

STATE OF CRISIS, from page 4

Vancouver is the fifth largest city in Washington, but it feels more like a large, sleepy town. The housing crisis came to Vancouver in late 2014 with a ferocity no one expected.

Vancouver's vacancy rate is below 2 percent. The city has one of the fastest growing rental costs in the nation – between 2014 and 2015, rental costs increased by 15.6 percent. According to the city, household income rose by an average of 3.1 percent in the last five years, but average rental costs have increased by 38.3 percent.

There are approximately 80,000 households in Vancouver, according to city figures. A little over 16,000 households spend more than 30 percent of their income on housing costs. Approximately 7,100 households are rent-burdened, spending more than 50 percent of their income on housing costs.

The demand for subsidized and Section 8 housing is so high the Vancouver Housing Authority no longer employs a wait list. Instead, the authority now gives any open units to the most vulnerable and at-risk.

Homelessness has also markedly increased by at least 11 percent – there are now 690 homeless people living in Clark County, according to preliminary numbers from Vancouver's Council for the Homeless. The number mirrors research published in the Journal of Urban Affairs, in December 2013, which found that a \$100 increase in monthly rent corresponds to a 15 percent increase in urban homelessness and a 39 percent increase in rural areas.

"There is a correlation," Kooistra said, noting an average rent increase of \$115 a month in Seattle's King County.

Vancouver has also experienced mass evictions. In late 2014, the landlord of the Courtyard Village Apartments, a 16-apartment complex, gave a 20-day no-cause eviction notice to everyone who lived in the complex in order to renovate.

In response, the Vancouver City Council passed ordinances in September 2015 to require a 60-day notice for no-cause evictions, instead of 20 days; a 60-day notice for rent increases of 10 percent or more, instead of 20 days; and an ordinance prohibiting landlords from discriminating against prospective tenants because of the source of their income, such as Section 8 vouchers.

On April 11, the City Council declared an affordable housing emergency, the first step to putting a property tax measure on the ballot.

In early May, the council is expected to decide the details of how much to tax and for how many years. The maximum amount the city could pursue would tax 50 cents per \$1,000 of assessed property value, but it is more likely that the council will propose a tax of 36 cents per \$1,000 of assessed value – a tax of approximately \$90 for a home worth \$250,000, the median home value in Vancouver.

If passed, the levy would raise approximately \$6 million dollars each year for seven years, a total of about \$40 million dollars, and pay for building new affordable housing, preserving existing housing, and homeless prevention services. The levy's funds would help people who earn 50 percent of median family income, or about

\$33,750 for an individual.

The Council for the Homeless is the nonprofit organization spearheading the levy campaign. Silver, the organization's executive director, expects the levy to be approved.

"The housing crisis has affected so many people that housing is one of the major issues in our community," he said.

Silver said the levy, if passed, could leverage an additional \$200 million in state and federal dollars. "What we're asking from the voters is for this very small investment on the front end, we can get this huge \$200 million investment in affordable housing. When they hear that, when the housing crisis is affecting all of our community, it will be an easy vote," he said.

"It's the right time to do this. The need is in our community and is only going to get worse without action."

Historically, Seattle has been the only city on the West Coast to have a dedicated stream of revenue for affordable housing. Since 1981, Seattle's Housing Levy has been approved five times by voters in large margins. The levy has generated \$400 million since its existence, and the levy has leveraged other state and federal dollars to build over 12,500 apartments affordable to formerly homeless individuals and families, seniors and workers who make low and moderate wages. The levy's funds have also provided homeownership assistance to over 800 first-time home owners and prevented homelessness or displacement of more than 6,500 low-income households by providing emergency rental assistance.

Despite those efforts, more than 45,000 households in Seattle are "rent-burdened," meaning households spend more than half their incomes on housing, according to the city, and more than 2,800 Seattle citizens are homeless.

The city is taking even more aggressive steps to build and preserve affordable housing. In late 2014, Seattle Mayor Ed Murray convened the Housing Affordability and Livability (HALA) Committee, which was charged with developing an agenda for increasing affordability in Seattle.

In 2015, the group released its recommendations, which the Seattle City Council accepted in September 2015. Recommendations include a brokered agreement between the city, housing advocates, real estate and development industries that has become known as the "HALA Agreement."

The HALA Agreement calls for building 50,000 new homes in Seattle in the next 10 years; 30,000 of those units will be market-rate, and the other 20,000 units will be affordable to people who make 30 percent of the median area income, or \$18,850 for an individual and \$26,900 for a family of four.

