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WA Governor Christine Gregoire signs ESHB 2984. Attendees include HDC staff Carla Okigwe and Ben Gitenstein, Seattle staff Rick Hooper and Rose Feliciano, WLIHA staff Megan Hyla, AWC Dave Williams, and bill sponsor Rep. Larry Springer.

Building a coalition and seeking a sponsor

In partnership with the Washington Low Income Housing Alliance (WLIHA), last fall HDC helped organize a small group of extremely knowledgeable folks, including Futurewise, ARCH and Seattle's Office of Housing, to analyze just how existing State statutes were limiting local programs. We examined a bill promoted by the Housing Partnership and the Washington Association of Realtors that was carried over from last year, with the idea of offering amendments, but we found it too complicated and also that it put the too much decision into the hands of the builder rather than the local government. We decided that we needed a new, simpler bill that achieved greater affordability, and we needed to make the programs optional for local government in order to gain the support of the Association of Washington Cities (AWC). Our strategy set, we then recruited a legislator to sponsor it—**Rep. Larry Springer**. Because he is from suburban King County, had previously served on the Kirkland City Council and was very familiar with affordable housing needs and land use incentives, he was a perfect fit. Representative Springer was a strong advocate for the bill, meeting with AWC and development industry representatives before the legislative session, and continuing to work with key constituencies until consensus was reached.

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Inclusionary Zoning in Washington....Really?

The Governor has signed the "Affordable Housing Incentive Programs" bill ESHB 2984. This legislation is a major housing policy advance for Washington. It clarifies the authority of local governments to implement affordable housing incentive programs, and sets standards for local programs. The bill authorizes both incentives programs that are strictly voluntary and programs that establish a minimum level of affordable housing that must be provided by all developments in an area where local government has increased density.

Other areas of the country have long had legal mechanisms to engage inclusion of affordable housing in market-rate projects developed by the for-profit development sector. Those legal mechanisms are typically called "inclusionary zoning." HB 2984 does not fit the definition of mandatory inclusionary zoning; it doesn't create a universal mandatory requirement to be placed on builders or local governments. However, the bill does authorize local jurisdictions to create incentive programs—providing increased density, expedited permitting, and other benefits—that will generate affordable units in private, market-rate developments.

The story of how HB 2984 was written and passed, and a brief look at what the bill does offers a unique insight into what we achieved this session, and what is left to be done.

King County rents going back up

While rents actually decreased in 2003 and 2004, the spring 2006 Dupré + Scott Apartment Vacancy Report shows they started back up in 2005. Vacancy rates have fallen to 4.7% and the average King County rent is now \$875. Mike Scott, principal of Dupré+ Scott, will present the latest data at HDC monthly member meeting April 14 (see side bar)—forecasts, condo conversions, cap rates and other important housing market information.

HDC Board Meetings

•**Wednesday, May 5**
9:00 am - 11 am
AHW, 2014 E. Madison

•**Wednesday, June 7**
9:00 am - 11 am
AHW, 2014 E. Madison

HDC Monthly Meetings

•**Friday, April 14, 2006**
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue
Speaker: Mike Scott,
Dupré + Scott Apartment Advisors

•**Friday, May 12, 2006**
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue

•**Friday, June 16, 2006**
Noon - 1:30 pm
28th Floor Board Room
WSHFC, 1000 2nd Avenue
Speaker: Bob Drewell,
PSRC Executive Director
Topic: Prosperity Partnership

Inclusionary Zoning, continued

A willingness to negotiate

With local government support, our bill moved quickly out of committee; while the older bill from last session languished, making our bill the vehicle for negotiations. The most critical issue was somewhat semantic and a little philosophical—what did “require” mean in various sections. The AWC, the Realtors and the bill sponsor wanted a voluntary approach. But we had used the word “require” related to program requirements, like income and rent/purchase price levels and affordability period. So we drafted a number of amendments to clarify what was meant. These amendments ultimately proved extremely important because they ensured we would not go backwards and override affordable housing rezoning conditions already in place in cities such as Redmond and Bainbridge Island. WLIHA, HDC, the City of Seattle, and AWC weighed in to support the bill at all committee hearings. Then, after the bill passed the House 60-38, it slowed in the Senate. Rep. Springer called together WLIHA and the Building Industry Association of Washington (BIAW) and demanded a bill that both could support in order to ensure final passage. The BIAW was concerned that local planners might take retribution against builders who did not participate in an optional affordable housing incentives program. So bill language was drafted to respond to this concern. We also made sure the City of Redmond and ARCH staff talked to Springer to ensure the bill would not preempt current affordable housing zoning programs. With this agreement, the bill passed the Senate 47-0.

