle fees are used by 62 municipalities across the state to fund local improvements such as road repair and maintenance, transit systems, and sidewalks. In fiscal year 2018, TBDs using a vehicle fee across the state collected \$58,186,839. This revenue would be eliminated beginning on the effective date of this initiative.

Sections 10 and 11 would reduce the motor vehicle excise tax (MVET) that funds the Central Puget Sound Regional Transit Authority (RTA) commonly known as Sound Transit. MVET rates are reduced from 0.8% to 0.2% and will be calculated based on Kelley Blue Book vehicle value instead of the manufacturer’s suggested retail price.

This tax rate would be repealed when the RTA is able to refund, refinance or defease, or terminate, outstanding bonds that have been issued against this tax. It is unknown if this is possible. If the bonds are not able to be defeased, the MVET will remain unchanged to pay off the bonds previously issued that are pledged to the revenue source. If the bonds are able to be defeased, Sound Transit’s revenue would be reduced by \$328,000,000 per fiscal year based on 2018 revenue. For new bonds issued, the MVET will decrease from 0.8% to 0.2%.

The initiative also repeals local authority to impose a passenger-only ferry tax. Currently there are no passenger-only ferry districts using the MVET authority to fund their ferries.

<b>Tax/Fee</b>	<b>Fiscal year 2018 revenue impact</b>
TBD Fee	(\$58,186,839)
RTA MVET	(\$328,000,000)
Passenger-only ferry MVET	0

**State Government Anticipated Expenditures**

The Department of Licensing (DOL) would have temporary, higher administrative and computer costs to implement this initiative. If Sound Transit is able to defease or refinance its bonds and the MVET is reduced, DOL would issue refunds to customers who register their vehicles prior to their annual vehicle registration date. The DOL would also have costs for computer updates, temporary staffing costs for additional calls to their call center, and accounting services to issue refunds. Biennial administrative costs for the agency are \$2,740,900 in the 2019-2021 biennium.

The Department of Revenue (DOR) would experience temporary, higher administrative costs to implement this initiative, including costs for computer updates and administrative costs for rule making, accounting services to issue refunds and develop new forms. Biennial costs for the agency are estimated at \$105,900 for computer updates and administrative items in the 2019-2021 biennium.



# Initiative 976 headed to voters

## Potential impacts to state and local transportation funding

## What is Initiative 976?



Initiative 976 (I-976) is an initiative to the Legislature that was filed for consideration in the 2019 legislative session. The Legislature did not act on the initiative; therefore, I-976 will be presented to voters during the next general election in November 2019. I-976 is often described as the “\$30 car tab initiative,” but it also proposes significant changes to many other aspects of the state’s transportation system, including repeal of the authority for city Transportation Benefit Districts (TBDs) to impose fees.

### What does the initiative propose?

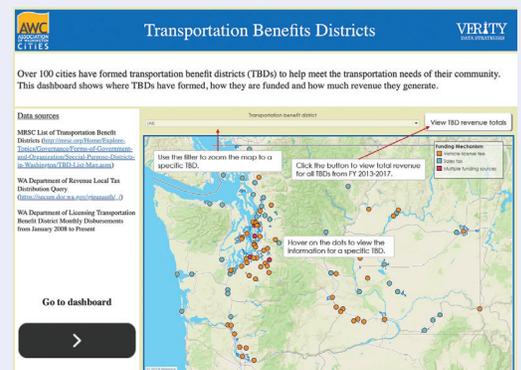
I-976 is an expansive proposal that would significantly change how the state’s transportation system generates revenue. If passed, the initiative would do the following:

- Limit motor vehicle license fees (car tab fees) to \$30 per year;
- Repeal or reduce certain motor vehicle weight fees;
- Repeal the authority for TBDs to impose vehicle fees;
- Reduce electric vehicle fees to \$30 per year;
- Repeal the 0.3% tax on motor vehicle retail sales;
- Require local motor vehicle excise taxes (MVETs) to be calculated using the Kelley Blue Book base value of the vehicle;
- Conditionally repeal the Sound Transit 0.8% MVET; and
- Require the retirement or refinancing of Sound Transit-related bonds.

