



## KRCC Affordable Housing Taskforce (AHTF) Meeting Agenda

v. 9-12-19

**Date/Time:** September 19, 2019 from 10:15 am - 12:15 pm

**Place:** Kitsap Transit, 60 Washington Ave. Bremerton, WA

**Meeting Purpose:** To discuss solutions to increase the amount of land required to build or preserve additional affordable housing on a countywide basis.

### 1. Chair's Welcome (5 min)

### 2. Committee Updates and Action Items (15 min)

#### a. Welcome – 3 min

- For reference only: [AHTF Terminology](#)
- For reference only: [KRCC Affordable Housing Resolutions](#)
- **ACTION:** Approve the draft [July 19, 2019, AHTF Meeting Summary](#)

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#### b. KRCC Staff Report Out – 2 min

- Research Request from AHTF: Review the [area median income for rent](#) in Kitsap County.

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#### c. AHTF Purpose – 5 min

- Review the [updated AHTF charter with a revised draft purpose statement](#) to incorporate suggestions from the July 18 AHTF meeting

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#### d. HB 1406 Follow-Up – 5 min

- Review [anticipated HB 1406 funding amounts for each jurisdiction](#)
- Question: How is each jurisdiction considering using its own HB 1406 funds (e.g. rental assistance, bonding, combining funds on an intra- or interjurisdictional basis)?

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### 3. New Business (70 min)

#### a. Education and Dialogue: Coordinated Grant Process – 30 min

- [Kirsten Jewell or Bonnie Tufts], Kitsap County
- For reference: [Kitsap Coordinated Grant Program](#) (weblink) and the [2018 Kitsap Homeless Crisis Response and Housing Plan](#) (web link)

#### b. Education and Dialogue: Community Land Trusts – 30 min

- Phedra Elliott, Housing Resources Bainbridge (HRB)
- Question: would the Taskforce recommend a motion to the KRCC Board regarding Community Land Trusts?

#### c. Education and Dialogue: Surplus Public Lands – 10 min

- Example for reference: [Hope and Home Mapping Tool for Surplus Public Land for Affordable Housing](#) (weblink)

#### 4. Administrative Agenda (20 min)

##### a. Determining the Future of the AHTF

Questions to consider include:

- Has the AHTF accomplished the initial [goals outlined in the meeting work plan?](#)
  - If the AHTF continued meeting in 2020, what should the goals be?
  - How should the AHTF leverage Kitsap County's affordable housing study? (Study anticipated for release in January 2020)
  - How would the AHTF like to capture/communicate the work completed in 2019? (Memo, policy brief, resource pages, etc.)
  - What additional topics should the AHTF explore in 2020? (Current suggestions include Accessory Dwelling Units (ADUs), Inclusionary Zoning, Co-op Housing, Board Houses, Therapeutic Housing, etc.)
- **ACTION:** Make a recommendation to the KRCC Board regarding whether the AHTF should continue meeting in 2020.

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#### 5. Wrap Up (5 min)

- a. Review action items and decisions
- b. Discuss parking lot items

#### 6. Public Comments (5 min)

#### 7. Adjourn

# DEFINING AFFORDABILITY



What does affordability really mean? What makes a house affordable, and why? What does it really cost to live in Washington today?

The Housing Needs Assessment describes factors that determine whether or not housing is affordable, to whom it is affordable and what places are more affordable than others.

## Income Bands

A number of terms are used consistently throughout this report to refer to specific housing concepts.

- » **Housing costs:** Homeownership costs include mortgage principal and interest, taxes, insurance and utilities. Rental costs include rent and utilities.
- » **Affordability:** Housing is affordable if a household pays 30 percent or less of their income for all housing costs.
- » **Median family income:** Incomes published by HUD for states, counties and large urban areas that are adjusted for household size. For Washington in 2012, this number was \$72,900 per year for a four-person household.
- » **Area median income:** Some analyses use the median income for a given geographic area as a reference point. This income is not adjusted for household size like the median family income, and so is usually a smaller number.
- » **Extremely low-income:** 30% or less of the median family income.
- » **Very low-income:** 30% to 50% of the median family income.
- » **Low-income:** 50% to 80% of the median family income. “Low-income” can also be used as a catch-all term for any household making 80 percent or less of the median family income.
- » **Moderate-income:** 80% to 100% of the median family income.
- » **Poverty:** The federal poverty threshold for a family of four in 2012 was \$23,050 per year. This was about 32 percent of Washington’s median family income.
- » **Cost burden:** HUD defines any household paying more than 30 percent of household income on housing expenses as “cost-burdened.” For example, a household earning \$100,000 per year but spending more than \$30,000 for housing is cost-burdened.
- » **Severe cost burden:** Any household paying more than 50 percent of household income on housing expenses.

For more information about income in Washington and the median incomes for each county, see [Appendix C](#) and the [Housing Need Geographic Profiles](#).