The obstacles to inclusionary zoning

There are three legal arguments which have been used to prevent outright required inclusionary zoning (like, for example, in Montgomery, Maryland) in the State of Washington. First, is the issue of “takings.” It can be argued that mandatory inclusionary zoning de-values the property and limits the use, thereby taking private property rights. Second, is the issue of illegal taxation. Some argue that properties with mandatory inclusionary zoning are “taxed” to pay for the required affordable units, either with fees or by inclusion, and such taxation is prohibited by State law. The only way local governments could get around this was to make programs voluntary and to demonstrate that affordable housing was needed because of the impact of the development—like an environmental impact. Some cities, therefore, were doing costly “nexus” studies to show the relationship of the development to the impacts. Third, is the issue of “unfunded mandates.” Politically, local governments don’t like to be told how to run their local land use, so they automatically oppose any bill mandating local governments to do something (especially with no way to pay for it).

What 2984 does, and doesn’t do

HB 2984

- (1) Does not mandate local governments to adopt affordable housing incentive programs, but clarifies that they can enact such a program and defines the parameters of the program should they choose to adopt one. By authorizing incentives such as increased density, the bill helps local governments avoid “takings” challenges.

- (2) Removes the need for the nexus studies by making it clear that local governments can address the need for increased affordable housing development, consistent with local growth management and housing policies, through a rezoning process providing increased density and other incentives.
- (3) Eliminates the taxation issue by excluding affordable housing incentives programs from the section of state law preempting local government taxes on development. RCW 82.02.020 states that no local government “shall impose any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of residential buildings...or on the development...of land” but then lists a number of exceptions for local governments to impose various types of impact fees. HB2984 adds enactment and enforcement of affordable housing incentives programs created under this legislation to the list of exceptions.
- (4) Does not create any funding for development or implementation of incentives programs. This concern will need to be addressed by each local government interested in adopting a program.

Next steps for HDC

As enacted, HB 2984 takes a giant step toward encouraging more involvement of for-profit developers in the affordable housing solution. But for this to happen, local jurisdictions must adopt affordable housing incentive programs. We are fortunate that a number of suburban King County cities have pioneered such programs even though the legal situation was murky until now.

To download your own copy of the 7-page bill, go to www1.leg.wa.gov, bill search, and enter “2984.” Print the version signed by the Governor at the bottom of the bill history.

Is It 2007 Already?

Planning for the 2007 State Legislative Session Begins

Just weeks after the close of the 2006 state legislative session, the Washington Low Income Housing Alliance (HDC is an Alliance member and chairs its state legislative committee) and the House Housing Committee have begun thinking about what to do in 2007. We have begun crafting interim work plans and scoping out potential issues and agenda items for the next session, and will soon be forming workgroups to delve deeper into some issues.

Interim planning on housing related issues is happening on two fronts. First, the Washington Low Income Housing Alliance (WLIHA) met on April 6th to debrief the 2006 session and began to look ahead to 2007. Housing Alliance members drew up an initial list of topics that merit further work. In an earlier letter to the House Housing Committee, the Housing Alliance laid out a preliminary list of those topics:

- What is the right size for the Housing Trust Fund? If it were to meet the need that we see across the state, how much funding should be available through that resource? What is the leverage potential of the HTF in addressing affordable housing needs? This could involve a historical review of what the HTF has been a part of, dollars allocated and units produced, and then an outline of its potential statewide.
- What legislative remedies are available in response to communities imposing land use regulations which excludes affordable housing development? Several jurisdictions in Central WA have imposed conditions and requirements on affordable housing developments that are not required of market rate developments, or denied land use permits based on occupancy by very low income households. This is a significant obstacle to addressing the affordable housing needs of all Washington residents. This project should examine the nature of the problem, and should look at action taken in states like Oregon and California in response.
- What strategies can the state employ to help preserve mobile home parks, which are disappearing at an alarming rate?
- How should local communities and their GMA and/or 10 year plan requirements connect to the Housing Trust Fund?
- How can tax policy be adjusted in order to promote the development of safe decent and affordable housing?

Second, Rep. Miloscia's Housing Committee has set an ambitious schedule of meetings over the next few months to research topics, gather input and build its own preliminary agenda for 2007.