### How would city TBDs and local projects be impacted?

If passed, the immediate impact to cities would be a repeal of the authority for city transportation benefit districts (TBDs) to impose a car tab fee. Under current law, cities have the authority to establish TBDs for the purposes of acquiring, constructing, providing, and funding transportation improvements. To date, more than 100 cities have formed TBDs to fund local transportation projects, with 62 TBDs receiving revenue from vehicle license fees. Fifty-five of the 62 TBDs use vehicle license fees as their sole funding source. In fiscal year 2018, vehicle license fees raised \$58.2 million in revenue to fund local projects.

To understand how I-976 would impact your city and others across the state, check AWC’s webpage on I-976 which includes a webinar, fiscal analysis, and other resources.



## Contact:

**Logan Bahr**  
Government Relations Advocate  
candiceb@awcnet.org

**Shannon McClelland**  
Legislative & Policy Analyst  
shannonm@awcnet.org



# Additional information

## How would state transportation funding be impacted?

If the initiative passes, it would cut revenues to Sound Transit and state accounts used to fund the state transportation budget.

These state accounts provide funding for the Washington State Department of Transportation; state and local highway construction, maintenance, ferries, and support services; multimodal grant programs for public transit, rail improvements, and bicycle/pedestrian projects; activities of the Washington State Patrol; and more.

Over a six year period (2020-2025), the state estimates \$1.92 billion in lost revenue, Sound Transit estimates \$1.97 billion in lost revenue, and cities would directly lose \$350 million in lost TBD license fee revenue.

## What can I do as a city elected official to respond to I-976?

Elected officials have many options for officially engaging with initiatives but should be aware of some prohibited actions. AWC has compiled an extensive list of allowed and prohibited actions for city elected officials. For further reference, please review the PDC Guidelines for Local Government Agencies in Election Campaigns which can be found at AWC's I-976 webpage.

## What is AWC's role on initiatives during election season?

AWC does not take positions for or against ballot initiatives. AWC's role is to provide our members with educational materials that can be shared with elected officials, staff, and local communities.

## Contact:

**Logan Bahr**  
Government Relations Advocate  
candiceb@awcnet.org

**Shannon McClelland**  
Legislative & Policy Analyst  
shannonm@awcnet.org



October 9, 2019  
SCA PIC Meeting

## Item 12b:

King County Charter Regional Committees

### **INFORMATIONAL**

---

#### **SCA Staff Contact**

Brian Parry, SCA Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

#### **Update**

At the September 11, 2019 PIC meeting, members recommended that the SCA Board of Directors adopt a position statement responding to a proposal before the King County Charter Review Commission to consolidate the three charter regional committees (Regional Policy Committee; Regional Transit Committee; and Regional Water Quality Committee).

At its meeting on September 18, the SCA Board adopted the position as recommended by PIC, and provided a comment letter ([Attachment A](#)) to the Commission expressing opposition to consolidating the regional committees. The comment letter was provided to the Commission at their meeting on September 25. The Commission is not expected to recommend consolidating the committees in their final report to the King County Council.

#### **Background**

In July of 2018, King County formed a Charter Review Commission to consider potential recommendations to amend the King County Charter. Among the potential amendments considered by the Commission is a proposal from members of the County Council to reform or consolidate the regional charter committees (the Regional Transit Committee, Regional Policy Committee, and Regional Water Quality Committee) to which SCA appoints city representatives.

As part of the Commission's review, the Commission requested input from SCA. In response to the request for feedback on possible consolidation of the charter regional committees, SCA formed a working group including the SCA caucus chairs from each of the three committees.

At the September 11 PIC meeting, members voted to advance a formal position related to the regional committees and the importance of including city representation in decisions affecting the region. The SCA Board of Directors adopted the position as recommended by PIC at their September 18, 2019 meeting. SCA Board President Leanne Guier provided a comment letter ([Attachment A](#)) to the Commission, which was delivered at their meeting on September 25. The Commission is not expected to recommend consolidating the committees in their final report to the King County Council.