**KITSAP REGIONAL COORDINATING COUNCIL RESOLUTION NO. 2019-1**

**A RESOLUTION OF THE KITSAP REGIONAL COORDINATING COUNCIL  
REGARDING TAKING ACTION TO ADDRESS AFFORDABLE HOUSING  
AND OTHER MATTERS RELATED THERETO.**

WHEREAS, in 2019 the Kitsap Regional Coordinating Council formed the Affordable Housing Taskforce to address affordable housing concerns across Kitsap County; and

WHEREAS, the average rent per unit in Kitsap County in September 2018 increased 10% from 2017, and 47% since 2014. *Source: Kitsap County Department of Human Services*; and

WHEREAS, the minimum wage in Kitsap County is \$11.50, but the housing wage to afford a 0 bedroom apartment is \$13.94/hour; the housing wage to afford a one-bedroom apartment is \$16.96/hour; the housing wage to afford a two-bedroom apartment is \$21.87/hour; and the housing wage to afford a three-bedroom apartment is \$31.06/hour. *Source: Kitsap County Department of Human Services*; and

WHEREAS, 2,644 households in Kitsap County in 2018 needed housing assistance. *Source: Housing Solutions Center*; and

WHEREAS, there are different degrees of housing affordability shortages across jurisdictions in Kitsap County; and

WHEREAS, the Kitsap Regional Coordinating Council Affordable Housing Taskforce identified a suite of policy tools that individual jurisdictions could use to address affordable housing shortages; and

WHEREAS, the Kitsap Regional Coordinating Council is a body to coordinate land use and transportation activities across Kitsap County.

NOW, THEREFORE, BE IT RESOLVED BY THE KITSAP REGIONAL COORDINATING COUNCIL, AS FOLLOWS:

Section 1. KRCC Board members acknowledge affordable housing is important in the community and agree to take some action to support affordable housing with the consent from their legislative bodies

RESOLVED this 3<sup>rd</sup> day of September 2019.

**KITSAP REGIONAL COORDINATING COUNCIL RESOLUTION NO. 2019-2**

**A RESOLUTION OF THE KITSAP REGIONAL COORDINATING COUNCIL  
REGARDING SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF  
2019) OTHER MATTERS RELATED THERETO.**

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) (“SHB 1406”); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing, for providing rental assistance to tenants; and

WHEREAS, the tax will be credited against state sales taxes collected within local jurisdictions and, therefore, will not result in higher sales and use taxes within local jurisdictions and will represent an additional source of funding to address housing needs in local jurisdictions; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent of the local jurisdiction’s median income; and

WHEREAS, in order for a city or county to impose the tax, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body of each jurisdiction must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax; and

WHEREAS, local jurisdictions across Kitsap County need funding for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing, and for providing rental assistance to tenants; and

WHEREAS, each city and Kitsap County within the Kitsap Regional Coordinating Council has the ability to individually pass a resolution of intent required by SHB 1406; and

WHEREAS, in 2019 the Kitsap Regional Coordinating Council formed the Affordable Housing Taskforce to address affordable housing concerns across Kitsap County.

**NOW, THEREFORE, BE IT RESOLVED BY THE KITSAP REGIONAL COORDINATING COUNCIL AS FOLLOWS:**

Section 1. Kitsap Regional Coordinating Council Board members will work with their respective legislative bodies to implement HB 1406 in their jurisdictions in order to access funding for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive

housing, and for the operations and maintenance costs of affordable or supportive housing, for providing rental assistance to tenants.

RESOLVED this 3<sup>rd</sup> day of September 2019.



**Kitsap Regional Coordinating Council (KRCC)  
Affordable Housing Taskforce (AHTF) Meeting Summary**

July 18, 2019, | 10:15 AM – 12:15 PM Kitsap Transit, 60 Washington Ave. Bremerton, WA,  
3<sup>rd</sup> Floor Conference Room  
v.8-8-19

Key Decisions		
<ul style="list-style-type: none"><li>Recommend a motion to the KRCC Board regarding each jurisdiction taking action for affordable housing.</li><li>Recommend a motion to the KRCC Board regarding a resolution for each jurisdiction to independently implement HB 1406.</li></ul>		
Actions	Person Responsible	Status
Upload the approved May 16 Affordable Housing Taskforce meeting summary to the KRCC website.	KRCC Staff	Complete
Recommend to the AHTF updated language for the Affordable Housing Taskforce charter regarding a minimum of 30% area median income and a focus on the “missing middle”.	KRCC Staff	Ongoing
Upload the Affordable Housing Developer Outreach Summary to the KRCC website.	KRCC Staff	Ongoing
Distribute the Department of Commerce’s affordable housing memo.	KRCC	Complete
Distribute information regarding HB 1923.	KRCC Staff	Complete
Distribute the Association of Washington Cities (AWC) HB 1406 handout on its own for reference.	KRCC Staff	Complete
Distribute the Kitsap County Affordable Housing Homeless Plan (AHHP)	KRCC Staff	Ongoing
Distribute information on what is considered “affordable” rent for different segments of Area Median Income (AMI) in Kitsap.	KRCC Staff	Complete
Arrange an educational presentation with Kitsap County staff regarding the Coordinated Grant Process	KRCC Staff	Ongoing

## 1. CHAIR’S WELCOME

Chair Erickson welcomed participants to the meeting (see Attachment A: Affordable Housing Taskforce Members in Attendance, and Attachment B: Members of the Public in Attendance). Taskforce members and members of the public introduced themselves.

