



## Jenny Durkan's Affordable Seattle Agenda More Housing Now

Seattle is becoming increasingly unaffordable for working and middle-class families, and as our city rapidly grows, home prices and rents are continuing to surge. Too many Seattle residents on fixed or limited incomes are being pushed out of the city as a result, or even worse, pushed into homelessness. We need to take action on bold, yet thoughtful, progressive solutions to help those who are on our streets, or at risk of ending up there.

A recent national study found that every \$100 increase in average rents in urban areas increases the homeless population by 15 percent. In Seattle, rents have skyrocketed 57 percent in just the last six years alone. That amounts to a \$635 a month increase for the average renter, and rents here are continuing to rise six times faster than the national average, according to a [recent article](#) in the Seattle Times.

By latest count, there are 8,500 people experiencing homelessness in Seattle on any given night. About 5,000 people find space in shelters, but more than 3,500 people are sleeping in doorways and tents under freeways, or living in their cars. Housing is a human right: in our very prosperous city we simply must do more to make this a reality and bring people inside and off the streets, and out of tents, doorways and vehicles.

While we need immediate shelter options, unsanctioned homeless encampments aren't a solution. Neither is allowing RV and car parking across the city. Neither are tied to adequate services, basic human needs, or sanitation and garbage collection. We must have a system centered on respect and dignity. Safety is also critical. This means we need a better, safer place to go than encampments, and need to have a system that keeps loved ones together, connects them with services, and protects their property. We must not take actions that criminalize poverty and must defend the rights of people who are experiencing homelessness.

We also must recognize that our failure to deal with the homeless crisis is impacting everyone in our city and we must do better.

**Jenny believes we must do better and we must act urgently.**

In the first days of the next mayor's term, the crisis of housing affordability requires an immediate response. While the City has made some real progress in improving outreach to people experiencing homelessness and quickly getting people back into apartments, housing supply and affordability continue to be huge barriers.

We also need to prevent homelessness in the first place. Over the course of this campaign, Jenny has talked to so many in the city who could be just one medical crisis, layoff or one rent increase away from losing

their home. We need to urgently increase the amount of affordable housing, but too many rent-burdened Seattleites cannot wait the years that will take. We must have programs to help those who are at risk of being priced out of Seattle **now**. Otherwise too many more people will fall into homelessness, or be pushed out of our community.

The causes of homelessness are complex and include a growing problem of drug addiction and other behavioral health issues. But the inability to move people to homes is rooted in the city's unaffordable housing market. There are 46,000 people in Seattle spending more than half their incomes on rent. Young people with student loan debt struggling to pay their rent, seniors whose retirement isn't adequate to cover rising costs in the city, families with parents working multiple jobs to make ends meet. After paying rent, severely housing cost-burdened households don't have money left after rent to cover food, transportation, childcare, and health care costs. Many live on the brink of homelessness or displacement every month: a job loss, a few cuts in hours, or a rent increase can land them out on the streets.

Today, our community's safety net is failing too many, especially people of color and immigrants. Many people make just a little too much money to qualify for the Seattle Housing Authority (SHA) housing programs, but after paying rent they don't come close to earning enough to cover all of life's expenses. Too many cannot escape hunger many days of the month. That is not good enough. We must ensure that vulnerable tenants have support to stay in their homes without sacrificing their basic needs.

Our city's priority has been "housing first" - meaning our priority is to provide stable housing solutions for people in Seattle. Jenny agrees with that approach.

There are some, including Jenny's opponent, who want to "restart" the HALA process. Jenny believes that is the wrong direction. Even with HALA, we are years away from turning housing fees paid by developers into affordable homes. As Mayor, Jenny will accelerate the process, but the reality is land acquisition, permitting and construction all take time. And too many in this city do not have that time. They need help today.

While HALA is not perfect, we need to improve it, including dramatically shortening the time it takes to get permits to build, not abandon it. We must not let up on pushing toward the goal of 20,000 new affordable housing units if we are to address the housing crisis in our city. If we "restart," we lose the commitment of developers, housing advocates, neighborhoods and other stakeholders who forged the historic agreement, and we essentially are telling people who need help now that they do not matter.