- On March 28th Rep. Miloscia convened a small workgroup to look at homeownership in Washington State and to examine what policy shifts would be necessary to bring the Washington average in line with the national average.
- On April 11th, Rep. Miloscia will convene a small, invitation only, roundtable discussion (followed by a public hearing) looking at "What do we need to accomplish the goal of affordable housing for every low-income household by 2020?" In particular, the conversation will look at whose leadership and advocacy do we need? What is contributing to our current shortage of low-income housing, and how is this linked to homelessness?
- On April 17th Rep. Miloscia will convene another meeting, this time to review new versions of bills written for the 2006 session (HB 2649 and HB 2650). Stakeholders will review the proposed legislation and offer feedback and ideas.

The Housing Alliance is faced with difficult multi-tasking. On the one hand, members must envision the multi-year change necessary to achieve our shared vision. On the other, members have to quickly develop legislation (and react to others' legislation) for the 2007 session. The key to meeting this challenge will be organized teamwork. The Alliance has set up work groups for each of its major priorities which will develop both the long term vision and the legislation necessary to accomplish it. Alliance members must use their limited work-time efficiently, in order to integrate the long-term strategy into the products of the work groups and therefore into work for the coming session.

If you have an issue that should be addressed by the Washington Low Income Housing Alliance, contact Ben Gitenstein (ben@housingconsortium.org). Ben is currently chair of the Washington Low Income Housing Alliance's State Legislative Committee.

Housing Authorities Open Waiting Lists

After two weeks, a lottery!

King County Housing Authority will accept names for a new waiting list for the Section 8 voucher program only from households applying in a two-week period April 26–May 9. KCHA will place no more than 2,500 names on the list, so after the application period is over, these will be selected by lottery. KCHA's list has been closed since June 2002 when they received nearly 7,000 applications to the program. Persons on the old list will need to reapply in order to ensure the waiting list is up-to-date, but they will not be subject to the lottery. Info at 206/214-1300.

The Seattle Housing Authority will be following a similar process for their Section 8 voucher waiting list, with households having to apply between May 15 and May 26. Those on the current wait list (under 2,000) will not have to reapply. 4,000 new names will be drawn at random to be placed on the list. SHA's waiting list hot line is 206/ 239-1674 for recorded frequently asked questions. There is no benefit from applying on the first day. Applications can be picked up during the two week period at the Housing Authority's PorchLight office at 907 NW Ballard Way, the housing authority's Central Office near Seattle Center; and at the housing authority's property management offices, Seattle public libraries, City of Seattle community centers and neighborhood service centers, and at some DSHS Community Services offices; or it can be downloaded from the website. Applications must be postmarked by May 26. Find details and the application at www.seattlehousing.org.

HOUSINGnews!

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Deadline for job ads 25th of the month.

HUD Cuts Hit Where it Hurts

The Federal budget process continues to lumber along, hitting various stumbling blocks in the both the Senate and the House. With election campaigns looming, neither party has eagerly embraced the President's proposal to drastically slash all nonmilitary discretionary spending. Both chambers have indicated their willingness to maintain programs that are highly popular in their home districts.

The budget the President sent to Congress cuts funding for the Department of Housing by 3.9 percent and the Community Development Block Grant Program by over 25 percent. While under consideration in the Senate, Senator Patty Murray introduced an amendment to the budget resolution that would have increased CDBG funding by \$1.3 billion, but the amendment was defeated by a vote of 45-53. Instead, a toothless amendment introduced by Senator Rick Santorum that merely expressed a strong sentiment that the CDBG program should be funded more robustly passed by a vote of 60-38. The Santorum amendment does not provide additional dollars to actually fund the CDBG program. The Senate did vote to increase the cap on discretionary

WHAT YOU CAN DO:

CALL or WRITE to your Representatives today.

The House Transportation, Treasury, HUD, Judiciary and the District of Columbia Appropriations Subcommittee has announced it will accept outside witness testimony. Advocates are encouraged to send first-hand descriptions of local housing needs and the importance of all HUD housing programs to the subcommittee.

CALL 1-888-818-6641

or

SUBMIT TESTIMONY TO

approp.transpo-treas@mail.house.gov

Submitted testimony is limited to five pages and must be submitted by April 14.

spending by \$16 billion on March 17th.