Chair Erickson introduced the topic of funding for affordable housing as the meeting's focus. Chair Erickson clarified that the Taskforce would be discussing House Bill 1406 to determine interest in exploring the bill on a countywide basis.

Chair Erickson provided a reminder that the Puget Sound Regional Council (PSRC) has released a housing survey that will be open from July 1, 2019, until August 30, 2019. The housing survey was distributed by PSRC to planning staff from each of the jurisdictions.

Chair Erickson also noted that the Washington State Department of Commerce released a [Housing Memorandum](#) called "Issues Affecting Housing Availability and Affordability". The housing memo includes a section devoted to the "Missing Middle" housing.

## 2. COMMITTEE UPDATES AND ACTION ITEMS

**Review AHTF Terminology:** Chair Erickson briefly reviewed the affordable housing terminology that was included as reference material with the meeting packet. Taskforce members requested information about what is considered "affordable" rent for different levels of area median income (AMI) in Kitsap.

**Review and Approve the May 16 Meeting Summary:** The Taskforce reviewed and approved the May 16, 2019 AHTF meeting summary without opposition and two abstentions.

**Review the updated AHTF Charter:** The Taskforce reviewed the updated AHTF charter with a revised purpose statement. Members of the Taskforce discussed the focus on building affordable housing for the workforce between 30-50% AMI. Several Taskforce members expressed that having a floor of 30% was useful, while other Taskforce members expressed reluctance in having a target of any AMI at all. The Taskforce agreed to have KRCC staff propose an updated purpose statement to review during the September AHTF meeting.

**KRCC Staff Report Out:** KRCC staff provided a brief report out on topics from the May 16 meeting. KRCC staff explained that an emergency declaration is not required to implement inclusionary zoning for individual jurisdictions, and on a countywide basis. KRCC staff also presented the Affordable Housing Developer Outreach summary based on the May 16 meeting.

**Motion:** Chair Erickson requested a motion from the Taskforce to the KRCC Board in support of affordable housing. Mayor Medina made a motion for the Affordable Housing Taskforce to make a recommendation to the KRCC Board to approve a resolution in which all KRCC Board members acknowledge affordable housing is important in the community and agree to take some action to support affordable housing with the consent from their legislative bodies. Commissioner Strakeljahn seconded the motion. The motion carried without opposition and two abstentions.



### 3. NEW BUSINESS

**Education and Dialogue HB 1406:** Chair Erickson introduced Carl Schroeder, Government Relations Advocate with the Association of Washington Cities (AWC) to discuss HB 1406. Carl explained that HB 1406 was approved in the 2019 legislative session and authorizes a local revenue sharing program for local governments. Carl stated that HB 1406 provides up to a 0.0146% local sales and use tax credited against the state sales tax for housing investments. Funding from HB 1406 can be used for the operation and maintenance of affordable housing, and for rental assistance in smaller jurisdictions.

Carl also explained the critical steps necessary to be eligible for funding through HB 1406. A resolution of intent to impose the tax credit must be adopted between July 28, 2019, and January 31, 2020. An ordinance to levy the tax credit must be completed by July 27, 2020. Jurisdictions interested in securing the full 0.0146% of the tax credit must adopt a “qualifying local tax” by July 31, 2020.

Carl also clarified several parts of HB 1406 after receiving questions from the Taskforce, including:

- Jurisdictions are authorized to levy the funding respectively and pass the funding on to an organizing sponsor.
- Jurisdictions can create an Interlocal Agreement (ILA) to determine how to manage funding with the County.
- All projects must serve households with incomes at or below 60% AMI.
- The maximum amount of tax credit will be limited by the amount of sales tax based on the state fiscal year 2019 sales.

Following the question and answer portion with Carl, the Taskforce discussed opportunities to secure funding through HB 1406. Jurisdictions decided to pursue funding from HB 1406 individually, rather than on a countywide basis.

**Education and Dialogue Coordinated Grant Process:** The Taskforce briefly discussed the Coordinated Grant Process. Chair Erickson explained the City of Poulsbo’s effort to request a set-aside for a portion of the funding from the Coordinated Grant Process. The Kitsap County Commissioners did not accept Poulsbo’s proposal for a set-aside. The Taskforce suggested having an educational presentation from Kitsap County staff on the Coordinated Grant Process at the September 19 AHTF meeting.

### 4. ADMINISTRATIVE AGENDA

The next meeting is tentatively scheduled for September 19, 2019, at Kitsap Transit. The Taskforce discussed potential AHTF priorities for the last meeting of the year in September

including community land trusts, the multifamily tax exemption (MFTE), publicly owned land, and plans to continue work of the Taskforce in 2020.

## 5. WRAP UP

KRCC staff reviewed and confirmed the key decisions, action items, and topics for future research. The key decisions and action items from the July 18 meeting are listed in the table at the top of the summary. The topics for future research include publicly owned land for affordable housing, area median income (AMI) percentages expressed in dollar amounts for rent and income in Kitsap County and [A Regional Coalition for Housing \(ARCH\)](#) partnership between King County and East King County Cities.