But we must act urgently and give some additional immediate relief. That's why Jenny has already proposed providing up to 700 additional beds in emergency shelters as well as expanding and improving interventions with families living in cars and RVs. And Jenny has committed to working with King County Executive Dow Constantine next year on a regional approach to homelessness that will address the gaps in our existing homelessness services delivery system, including creating more 24/7 low barrier shelter, increasing access to drug addiction and mental health treatment, and creating more permanent supportive housing with wraparound services for the most disabled on our streets, as well as other pathways to help those living outside to permanently exit homelessness.

Today, Jenny is announcing three new policies to build on the need for urgent action as part of her Affordable Seattle Agenda – Housing Now.

**1. Rent Vouchers: Keeping Families in Their Homes**

Prevention is a critical component. We must expand what the City is doing to keep families in their homes and prevent homelessness. Average rent prices continue to climb. Rents in Seattle have skyrocketed 57 percent in just the last six years alone.

People with income less than 30% of Area Median Income (AMI) are currently eligible for preferential wait lists for city and county housing authority assistance. People above 30% AMI with incomes less than half of AMI have no preferential wait list status for public housing, and as a consequence have to wait several years to receive assistance. Many are people trapped in rent payments taking more than half of what they earn every month, leaving little left-over to pay for other necessities. Here is what income numbers and rent costs really mean for families:

Income levels based on percentage of [Area Median Income](#):

Family Size	30% of AMI	40% of AMI	50%
1 person	\$20,200	\$26,880	\$33,600
2 persons	\$23,050	\$30,720	\$38,400
3 persons	\$25,950	\$34,560	\$43,200
4 persons	\$28,800	\$38,400	\$48,000
5 persons	\$31,150	\$41,480	\$51,850
6 persons	\$33,450	\$44,560	\$55,700

Affordable housing below these rates is increasingly rare. That’s why if she is elected mayor Jenny Durkan will implement a City-run rent voucher program to assist severely rent-burdened lower income families pay for their housing. This program will be carefully designed to help those vulnerable families between 30-50 percent of AMI live securely, with enough money for rent, food and medicines without the constant fear of eviction when something minor – a car problem, a child’s illness – goes wrong. Rental assistance through a rent voucher program can help vulnerable households make up the difference between keeping a roof over their heads and being pushed out onto the streets. Our families deserve the security of knowing that they can put food on the table without facing eviction.

Jenny’s rent voucher program will be phased in over the next several years. Initially the program will start by providing people who are already on the SHA waiting list, but without preferential status (and therefore unlikely to ever receive subsidized housing under the existing system), a voucher to help with their rent, a cost of about \$2.2 million. Then we will expand the voucher program to serve about 8,500 families whose rent is such a large part of their income they often don’t have enough left over for food and other basics.

This will cost about \$13 million a year. Then, as we develop stronger funding, we will expand the program, to provide relief to all income-eligible tenants moderately cost-burdened, subsidizing the difference between 45% of a tenant’s income and the cost of their rent. This will serve approximately 23,230 individuals and cost about \$60 million.

Timeline	How to define population served	Approximate households served	Total estimated program cost, including administrative costs
Week 2 of the new administration	Everyone currently on the SHA waiting list without preferential status (30-50% AMI up to 50% housing cost-burden)	350	\$2.2 million
Pilot phase	30-50% AMI up to 50% housing cost-burden	8,400	\$13 million
Full program	30-50% AMI up to 45% housing cost-burden	23,000	\$60 million

As in existing housing assistance programs, landlords and tenants will be held to reasonableness standards for rent, security deposits, and health and safety codes. A formula limiting rent increases will be designed to both protect tenants and offer landlords security that they can afford their expenses and earn a reasonable return on their investments. High-performing landlords that consistently participate in the program and deliver quality service to voucher-recipients may receive tax abatements.