The Commission will be holding town hall meetings in October to take feedback on the following proposals:

- Returning the King County Sheriff to an appointed position ([issue paper](#));
- Protecting family care givers and honorably discharged military veterans from discrimination ([issue paper](#));
- Providing a removal process for elected officials who engage in improper behavior;
- Providing attorneys to families going through the inquest process ([issue paper](#));
- Providing subpoena power to the Office of Law Enforcement Oversight ([issue paper](#)).

Open houses are scheduled for the following dates and locations:

- Bellevue – October 15 at 7:00 PM – Bellevue City Council Chambers
- Shoreline – October 16 at 7:00 PM – Shoreline City Council Chambers
- Federal Way – October 17 at 7:00 PM – Federal Way City Council Chambers
- Seattle – October 23 at 7:00 PM – Downtown Seattle location to be determined

### **Next Steps**

For more information, please contact SCA Policy Director Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.



SOUND CITIES ASSOCIATION

38 Cities. A Million People. One Voice.

2019 Board of Directors

President

Leanne Guier  
Mayor  
City of Pacific

Vice President

Dana Ralph  
Mayor  
City of Kent

Treasurer

Hank Margeson  
Councilmember  
City of Redmond

Member-at-Large

Catherine Stanford  
Deputy Mayor  
City of Lake Forest Park

Past President

David Baker  
Mayor  
City of Kenmore

Members

Nancy Backus  
Mayor  
City of Auburn

Bruce Bassett  
Councilmember  
City of Mercer Island

Davina Duerr  
Councilmember  
City of Bothell

Jim Ferrell  
Mayor  
City of Federal Way

Bob Larson  
City Manager  
City of Snoqualmie

Amy Ockerlander  
Mayor  
City of Duval

Ed Prince  
Council President  
City of Renton

Jeff Wagner  
Mayor  
City of Covington

Executive Director

Deanna Dawson

Sound Cities Association

6300 Southcenter

Boulevard

Suite 206

Tukwila, WA 98188

(206) 433-7168

SCA@SoundCities.org

www.SoundCities.org

September 24, 2019

Ms. Louise Miller, co-chair

Mr. Ron Sims, co-chair

King County Charter Review Commission  
Seattle, WA 98104

Dear King County Charter Review Commission:

Thank you for volunteering your valuable time to review and update the King County Charter to ensure governance in King County is representative, effective, and efficient.

The Sound Cities Association (SCA) appreciates the Commission providing the opportunity to comment on the proposal before your Regional Coordination subcommittee to consolidate the three regional committees established by the Charter.

SCA was founded to help cities in King County act locally and partner regionally to create vital, livable communities through advocacy, education, leadership, mutual support, and networking. Collectively, our 38 member cities represent over one million constituents in King County. SCA appoints members to each of the three charter committees to represent cities outside of Seattle, and our members play an active and important role ensuring that countywide decision-making is representative of the diverse communities throughout King County. SCA does not support consolidating the regional committees and reducing the role of cities in setting countywide policies. This position was adopted unanimously by our Public Issues Committee (PIC), and our Board.

The King County Charter provides that three regional committees shall be established by ordinance to develop, recommend, and review regional policies and plans for consideration by the Metropolitan King County Council; one for transit, one for water quality, and one for other regional policies and plans. SCA supports the Charter provisions for city involvement in decision-making in regional policies and plans.

SCA members believe that regional policies and plans adopted by the Metropolitan King County Council are stronger and more effective when cities are part of the decision-making process. It is crucial to have diverse perspectives from cities large and small and in different parts of the county brought to bear on regional issues.

SCA would welcome the opportunity to explore with the Metropolitan King County Council how the regional committees can best be utilized to improve the committee process and resulting outcomes.