## 6. PUBLIC COMMENTS

Tom Pinkham, Kitsap resident, presented research regarding RV parks in Kitsap County and the use of land in Kitsap County. Tom also suggested a new affordable zone as a zoning designation for jurisdictions.

Roger Gay, Kitsap resident, asked about the number of affordable units that are included in new and nearby developments.

Mary Gleysteen, Kingston Affordable Housing Work Group, noted the efficacy of the use of inclusionary zoning as a tool to increase affordable housing and asked if the Taskforce would take action regarding inclusionary zoning.

Bill Paine, Kingston Affordable Housing Work Group, suggested that more attention be given to those with an income below 30% of the area median income (AMI) level since there are not enough programs for those living below 30% AMI.

Jennifer Sutton, Bainbridge Island, stated that it would be useful to post resources from the meetings on the KRCC website under the Affordable Housing Taskforce page. Jennifer also suggested that the Taskforce continue to meet until Kitsap County has completed the results of the Housing Needs Assessment.

## 7. ADJOURN

*The meeting adjourned at 12:20 p.m.*

**ATTACHMENT A – AHTF MEMBERS IN ATTENDANCE (NOTE – MEMBERS IN ATTENDANCE ARE ARRANGED IN ALPHABETICAL ORDER BY JURISDICTION)**

Board Member	Jurisdiction	In Attendance?
Medina, Kol	City of Bainbridge Island	✓
Tirman, Matthew	City of Bainbridge Island	✓
Daug, Leslie	City of Bremerton	✓
Wheeler, Greg	City of Bremerton	✓
Ashby, Bek	City of Port Orchard	✓
Putansuu, Rob	City of Port Orchard	✓
Erickson, Becky	City of Poulsbo	✓
Musgrove, David	City of Poulsbo	✓
Garrido, Charlotte	Kitsap County	✓
Gelder, Rob	Kitsap County	✓
Clauson, John	Kitsap Transit	✓
Gustafson, Ellen	Kitsap Transit	✓
Schrader, Alan	Naval Base Kitsap	---
Wall, Lynn	Naval Base Kitsap	---
Placentia, Chris	Port Gamble S'Klallam Tribe	---
Sullivan, Jeromy	Port Gamble S'Klallam Tribe	---
Bozeman, Cary	Port of Bremerton	---
Strakeljahn, Axel	Port of Bremerton	✓
Mills, Luther "Jay"	Suquamish Tribe	---

**ATTACHMENT B – MEMBERS OF THE PUBLIC (NOTE – MEMBERS OF THE PUBLIC ARE ARRANGED IN ALPHABETICAL ORDER BY AFFILIATION).**

Name	Affiliation
<b>Non-Members</b>	
Kurt Wiest	Bremerton Housing Authority
Jennifer Sutton	City of Bainbridge Island
Ed Stern	City of Poulsbo
Heather Wegan	Community Frameworks
Tom Pinkham	Saint Francis Center
Stuart Grogran	Housing Kitsap
Phedra Elliot	Housing Resources Bainbridge
Anthony Oddo	Housing Resources Bainbridge
Mary Gleysteen	Kingston Affordable Housing Work Group
Bill Paine	Kingston Affordable Housing Work Group
Bonnie Tufts	Kitsap County
Shannon Bauman	Kitsap County
Robert Contreras	Kitsap County Association of Realtors
Roger Gay	South Kitsap Taxpayer
<b>KRCC Facilitation Team</b>	
Sophie Glass	KRCC Land Use and Transportation Program Manager
Kizz Prusia	KRCC Land Use Coordination Lead

**2019 Kitsap County Income & Rent Limits  
Housing Trust Fund and HOME Projects - 2019**

Published 5-6-2019, HOME Rent Limits Effective June 28, 2019

<b>County:</b>	<b>Kitsap County</b>
<b>2019 Median Income:</b>	\$ 85,500

	Income Limits by Household Size/Target Population AMI							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	\$ 18,000	\$ 20,550	\$ 23,100	\$ 25,650	\$ 27,750	\$ 29,800	\$ 31,850	\$ 33,900
35% AMI	\$ 20,965	\$ 23,940	\$ 26,950	\$ 29,925	\$ 32,340	\$ 34,720	\$ 37,135	\$ 39,515
40% AMI	\$ 23,960	\$ 27,360	\$ 30,800	\$ 34,200	\$ 36,960	\$ 39,680	\$ 42,440	\$ 45,160
45% AMI	\$ 26,955	\$ 30,780	\$ 34,650	\$ 38,475	\$ 41,580	\$ 44,640	\$ 47,745	\$ 50,805
50% AMI	\$ 29,950	\$ 34,200	\$ 38,500	\$ 42,750	\$ 46,200	\$ 49,600	\$ 53,050	\$ 56,450
60% AMI	\$ 35,940	\$ 41,040	\$ 46,200	\$ 51,300	\$ 55,440	\$ 59,520	\$ 63,660	\$ 67,740
65% AMI	\$ 38,935	\$ 44,460	\$ 50,050	\$ 55,575	\$ 60,060	\$ 64,480	\$ 68,965	\$ 73,385
80% AMI	\$ 47,900	\$ 54,750	\$ 61,600	\$ 68,400	\$ 73,900	\$ 79,350	\$ 84,850	\$ 90,300
<b>100% AMI</b>	<b>\$ 59,875</b>	<b>\$ 68,438</b>	<b>\$ 77,000</b>	<b>\$ 85,500</b>	<b>\$ 94,063</b>	<b>\$ 102,606</b>	<b>\$ 111,150</b>	<b>\$ 119,694</b>
120% AMI	\$ 71,850	\$ 82,126	\$ 92,400	\$ 102,600	\$ 112,876	\$ 123,127	\$ 133,380	\$ 143,633