Building 50,000 homes within 10 years will require tripling the historical amount of

housing construction in Seattle, making it an ambitious goal. But the HALA Agreement also includes regulations on development and creating different revenue streams that will allow for increased construction.

The agreement requires mandatory inclusionary housing throughout Seattle and requires developers to reserve 5 to 7 percent of units in every new multifamily building, which will be affordable to people who earn up to 60 percent of King County's median family income (MFI), which is \$37,680 for an individual and \$53,760 for a family of four.

The agreement also created a commercial linkage fee, which charges between \$5 and \$14 per square foot of any new commercial development. The fee will be phased in over three years and will fund affordable housing for severely low-income families and individuals.

The HALA Agreement, Anderson said, "puts (Seattle) way ahead of every city on the West Coast."

Kooistra, of the Housing Development Consortium and a member of the HALA committee, said the agreement is a victory.

"The entrenched embattlement between mandatory versus voluntary (regulatory) stuff has been going on for 20 years," he said. "The battle lines were already drawn when we started."

He went on to say that the 20,000 units of affordable housing is still "significantly short of what we really need. It is, conversely, three times what we have ever done. Is it enough? No. But it will certainly help."

Seattle's Housing Levy is up for renewal this year, and the city is proposing that voters double the levy, another recommendation of the HALA committee. The doubled levy would generate \$290 million in seven years by taxing 26 cents per \$1,000 of assessed value, or about \$120 for an owner of a \$480,000 home (the median home value in Seattle).

The Housing Development Consortium is leading the campaign to renew the levy, and Kooistra thinks the levy will easily pass and be doubled.

"The levy," he said, "does ask people to contribute, but it is a way for people to say they're all doing something for families below 30 percent of MFI."

Other Washington cities are following in Seattle's footsteps. In 2012, 56 percent of Bellingham voters approved a 7-year levy, the Bellingham Home Fund, that taxes 35 cents per \$1,000 of assessed value, which has created 500 units of affordable housing.

Everett, Tacoma, Tumwater and Lacey, cities in the Seattle metropolitan area and along the I-5 corridor, are planning to introduce ballot measures to create funding for affordable housing in time for the November 2016 ballot.

In late January, over 300 people attended a housing summit hosted by Skagit County's public health department. It was the first time that such a meeting had been organized in Skagit County, a rural,

northern Washington county between Bellingham and Seattle. The vacancy rate is less than 2 percent and there is little to no vacancy in subsidized or non-profit owned affordable housing. Homelessness is increasing.

Speakers presented various options for raising money to build more affordable housing, including placing a property tax measure on the November 2016 ballot. Some members of the audience, which included city and county elected officials, recommended hiring a political consultant firm, Progressive Strategies Northwest, to analyze the feasibility of placing the tax measure on the ballot. The consultant firm, based in Seattle, would charge \$2,000 to conduct the study.

When attendees heard the number, they reached for their wallets. More than a dozen people pulled out \$10s, \$20s and other dollar amounts to pay for the study that night.

Cities in California are also beginning to act. Los Angeles County government unanimously voted to commit \$300 million to build affordable housing over the next five years. San Jose City Council created a "housing impact fee fund" in 2014 that charges \$17 per square foot on new market-rate developments.

The voters of San Francisco – a city infamous for astronomically high housing prices, gentrification and displacement – passed a bond measure, by a 74 percent margin, that authorizes the city to issue up to \$310 million in bonds to fund affordable housing programs.

"Cities and counties are getting serious about what they need to do," Anderson said.

Oregon has long been a state that is wary of tax increases. In 1990, voters passed Measures 5 and 50, which limit the amount properties can be taxed to a maximum of 10 percent per \$1,000 of assessed value. Because of that, levies, in particular, can be hindered by "compression," which shrinks the amount a levy can generate if there are too many levies that generate revenue through property taxes.

But that may change in Multnomah County. "For the first time, we have the attention and support of the voters," Jes Larson, the director of the Welcome Home Coalition, said.

Larson said the coalition is beginning to organize a campaign for an initiative the coalition hopes will be on the November 2016 ballot, which will ask voters to fund general obligations bonds for affordable housing in Multnomah County.

Last year, the average rent in Multnomah County increased by an average of \$104 a month.

Larson said that while details behind the initiative and campaign are still being determined, the initiative will go to Multnomah County voters and will target creating affordable housing for people who make between zero and 30 percent of median family income.

"We know that the greatest need for affordable housing is for community members who live on fixed incomes and people who are raising families on very low incomes," Larson said. "The need is everywhere. We would do the state of Oregon if we could pass it."