Seattle Housing Authority (SHA) already has a well-developed system to evaluate tenant applications, inspect rental units for health and safety, and distribute voucher money. To reduce overhead costs, we’ll collaborate with SHA to administer the program. Under the City’s program all income qualified households, regardless of immigration status, criminal records, or family relationship, will be eligible for the city-supported voucher program. There will also be a residency requirement. To qualify, families must have been in Seattle for some period of time, and they can prove that through a variety of means – housing, employment, a social services letter, a driver’s license application.

As the program is rolled out, an outreach campaign should support low-income tenants with enrollment, and an information campaign should inform landlords about how and why they should participate. This City voucher system is not meant to replace or even replicate current federal housing programs. This is a program focused on two urgent problems – Seattle’s growing rent affordability problem coupled with a lack of leadership coming from the current administration in Washington D.C. We will also prioritize moving the people receiving this assistance to new affordable housing as it becomes available.

## **2. Building Micro-Housing: Providing a Step Up for Those Stuck on Our Streets**

There is no one solution that will end homelessness. We need to have a range of strategies and a spectrum of emergency shelter as we move people to permanent homes. Jenny has already proposed creating 700 additional short-term shelter spaces by opening shelter in every council district. But we need to do more. One additional strategy is to expand the availability of micro-housing, defined as small, low-cost units that will have heat, insulation, and basic utilities.

Similar sorts of housing known as “tiny homes” have been piloted in several neighborhoods, constructed with the help of organizations like Compass Housing Alliance and the Low Income Housing Institute, the Building Trades Unions, and dedicated volunteers. Micro-housing is not a long-term solution. But experience has shown that this sort of approach will provide safer, healthier alternatives to unauthorized tent encampments, and they are most effective if developed through a process of meaningful community engagement. Unfortunately, the City has not embraced this alternative to unsanctioned encampments. If elected mayor, Jenny will change that.

Everyone in Seattle should be part of the solution to homelessness. Rather than concentrating emergency housing in already-distressed neighborhoods, Seattle needs to have a robust city-wide conversation about siting and each Council District needs to do their share and welcome new micro-housing communities.

These micro-housing communities will be developed with strong community input. The City will initiate an open and transparent city-wide conversation about siting. We will convene a comprehensive advisory committee, including community groups, churches, mosques, synagogues, labor, neighborhood organizations, city agencies and business for a robust city-wide conversation to broaden understanding of the tiny house strategy and guide its implementation.

Jenny’s goal is to create 1,000 new micro-houses in Seattle in her first year as Mayor to move people out of encampments and off our streets. Using a combination of volunteer power and contracts with companies to produce insulated micro-houses for an estimated \$10,000 each, we could potentially construct several thousand units of such housing in a few years’ time at a reasonable cost.

## **3. Delivering on the Promise to Create More Affordable Housing**

Rather than restarting the HALA process that will create more housing, as Jenny’s opponent has called for, we need to move faster on HALA’s promise of delivering homes for people to live in. As mayor, Jenny will create urgency around new affordable housing development and make sure we actually get housing built.

The city must vigorously pursue the Mandatory Housing Affordability (MHA) plan that’s part of the City’s Housing Affordability and Livability Agenda (HALA) to increase the supply of affordable housing. There must be tight, careful oversight to ensure that HALA recommendations are cost-effective and deliver the maximum possible number of affordable units. We will encourage developers to build affordable units on their building sites rather than paying into the city’s fund, to increase the diversity of our communities and avoid displacement and gentrification, and produce affordable housing on a shorter timeframe.

We must find ways to bring affordable housing online faster. This means taking a hard look at the City’s permitting process and coordination between city departments. There is no reason that permitting an

affordable housing project should take three years, as is too often the case currently. If elected mayor, Jenny will direct departments to design a process to speed the development of affordable housing projects by cutting permitting and review time in half.