	Rent Limits by Target Population AMI/# of Bedrooms							
	30%	35%	40%	45%	50%	60%	65%	80%
0 Bedrooms	\$ 450	\$ 524	\$ 599	\$ 673	\$ 748	\$ 898	\$ 973	\$ 1,197
1 Bedroom	\$ 481	\$ 561	\$ 641	\$ 721	\$ 801	\$ 962	\$ 1,042	\$ 1,283
2 Bedrooms	\$ 577	\$ 673	\$ 770	\$ 866	\$ 962	\$ 1,155	\$ 1,251	\$ 1,540
3 Bedrooms	\$ 667	\$ 778	\$ 889	\$ 1,000	\$ 1,111	\$ 1,334	\$ 1,445	\$ 1,778
4 Bedrooms	\$ 745	\$ 868	\$ 992	\$ 1,116	\$ 1,240	\$ 1,488	\$ 1,612	\$ 1,983
5 Bedrooms	\$ 821	\$ 958	\$ 1,095	\$ 1,231	\$ 1,368	\$ 1,642	\$ 1,779	\$ 2,189

Silverdale MSA - County & State	HOME RENTS 2019		HUD Fair Market Rate 2018
HOME Program			
Unit Size	LOW = < 50% AMI	HIGH = < 80% AMI	
0 Bedrooms	\$ 748	\$ 774	\$ 774
1 Bedroom	\$ 801	\$ 929	\$ 929
2 Bedrooms	\$ 962	\$ 1,204	\$ 1,204
3 Bedrooms	\$ 1,111	\$ 1,412	\$ 1,708
4 Bedrooms	\$ 1,240	\$ 1,555	\$ 1,975
5 Bedrooms	\$ 1,368	\$ 1,697	\$ 2,271

**HUD Definitions:**

30% Limit - Extremely Low Income

50% Limit - Very Low Income

80% Limit - Low Income

These are the US Dept of HUD 2019 HOME Income Limits  
Effective 6/28/19

Kitsap County is required to use the HOME Income Limits



# Kitsap Regional Coordinating Council

## Kitsap Regional Coordinating Council Affordable Housing Taskforce Charter

Draft v. 9-10-19

### Background

In 2019, the Kitsap Regional Coordinating Council (KRCC) convened an Ad-Hoc Affordable Housing Taskforce (Taskforce) to address housing affordability issues across Kitsap County.

### Objectives

The Affordable Housing Taskforce has the following objectives<sup>1</sup>:

- Preserve existing affordable housing for Kitsap's workforce. The Taskforce defines "workforce housing" as housing units intended for those earning between 30% and 60% Area Median Income (AMI).<sup>2</sup>
- Build new affordable workforce housing through policy tools specific to each jurisdiction.
- Serve as a coordinating body for additional affordable housing needs for Kitsap County residents earning under 30% AMI.<sup>3</sup>

Taskforce members anticipate that each jurisdiction will take actions to meet these objectives respectively given the distinct nature of each community in Kitsap County.

### Membership

Each of the following KRCC jurisdictions and member agencies selects two people to serve on the Taskforce:

- City of Bainbridge Island
- City of Bremerton
- City of Port Orchard
- City of Poulsbo
- Kitsap County
- Kitsap Transit
- Port Gamble S'Klallam Tribe
- Port of Bremerton
- Naval Base Kitsap
- Suquamish Tribe

<sup>1</sup> The Taskforce reviewed and updated its objectives during their May 2019 and September 2019 meetings.

<sup>2</sup> As of 2019, 30% of AMI for Kitsap County amounts to \$18,000 for an individual, and 60% of AMI amounts to \$35,940 for an individual.

<sup>3</sup> The Affordable Housing Taskforce can address affordable housing needs for Kitsap's residents earning under 30% of AMI. However, *Homes for All* is the coordinating body for homelessness issues in Kitsap County.

### **Roles and Responsibilities of the Taskforce Members**

- Work cooperatively to accomplish the objectives of this process and acknowledge that all participants bring with them legitimate purposes, goals, concerns, and interests, whether they are in agreement with them.
- Focus on the subject at hand, share discussion time, avoid interrupting, respect time constraints, keep reactions and responses from being personal, and avoid side conversations.
- Keep their affiliated agency informed of the progress of the discussions and seek advice and comments.

### **Decision-Making Guidelines**

The Taskforce is an ad-hoc committee of the KRCC Board. Therefore, the Taskforce is not an independent decision-making body and instead will make recommendations to the KRCC Board as a whole.