Thank you again for the opportunity to provide feedback and for your work on the Commission. If you have any questions, please contact SCA Executive Director Deanna Dawson at [Deanna@soundcities.org](mailto:Deanna@soundcities.org).

Sincerely,

A handwritten signature in blue ink that reads "Leanne Guier". The signature is fluid and cursive, with the first name "Leanne" being more prominent than the last name "Guier".

Mayor Leanne Guier, Pacific  
President, Sound Cities Association (SCA)

cc: SCA Board of Directors  
SCA Public Issues Committee  
King County Executive Dow Constantine  
King County Council  
Patrick Hamacher, King County Director of Legislative Analysis



October 9, 2019  
SCA PIC Meeting

## Item 12c:

VISION 2050

### **INFORMATIONAL**

---

#### **SCA Staff Contact**

Brian Parry, SCA Policy Director, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

#### **SCA Members of the PSRC Growth Management Policy Board**

Councilmember Jay Arnold, Kirkland; Councilmember John Holman, Auburn; Councilmember Hank Margeson, Redmond; Councilmember Nancy Tosta, Burien (alternate); Councilmember Paul Winterstein, Issaquah (alternate); Councilmember Traci Buxton, Des Moines (alternate)

#### **SCA Members of the PSRC Executive Board**

Mayor Amy Ockerlander, Duvall; Councilmember Chris Roberts, Shoreline; Deputy Mayor Catherine Stanford, Lake Forest Park; Councilmember Bruce Bassett (alternate); Mayor Christie Malchow, Sammamish (alternate); Mayor Allan Ekberg, Tukwila (alternate); Mayor Dave Hill, Algona (2<sup>nd</sup> alternate); Mayor David Baker, Kenmore (2<sup>nd</sup> alternate)

#### **Other SCA Cities with Individual Seats on the PSRC Executive Board**

Mayor Nancy Backus, Auburn; Mayor John Chelminiak, Bellevue; Mayor Jim Ferrell, Federal Way; Mayor Denis Law, Renton; Mayor Dana Ralph, Kent; Mayor Penny Sweet, Kirkland

#### **Update**

At the September 11, 2019 PIC meeting, members recommended that the SCA Board of Directors adopt a policy statement to guide the work of SCA members on the Puget Sound Regional Council Growth Management Policy Board and the King County Growth Management Planning Council as they engage with regional stakeholders to approve and implement the region's long-range plan for growth, VISION 2050.

At its meeting on September 18, the SCA Board adopted the policy position as recommended by PIC. SCA President Leanne Guier provided a comment letter ([Attachment A](#)) to the Puget Sound Regional Council detailing SCA's position.

#### **Next Steps**

Members of the Growth Management Policy Board are working to finalize the draft VISION 2050 plan by the end of 2019. The draft plan will then go before the PSRC Executive Board with final approval planned for the PSRC General Assembly (all member jurisdictions) in May 2020. For more information, please contact SCA Policy Director Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org) or 206-499-4159.



SOUND CITIES ASSOCIATION

38 Cities. A Million People. One Voice.

2019 Board of Directors

President

Leanne Guier  
Mayor  
City of Pacific

Vice President

Dana Ralph  
Mayor  
City of Kent

Treasurer

Hank Margeson  
Councilmember  
City of Redmond

Member-at-Large

Catherine Stanford  
Deputy Mayor  
City of Lake Forest Park

Past President

David Baker  
Mayor  
City of Kenmore

Members

Nancy Backus  
Mayor  
City of Auburn

Bruce Bassett  
Councilmember  
City of Mercer Island

Davina Duerr  
Councilmember  
City of Bothell

Jim Ferrell  
Mayor  
City of Federal Way

Bob Larson  
City Manager  
City of Snoqualmie

Amy Ockerlander  
Mayor  
City of Duvall

Ed Prince  
Council President  
City of Renton

Jeff Wagner  
Mayor  
City of Covington

Executive Director  
Deanna Dawson

Sound Cities Association  
6300 Southcenter  
Boulevard  
Suite 206  
Tukwila, WA 98188  
(206) 433-7168  
SCA@SoundCities.org  
www.SoundCities.org

September 24, 2019

Councilmember Ryan Mello  
Chair, Growth Management Policy Board  
Puget Sound Regional Council  
1011 Western Avenue, Suite 500

Dear Chair Mello:

Thank you for the opportunity for the Sound Cities Association (SCA) to comment on the draft update to the region's long-range plan for growth, VISION 2050.

