

December 28, 2018

The Honorable Joe McDermott  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember McDermott,

This letter transmits a motion and report that responds to the following elements of the 2017 Comprehensive Plan update and the Vashon-Maury Island Community Service Area (VMI CSA) Subarea Plan, as adopted in Ordinance 18623:

- Section 10 of the Ordinance, which relates to the Vashon Rural Town Affordable Housing Special District Overlay created in Section 9 of the Ordinance, requires the Executive to transmit three annual preliminary evaluation reports on the Special District Overlay by December 31 of each year, beginning in 2018;
- VMI CSA Workplan Action 3 in Attachment A to the Ordinance requires the Executive to further evaluate how affordable housing could be either required or incentivized on Vashon-Maury Island and to file an Affordable Housing Incentives Report by December 31, 2018, with a motion that accepts the report; and
- Priority 1 (2018-2019) Implementing Action for VMI CSA Policy H-5 in Attachment A to the Ordinance requires the County to implement, evaluate, and report on the Special District Overlay, and encourages the County to revise the Special District Overlay as indicated by the County's evaluation of the Special District Overlay's use, benefits, and impacts.

This proposed motion and report provides the community, affordable housing providers, and King County with important data and information to help address housing affordability on Vashon-Maury Island. The report's findings recommend maintaining the SDO at this time to allow for further evaluation of its implementation, efficacy in addressing affordable housing needs on the Island, and impacts to the surrounding community. The report also identified the following affordable housing strategies for additional analysis regarding potential implementation on Vashon-Maury Island:

- Review and potentially rebalance the bonus density ratio of the SDO.
- Evaluate options for expedited permitting for affordable housing projects.

- Consider opportunities to support sweat equity programs.
- Identify options to recognize affordability resale restrictions when evaluating property values.
- Review and potentially amend cottage housing regulations.
- Evaluate development of congregate housing regulations.
- Consider opportunities for finance-based incentives, such as related to utility hook-up fees and affordable housing tax exemptions.

This proposed motion and report pertain directly to two goals in the King County Strategic Plan. By assessing the housing needs of Vashon-Maury Island's low- and very low-income population, the evaluations address the Accessible and Affordable Housing goal to increase access to quality housing that is affordable to all. By conducting transparent annual evaluations of Special District Overlay, it addresses the Efficient, Accountable Regional and Local Government goal to ensure the County operates efficiently and effectively and is accountable to the public.

It is estimated that the report required 480 staff hours to produce. The cost of report preparation is estimated at \$31,000, including only staff salary and benefit costs.

If you have any questions, please feel free to contact Jim Chan, Interim Director, Department of Permitting and Environmental Review, at 206-477-0385.

Sincerely,

Dow Constantine  
King County Executive

Enclosure

cc: King County Councilmembers  
    ATTN: Carolyn Busch, Chief of Staff  
        Melani Pedroza, Clerk of the Council  
Dwight Dively, Director, Office of Performance, Strategy and Budget  
Jim Chan, Interim Director, Department of Permitting and Environmental Review