### **Meetings**

- It is anticipated there will be five Taskforce meetings in 2019, which will take place in January, March, May, July, and September.
- Meetings are expected to occur at Kitsap Transit's office in Bremerton.
- Meetings will be two hours in duration.
- Meeting materials will be distributed five calendar days in advance of meetings.
- Meeting materials will be posted on the KRCC website.
- Meetings are open to the public and there will be a public comment opportunity at the end of each meeting.

### **Media**

The Taskforce will adhere to KRCC's general media policy, outlined in its [Policies and Procedures Manual](#):

The KRCC Program Director is responsible for responding to media requests. After receiving a media request, the Program Director will immediately alert the KRCC Executive Committee. If necessary, the Program Director will convey to the KRCC Board the information provided to the media. If a reporter directly approaches a member of the Taskforce, this member would speak on behalf of his or her own jurisdiction but not on behalf of KRCC.



# HB 1406 Legislation Summary

Kitsap County Human Services 6/24/19

Contacts: Kirsten Jewell 360.337.7286 or Doug Washburn 360.337.4526

## Summary

HB 1460 adds a new section to RCW Chapter 82.14. It authorizes local governments to retain a portion of sales tax collected in their jurisdiction for the purpose of creating affordable housing. The taxes authorized under this act are subtracted from the sales and use taxes already levied and is not a tax increase. The effective date of the bill is 7/28/19.

## Definitions

- “Participating city” / “participating county” is a jurisdiction that imposes the sales and use tax under this legislation. To be participating a jurisdiction must, by a simple majority of the enacting legislative authority do both of these things:
  - 1) By 1/28/20 pass a “resolution of intent” to adopt legislation to authorize the maximum capacity of the tax; AND
  - 2) By 7/28/20 pass legislation to authorize the maximum capacity of the tax.If a jurisdiction does not adopt both the “resolution of intent” and “legislation to authorize” by the deadlines, it permanently loses the authority to do so.
- “Nonparticipating city” / “nonparticipating county” is a jurisdiction that does not pass the “resolution of intent” and legislation to impose the sales and use tax under this legislation.
- “Qualifying Local Tax” (QLT) means one of the following tax sources, if the tax source is instated by no later than 12 months after the effective date of the legislation:
  - the affordable housing levy authorized under RCW 84.52.105;
  - the levy authorized under RCW 84.55.050 if used solely for affordable housing;
  - the sales and use tax for housing and related services authorized under RCW 82.14.530 if the city has imposed the tax at a minimum or least half of the authorized rate; or
  - the sales tax for chemical dependency and mental health treatment services or therapeutic courts authorized under RCW 82.14.460 imposed by a city.

## Uses of Funds

- Allowable uses of funds:
  - Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or
  - Funding operations and maintenance costs of new units of affordable or supportive housing.
  - Counties with a population under 400,000 and cities with a population under 100,000 may also use the funds for providing rental assistance to tenants.
- There is no specific provision for funding to administer these funds.
- Housing and services provided through this funding may only be provided to persons whose income is at or below 60% of the median income of the county or city.
- The Department of Revenue requires 30 days’ notice and that the jurisdiction begins retaining the tax on the 1<sup>st</sup> day of a month.
- Ability of counties and cities to retain the sales tax expires 20 years after the implementation date.
- Cities and counties retaining the tax may issue general obligation or revenue bonds and pledge those taxes to bond payments.
- Department of Revenue will be issuing some additional information on implementation in the next few months.

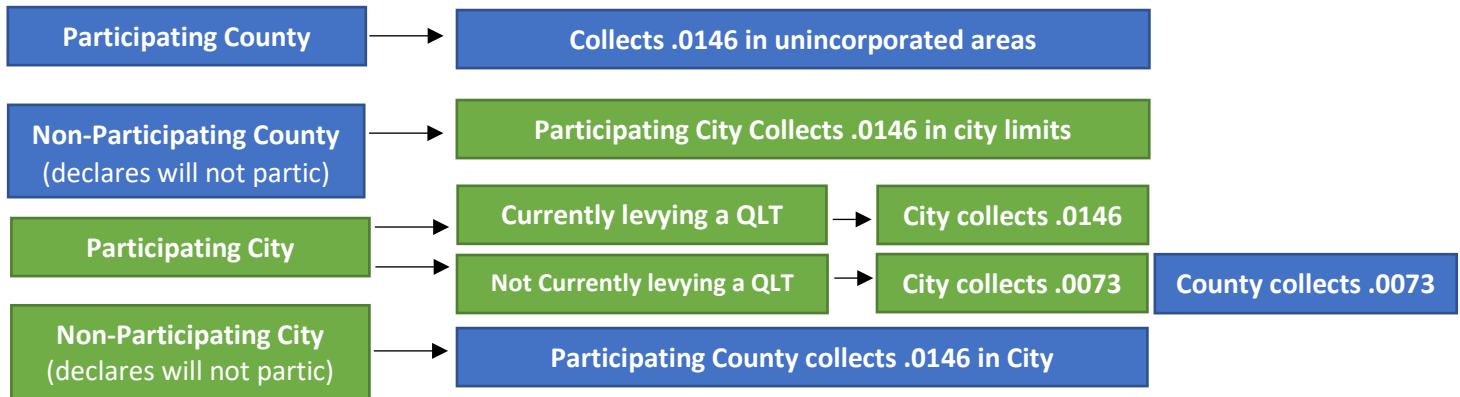


## County and City Shares

A total of .0146% of the collected sales tax is the maximum that can be retained. Either by a city or county claiming the whole amount (.0146%), or by the city and county each claiming half (.0073%).