SCA was founded to help cities in King County act locally and partner regionally to create vital, livable communities through advocacy, education, leadership, mutual support, and networking. Collectively, our 38 member cities represent over one million constituents in King County.

On September 18, 2019 the SCA Board of Directors unanimously adopted the following policy position in response to the draft plan and its successful implementation over the next 30 years:

**1. Maximize the benefits of the region's significant investments in high-capacity transit by setting ambitious regional goals for attracting housing and jobs in proximity to this transit.**

The Transit Focused Growth alternative analyzed in the DSEIS performed comparably better regionally in modeling potential environmental impacts of 1) air quality and community health; 2) the degree of forecasted climate change; 3) increases in transit use and thus access to jobs; and 4) an increased supply of the moderate-density housing most associated with increasing access to affordability.

The draft Regional Growth Strategy includes an ambitious goal to "attract 65% of the region's residential and 75% of the region's employment growth to high-capacity transit station areas." PSRC has previously affirmed this numerical goal as an aspirational regional statement and not as a standard applied to individual jurisdictions and their station areas and this should be clearly stated in the plan. Implementation of a transit focused strategy should not be one-size-fits-all and significant analysis will be required to determine what can be realistically achieved within individual jurisdictions while promoting improved quality of life.

**2. Incorporate policies and regional actions that mitigate displacement risk, ensure equitable outcomes and access to opportunity, and support affordable housing preservation and development most suitable for each city and town across the four-county region.**

Because focusing growth near transit emphasizes redevelopment, it also carries a relatively greater risk of displacing existing affordably-priced housing and vulnerable populations. SCA supports the development of effective displacement mitigation tools and strategies for centering equity in regional planning. This work should be supported by the development of a regional housing needs assessment and through direct PSRC technical assistance to develop effective affordable housing goals, strategies, and programs. Providing tools to address affordability is preferable to “top-down” mandates as cities and towns address the region’s affordable housing crisis within the constraints of their own local housing markets.

**3. Conduct further work by PSRC and member jurisdictions to mutually clarify expectations related to local plan growth targets.**

It is critical to include counties, cities, and towns in a process to transparently set targets, and in developing the guidance that PSRC will provide. Local targets must: 1) be based on real-world circumstances; 2) reflect the ability of jurisdictions to provide necessary services and infrastructure; and 4) recognize that market forces often act independent of local policy.

Meeting the goal of encouraging efficient use of urban land requires that the Regional Growth Strategy not be used to set caps on growth when it can be demonstrated that existing or planned infrastructure—including access to transit—is available to accommodate that growth.

**4. Provide technical assistance and advocate for resources for cities and towns to implement VISION 2050.**

Developing local comprehensive plans is complex and demands significant resources. It is critical that the four-county region advocate for state resources for local planning, necessary infrastructure investments, and provide technical assistance for cities and towns, especially smaller jurisdictions, to effectively implement VISION 2050.

Thank you again for the opportunity to provide feedback on the draft VISION 2050 plan. If you have any questions, please contact SCA Policy Director Brian Parry at [brian@soundcities.org](mailto:brian@soundcities.org).

Sincerely,



Mayor Leanne Guier, Pacific  
President, Sound Cities Association (SCA)

cc: SCA Board of Directors  
SCA Public Issues Committee  
King County Executive Dow Constantine  
King County Council  
Deputy Mayor Jay Arnold, Kirkland, SCA GMPB Caucus Chair  
Mayor Debbie Bertlin, Mercer Island, SCA GMPC Caucus Chair