The budget resolution has also been met with hesitation in the House of Representatives. Many moderate members of the House have rejected the President's harsh cuts and instead are demanding to be allowed to offer an amendment to the budget resolution increasing FY07 discretionary spending by \$7.2 billion, to \$880 billion. The budget resolution will not be brought to a vote until the disagreement over funding levels are worked out.

Implications for Seattle/King County

The unamended budget proposal has serious implications for federally subsidized housing programs in King County. The Administration's proposal cuts total HUD funding in 2007 by 3.9 percent and cut CDBG \$736 million in 2007. These cuts would follow a substantial reduction in 2006, when Congress agreed to reduce CDBG formula grant funding by \$406 million in comparison to 2005. If Congress accepts the Administration's proposal for 2007, CDBG funding would fall by a total of \$1.1 billion from 2005 to 2007, a reduction of 31 percent.

While the Seattle Housing Authority (SHA) and King County Housing Authority (KCHA) have not been forced to cut their vouchers, both organizations have had to make drastic changes in order to make sure that no one lost their housing. For example, In 2005, KCHA stopped issuing any new Section 8 vouchers, denied all landlord requests for rent increases, and decreased the payment standard, putting many households in the position of paying

more in rent finding cheaper housing. The average family on Section 8 paid \$36 more per month after this strategy was enacted. SHA made similar programmatic changes to spare families from losing their housing.

Cuts to CDBG funds put a large strain on affordable housing programs as well. A 25 percent reduction in CDBG dollars could result in the Seattle Office of Housing losing nearly a quarter of its staff. Similarly, the King County Housing & Community Development Program risks having to significantly downsize entire program areas, cut staff, services and reprioritizing the allocation of funds to various programs such as the housing repair program for low-income home owners, the community development programs which fund human services centers and provide accessibility for persons with disabilities, or the public infrastructure improvement. In order to maintain these critical programs the City of Seattle, King County and the State will have to continue to act as a stopgap.

Ghastly Testimony of the Month

Secretary Jackson agreed that the cuts to housing production programs, such as the Section 811 and Section 202 programs, are troubling, but said such cuts are necessary because the Section 8 program now comprises 65% of the HUD budget.

"The Section 8 budget is absolutely eating at the heart of our other affordable housing programs, and so I need to make very, very difficult choices." He said such unsustainable growth in the program can only be curbed by: 1) Congress passing the State and Local Housing Flexibility Act (SLHFA), and 2) pushing Public Housing Authority (PHA) administrators to purge their Section 8 rolls.

Secretary Jackson again asserted that 18% to 20% of people currently receiving Section 8 vouchers are not eligible, because they have declared zero income but in fact do have income. Questioned by Representative Waters as to his proof, Secretary Jackson could only say that this was the case when he ran a PHA in Dallas. Ms. Waters said he should not be making current assumptions of all Section 8 voucher holders based on old evidence from one locality. Mr. Jackson replied, **"Believe me. PHAs are not doing what they should be doing to purge their rolls and getting families off the program....I know the caliber of the people running the Housing Authorities and they are not doing their job."**

From NLIHC Memo to Members 3/31/06

Employment Listings from Housing Organizations

See www.housingconsortium.org for more current listings.

Deadline for newsletter posting is 25th of the month.

All prior postings are erased unless the posting organization renews its posting.

Director of Property Mgmt, Archdiocesan Housing Authority

The Director will provide leadership and management supervision for all Archdiocesan Housing Authority permanent housing facilities; prepare operational plans; direct and supervise staff, tenant relations, marketing for occupancy, facility maintenance, regulatory compliance, and financial performance. Duties are to be carried out in conformance with AHA's mission and values for meeting the needs of our residents. Desired qualifications include BA/BS degree in business, non-profit management or related field; proven supervisory and leadership skills; 5 years experience managing multi-unit housing; 3 years experience managing multi-building portfolio; 3 years managing LIHTC or HUD subsidized housing facilities; and experience working with ethnically and economically diverse people. Send resume/cover letter to: jobs-aha@ccsww.org

Contractor Support Prog. Manager, Hsg Development Center

The CSP provides business technical assistance and training to minority & women-owned small construction firms to promote their success. Responsible for coordinating all aspects of the CSP, including staffing the CSP Advisory Subcommittee, selecting and managing sub-consultant technical assistance providers, assisting on fund development for the Program, managing contracts, and for providing direct technical assistance to women, minority, and emerging construction contractors. E-mail andrew@hdc1.org to submit resume.