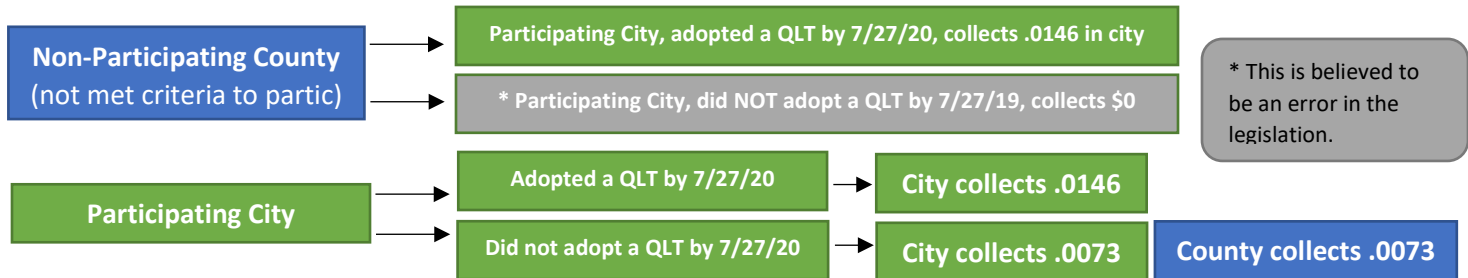
A county and city may enter into an interlocal agreement with other local government or public housing authority to pool the tax receipts and pledge those taxes to bonds.

### For the first year (7/28/19 – 7/27/20)



### After the first year (7/28/20 - onward)

The same as above, except as noted below:



## Reporting requirements

A county or city imposing the tax must report annually to the Department of Commerce on the collection and use of the revenue. Commerce must submit an annual report to the legislature on the use of the funds. Commerce must adopt rules about the reporting requirements by 12/1/19.

## Funds Available

By 12/31/19, or within 30 days of a county or city authorizing the tax, whichever is later, the Department of Revenue (DoR) must calculate the maximum amount of the tax distributions for each county and city authorizing the tax, based on SFY2019 taxable retail sales (*note: this amount is fixed and is not adjusted each year*). Any tax collected in excess of the maximum calculated amount goes to the State General Fund. Taxes are collected by DoR and remitted to each participating county and city.

<b>Note:</b> Kitsap County <i>projection</i> based on 5/18 -4/19 tax data. Department of Revenue is responsible for final calculations for each County and City authorizing the tax based on SFY 2019 taxable retail sales.		What-if 0.0146%	What-if 0.0073%
	Bainbridge Island	86,956	43,478
	Bremerton	157,010	78,505
	Kitsap County	359,906	179,953
	Port Orchard	89,039	44,520
	Poulsbo	73,273	36,637
	<b>Total</b>	<b>766,185</b>	<b>383,092</b>

**Kitsap Regional Coordinating Council (KRCC)**  
**Affordable Housing Taskforce (AHTF) Draft Meeting Plan**  
 Draft v.9-10-19

**Purpose:** The purpose of this document is to outline the meetings, activities, and outcomes the Kitsap Regional Coordinating Council's (KRCC) Ad-Hoc Affordable Housing Taskforce will cover in 2019. The goals of the KRCC AHTF include the following:

- Creating new funding mechanisms to support affordable housing in Kitsap County;
- Identifying new policy alternatives to support affordable housing in and across Kitsap jurisdiction; and
- Updating the Interlocal Agreement (ILA) between Kitsap County and Local Jurisdictions.

Meeting #1: January 8, 2019 – Kick-Off Meeting	Meeting Logistics and Materials	Meeting Outcomes
<b>Agenda Topics:</b> <ul style="list-style-type: none"> <li>• Welcome and Introductions</li> <li>• Chair's Comments</li> <li>• Participation Confirmation</li> <li>• Meeting Schedule</li> <li>• Review of Background Materials</li> <li>• Information Sharing and Discussion</li> <li>• Confirm meeting schedule through 2019</li> </ul>	<b>Meeting Materials</b> <ul style="list-style-type: none"> <li>• 1/8 Proposed Agenda</li> <li>• Background Reading Guide</li> <li>• Draft Meeting Plan</li> <li>• Background Reading</li> </ul>	<b>1/8 Meeting Outcomes</b> <ul style="list-style-type: none"> <li>• Confirmed draft AHTF meeting plan and schedule</li> <li>• Confirmed KRCC AHTF members and alternates</li> </ul>
Meeting #2: March 21, 2019 – Affordable Housing Policy Tools	Meeting Logistics and Materials	Meeting Outcomes
<b>Agenda Topics:</b> <ul style="list-style-type: none"> <li>• Welcome and Business</li> <li>• Foundations of the Affordable Housing Task Force</li> <li>• Existing Conditions in Kitsap County</li> <li>• Affordable Housing Policy Tools</li> </ul>	<b>Meeting Materials</b> <ul style="list-style-type: none"> <li>• March 21 Proposed Agenda</li> <li>• Membership List</li> <li>• January 10 Meeting Summary</li> <li>• Draft Norms and Expectations</li> <li>• Draft Meeting Plan</li> <li>• Affordable Housing Terminology</li> </ul>	<b>3/21 Meeting Outcomes</b> <ul style="list-style-type: none"> <li>• Completed the draft Affordable Housing Policy tool matrix so that each jurisdiction has an understanding of what other jurisdictions are doing to promote affordable housing.</li> </ul>