### **Budget and potential funding sources: Making it work!**

The following are cost estimates for each element of the program:

- Micro-housing: \$10 million for the first year
- Help those immediately on the SHA waiting list: \$2.2 million
- Pilot Phase Rent Voucher: \$13 million for first phase
- Full implementation of Rent Voucher: \$60 million second phase

The Housing Levy is used to purchase property for affordable housing units. But there can be a multi-year lag time between purchase and construction. Jenny will work with every City Department – not just the Office of Housing -- to identify suitable existing city property as well as land swaps and purchases to build more affordable housing and that can be used for micro-housing sites during the permitting phase. Additionally, we will work with churches, mosques, synagogues and other governments (County, School District, Port of Seattle) to find suitable locations. We estimate the building cost of each insulated tiny house is about \$10,000 – and perhaps could be less if we leverage volunteer and non-profit assistance.

To provide immediate relief to people earning between 30% and 50% of AMI who have qualified for SHA assistance but are on the waiting list would be \$2.2 million. The pilot phase of the Rent Voucher program, serving approximately 8500 people is \$13 million. Full implementation, serving 23,260 people is \$60 million.

There are a variety of potential funding sources for these programs. The city is building its budget right now. In addition to over \$50 million in service contracts related to homelessness, the City has spent in excess of \$10 million on unplanned costs responding to the emergencies on our streets. Acting smarter and more humanely will allow us to use these funds for helping people. Jenny will call upon the City Council to include in the current budget the funding needed here to implement the initial phase of the rent voucher program as well as initial funding for micro-housing construction, so we can begin to address the crisis.

In addition, if elected Jenny plans to pursue the following funding options:

First, she is committed to find any money available in the current budget to manage this crisis. Then, she will work with affected stakeholders and pursue options such as:

- Increasing the commercial linkage fee on city-owned land when disposed to the market.
- Create a fee for landlord licenses. Seattle has a Rental Registration and Inspection Ordinance that requires landlords to register all rental housing units in Seattle, as well as pass a health and safety inspection. Jenny will ask for a reasonable fee of \$100 associated with this license every five years.
- Medicaid waiver funds. Medicaid waiver funds can be spent on housing if it is a one-time cost. Jenny will work with the King County Accountable Communities of Health to advocate for part of this funding to pay for the micro-housing construction.
- Jenny has said that she will use revenue from city income tax funding, which totals about \$140 million per year, to lower regressive taxes and she intends to keep that promise. But given this emergency, she will also use a portion of that funding to pay for the rent voucher program.

As is all too clear, we need comprehensive tax reform and our taxation system hamstrings our ability to fund our priorities. If Jenny is Mayor she will fight for tax reform. But today, revenue sources available to the City of Seattle, and all local governments in the state, are limited. We keep going to the same well and taxes are increasing our affordability problem. We must fix this. Cities experiencing the type of growth Seattle is must have additional revenue tools to deal with the impacts and we need to have a more equitable system so we can lower regressive taxes.

If the income tax is upheld, this situation will improve and we will be able to fund priorities and lower regressive taxes. But to improve affordability, cities also need more flexibility to reduce taxes on seniors, to target property tax incentives to preserve affordable housing, to have growth pay for growth (and the resulting lack of affordability) and to generate revenues tied to specific impacts. We need comprehensive tax reform. But to improve the affordability crisis, Jenny will go to Olympia and advocate for:

- Expanded authority to reduce property taxes on seniors.
- Expanding property tax incentives for affordable housing.
- Expanding the multi-family tax exemption to property owners that provide affordable housing.
- Authority to implement a Graduated REET/Mansion Tax of 1% on homes sales above \$1 million and 2.5% on home sales above \$2 million; and
- A promise of HALA was for the City to seek authority from Olympia to give local governments the option to add .25% to the existing Real Estate Excise Tax to help fund affordable housing. Jenny will leverage her strong relationships in Olympia to get that authorization.
- Explore taxing speculative real estate practices that displace low-income communities and communities of color, including higher taxes or fees on short term flips, second homes or vacant properties.
- Explore innovative financing alternatives to bring more resources to the problem.