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GMPC Interjurisdictional Staff Team on Housing
c/o Karen Wolf
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via email: karen.wolf@kingcounty.gov

Dear Karen,

Thank you for the opportunity to comment on the Housing Chapter of the King County Countywide Planning Policies on behalf of the Seattle King County Realtors (SKCR).

The past several years have made us all too aware of the impact housing price and market stability on the lives of our citizens. Housing policy requires great care and thoughtfulness. We appreciate the work of the Interjurisdictional Staff Team and its dedication to sound housing policy in King County.

In order to achieve sound housing policy in each of King County's cities, the Countywide Planning Policies must direct local jurisdictions to base housing policy on overall housing affordability by using the most current and reliable data available. Further, the act of reconciling overall affordability with targets while not perfect, brings an important level of clarity to the policy discussion.

Overall Housing Affordability

The draft Housing Chapter would be strengthened by a consistent use of *overall housing affordability. H-7, H-17c, e*

Underlying our interest in overall housing affordability is the reality that housing market segments are interrelated. If families earning 80%-120%+ of Area Median Income are unable to find housing they can afford near their place of work, they will lengthen their commutes until

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they find affordable housing options. In doing so, they exert price pressure on the "affordable" city, diminishing its affordable options. It is a chain reaction that can be avoided by a close watch on the supply of housing relative to employment.

Two metrics and related policies offered by Sam Pace (in his May 4, 2012 email to Karen Wolf) offer the means to promote a balanced supply of jobs and housing.

1. The on-the-ground (built) supply of housing in King County should be sufficient to house the workforce employed in King County.
In order to:

- minimize transportation infrastructure costs associated with multi-county commutes that are necessitated by in-county housing supply that is insufficient to meet the housing needs of in-county workers and their families, and to
- minimize increasing housing costs that reduce housing affordability when the housing supply in King County is insufficient to meet the actual true housing demand in King County

King County will monitor the supply of housing relative to total employment in the county.

If the total supply of in-county housing is insufficient to meet the total employment and net migration-related demand for housing in the county, jurisdictions will up-zone to create additional legal permission to build to achieve and maintain an on-the-ground (built) supply of housing that is sufficient to accommodate the demand for housing associated with total employment in the county.

2. King County's median household income wage earners should be able to afford the median priced home/condo in the County.

King County will monitor the median sales price of housing in the County and the median household income in the County.

If the median household income is insufficient to qualify for widely available mortgage financing to purchase the median priced home and the median priced condominium in the county, jurisdictions will up-zone to create additional legal permission to build to achieve and maintain an on-the-ground (built) supply of housing that allows median income households to be able to afford the median priced home/condo in the County.

Preservation & Rehabilitation

We raise caution with the use of *preservation and rehabilitation of housing* (H-6, H-10) as an

affordability tool without the clarification that preservation should not present an obstacle to redevelopment and the potential for increased density.

H-6 Preserve existing affordable units, including preservation of affordable housing, and the acquisition and rehabilitation of housing for long-term affordability <u>when redevelopment and/or increased unit densities are not reasonably feasible</u>

Rationale: Help clarify that preservation should not present an obstacle to redevelopment and the potential for increasingly efficient use of the limited supply of land within the county to accommodate the additional housing that we know will be needed as the workforce in King County continues to grow over time - not just during the current planning period, but for longer periods such as the 2040 time frame PSRC is currently using for planning transportation projects.

H-10 Promote housing ~~development, preservation, and~~ affordability in coordination with transit, bicycle, and pedestrian plans and investments and in proximity to transit hubs and corridors, such as through transit oriented development and planning for mixed uses in transit station areas.
Rationale: the goal is neither development or preservation, but housing affordability that relates to the larger planning effort.

~~**H-11** Maintain the condition and quality of existing housing stock.~~
Rationale: The condition and quality of exiting stock may be substandard.

<u>Who Pays</u>
Reviewing the draft policies, one may conclude that absent a reliable source of affordable housing funding cities should pursue incentive zoning and inclusionary zoning programs. We urge incentive zoning over inclusionary zoning, and that the incentive zoning strategy be reserved as a very last resort. As discussed above, housing is interrelated. It's a continuum. Incentive and inclusionary zoning make the unsubsidized market rate housing less affordable. In addition, they place the burden of low income housing provision on a narrow pool of payers and lead to the unintended but foreseeable consequences of:
(1) Increase housing prices for the rest of the community thereby reducing affordability for the housing stock to serve families that are not low income, and
(2) Result in a community that offers diminished workforce housing affordable to the middle class.

<u>New H-13.5</u> Guard against strategies for affordable housing development that shift costs to a narrow set of private payers in exchange for development rights.

<u>Cooperation</u>
The chapter encourages a wide range of cooperative efforts to address housing needs, but

overlooks the private sector as a partner. Whether through rental assistance voucher programs for use in existing rental housing or new construction of subsidized projects, the private sector is an important provider of low-cost alternatives that will house people affordably.

> **New H-16.5** Collaborate with private sector rental housing owners and housing developers to identify and pursue collaborative partnership strategies to provide housing affordable to all households.

Housing Supply & Needs Analysis Appendix

Similar to our comments above, we believe local jurisdictions will be more successful in their housing affordability work if their whole housing picture (jobs-housing balance and housing affordability throughout the whole income spectrum) is considered.

> **Housing Supply and Needs Analysis Context:**
> As set forth in policy H-1, each jurisdiction must include in its comprehensive plan an inventory of the existing housing stock and an analysis of both existing housing needs and housing needs projected over the planning period. This policy reinforces requirements of the Growth Management Act for local Housing Elements. The housing supply and needs analysis is referred to in this appendix as the "Housing Analysis." As is noted in policy H-1, the Housing Analysis must consider local as well as countywide housing needs because each jurisdiction has a responsibility to accommodate a share of countywide affordable housing need as quantified in the affordable housing targets as well as the
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> As noted in policy LU – 25a, Each jurisdiction shall plan for and accommodate the housing and employment targets established pursuant to LU-25c and LU-25d. The targets will be used to plan for and to accommodate growth within each jurisdiction. The targets do not obligate a jurisdiction to guarantee that a given number of housing units will be built or jobs added during the planning period, but consistent with RCW 36.70A.215, when targets are not met jurisdictions should take timely actions to authorize additional legal capacity to construct housing in a mannerly likely to ensure the supply of housing is consistent with the actual market demand for housing.
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> The purpose of this section of Appendix 4 is to provide further guidance to local jurisdictions on the subjects to be addressed in their Housing Analysis. Additional guidance on carrying out the Housing Analysis is found in the Puget Sound Regional Council's report, "Puget Sound Regional Council Guide to Developing an Effective Housing Element," and the Washington Administrative Code, particularly 365-196-410(2)(b) and (c).

Again, thank you for the opportunity to comment.

Sincerely,

Sam Pace Randy Bannecker

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