<ul style="list-style-type: none"> <li>• Explore the Possibility of an Emergency Declaration for Affordable Housing</li> <li>• Public Comments</li> <li>• Questions and Announcement</li> <li>• Adjourn</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable Housing Tools Matrix</li> <li>• RCW 84.52.105</li> <li>• Jefferson County and City of Bellingham State of Emergency Declarations</li> <li>• Emergency Declaration Process Memo</li> </ul>	
<b>Meeting #3: May 16, 2019 – Housing Experts Panel</b>	<b>Meeting Logistics and Materials</b>	<b>Meeting Outcomes</b>
<b>Agenda Topics:</b> <ul style="list-style-type: none"> <li>• Welcome and Business</li> <li>• Review of Affordable Housing Homework</li> <li>• Education &amp; Dialogue: Affordable Housing Panel</li> <li>• Public Comments</li> <li>• Questions and Announcements</li> <li>• Adjourn</li> </ul>	<b>Meeting Materials</b> <ul style="list-style-type: none"> <li>• AHTF Terminology for Defining “Affordability”</li> <li>• March 21 Meeting Summary</li> <li>• Existing Affordable Housing Policy Tools “Homework”</li> <li>• Panel Discussion</li> </ul>	<b>5/16 Meeting Outcomes</b> <ul style="list-style-type: none"> <li>• Recommendation to focus on affordable housing efforts on “workforce housing”</li> <li>• Affordable Housing Developer Outreach Summary compiled by Housing Experts Panelists</li> </ul>
<b>Meeting #4: July 18, 2019 – Funding for Affordable Housing</b>	<b>Meeting Logistics and Materials</b>	<b>Meeting Outcomes</b>
<b>Agenda Topics:</b> <ul style="list-style-type: none"> <li>• Welcome and Business</li> <li>• AHTF Purpose</li> <li>• KRCC Staff Report Out</li> <li>• Education &amp; Dialogue: HB 1406</li> <li>• Education &amp; Dialogue: Coordinated Grant Program</li> <li>• Administrative Agenda</li> <li>• Wrap Up</li> <li>• Public Comments</li> <li>• Adjourn</li> </ul>	<b>Meeting Materials</b> <ul style="list-style-type: none"> <li>• AHTF Terminology for Defining “Affordability”</li> <li>• May 16 Meeting Summary</li> <li>• Updated AHTF charter with a draft purpose statement</li> <li>• Affordable Housing Developer Outreach Summary</li> <li>• Kitsap Affordable Housing Conceptual Framework</li> </ul>	<b>7/18 Meeting Outcomes</b> <ul style="list-style-type: none"> <li>• Recommend a motion to the KRCC Board regarding each jurisdiction taking action for affordable housing.</li> <li>• Recommend a motion to the KRCC Board regarding a resolution for each jurisdiction to independently implement HB 1406.</li> </ul>

	<ul style="list-style-type: none"> <li>• Washington State HB 1406 Summary</li> <li>• HB 1406 Overview from Association of Washing Cities (AWC)</li> <li>• City of Poulsbo Resolution in support of HB 1406</li> </ul>	
<b>Meeting #5: September 2019 – Wrap Up</b>	<b>Meeting Logistics and Materials</b>	<b>Meeting Outcomes</b>
<b>Agenda Topics:</b> <ul style="list-style-type: none"> <li>• Chair’s Welcome</li> <li>• Committee Updates and Action Items</li> <li>• Education &amp; Dialogue: Surplus Public Lands</li> <li>• Education &amp; Dialogue: Coordinated Grant Process</li> <li>• Education &amp; Dialogue: Community Land Trusts</li> <li>• Administrative Agenda</li> <li>• Wrap Up</li> <li>• Public Comments</li> <li>• Adjourn</li> </ul>	<b>Meeting Materials</b> <ul style="list-style-type: none"> <li>• AHTF Terminology for Defining “Affordability”</li> <li>• July 18 Meeting Summary</li> <li>• KRCC Board Resolutions for Affordable Housing</li> <li>• Updated AHTF charter with a draft purpose statement</li> <li>• HB 1406 Funding Amounts</li> <li>• Meeting work Plan</li> </ul>	<b>9/19 Meeting Outcomes</b> <ul style="list-style-type: none"> <li>• (TBD)</li> </ul>