Fund Development Associate, Lutheran Alliance to Create Hsg

The Development Associate implements LATCH marketing and fund development programs to strengthen relationships with LATCH constituencies, build support for affordable housing, and secure adequate resources from congregations, individuals and community partners to carry out the mission of the organization. This is a full-time position and includes some evenings and weekends. Full job description available at www.latch.org.

Cooperative Coordinator, Lutheran Alliance to Create Housing

The Cooperative Coordinator 1) provides co-op facilitation and leadership development at LATCH's resident-managed rental co-operatives, 2) researches community services and resources and develops information and referral systems that address resident needs, 3) supports community volunteers to contribute time and at LATCH properties. This is a ¾ time position. Full job description available at www.latch.org

Community Investments, Federal Home Loan Bank of Seattle

Contributes to the operations of the Bank, specifically Community Investments, in the achievement of goals and objectives by providing effective administrative support in the following areas: operations related projects, research, problem solving and various administrative and clerical duties. HS degree required, BA preferred. 1-3 years experience. Email coverletter and resume to recruiter1@fhlbsea.com

Senior Housing Developer, Beacon Development Group

The Senior Housing Developer position is responsible for supporting all aspects of project development including assessment of community needs, identification and acquisition of appropriate sites, formulation of feasible housing proposals, including development and operating budgets and project schedules, assisting the sponsor in conducting community notification, preparation and review of funding applications, and coordination of internal members of the project development teams and external consultants. Minimum qualifications include 4 yrs experience in affordable housing development, a BA in finance, public administration, business, or related field, working knowledge of HUD, LIHTC, State/City housing requirements, experience working with various types of public and private financing. See a full job description at www.beacondevgroup.com. Send resume to: Beacon Development Group, 1221 East Pike St. #300, Seattle, WA 98122 or email barbarag@beacondevgroup.com.

Director of Development, Seattle Housing Authority

Director of Development to manage a wide variety of complex real estate development projects and over twenty highly motivated project staff. Strong organizational and project management skills are essential for this position. Working knowledge of affordable housing programs and finance in Washington State is strongly desired as is familiarity with HUD programs. Eight years experience in housing development, construction project management, public housing, urban planning, or related field, including five years in a supervisory capacity. Bachelor's Degree in Urban Planning, Architecture, Construction Management or Business Administration; Master's Degree preferred. Send resume/cover letter to: HumanResources@seattlehousing.org

Manager Tax Credit Division, WA State Hsg Finance Comm.

Position will manage the statewide strategic and tactical development, administration and implementation of the IRS's federal Low-Income Housing Tax Credit program, the principal financial resource for development of low-income housing in Washington. Interested individuals can view the position announcement at <http://www.dop.wa.gov/JobSeekers/ESS> or contact Linda Riggie at (360) 664-1951 or LindaR@dop.wa.gov. Resumes must be received by April 21, 2006.

Workshop-Seminars-Conferences

See www.housingconsortium.org for detailed listings

APRIL 13, TACOMA WA

City of Tacoma Fair Housing Conference

20th Annual Fair Housing Conference will feature experts from inside and outside Washington state to discuss current activities in a number of areas. Topics include Fair Housing 101, Fair Housing and Independent living for Older People and Fair Housing and Domestic Violence. Call (253) 591-5151 for more information.

APRIL 24-26 PORTLAND, OR

2006 NAHRO Annual Conference

NAHRO 2006 Annual Conference "Moving Forward: New Tool, Resources and Results." This national conference provides professional development and useful information for your organization. Detailed program available soon, visit www.nahro.org for more information.

MAY 10-12 YAKIMA, WA

Washington State Coalition for the Homeless Conference

Attend the 16th Annual Conference to learn new skills, examine best practices, and build innovative partnerships that will help us effectively implement plans to end homelessness in Washington State. For more information visit www.EndHomelessnessWA.org.

SEPT 10-12 BELLEVUE, WA

Housing Washington 2006

13th Annual Affordable Housing Conference. Housing Washington is a leading conference presenting the best national and regional affordable housing experts. For more Information & updates visit www.wshfc.org/conf.

NOV. 1-3 CHICAGO, IL

AHF LIVE: 2006 Tax Credit Developers' Summit

This summit will help developers overcome obstacles and deliver more affordable housing as efficiently as possible. Sessions provide sophisticated analysis of strategic challenges facing the industry. To register and for more information visit www.ahflive.com or call (800) 989-7255.