



## **King County**

### **Dow Constantine**

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August 11, 2021

The Honorable Claudia Balducci

Chair, King County Council

Room 1200

C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits the Transit-Oriented Development (TOD) Annual Report. This report responds to and fulfills the reporting requirements of King County Motions 14687, 15393, and 15432, approving the 2016 TOD Bond Allocation Plan, 2019 TOD Preservation Allocation Plan, and 2019 TOD Geographic Allocation Plan.

Pursuant to the above Motions, the report provides a report to the Council on the progress of investments in transit-oriented affordable workforce housing. As specified in the Allocation Plans, this annual report describes progress through the end of 2020 of financing transit-oriented affordable workforce housing and describes projects selected for funding, amount of funding recommended per project, status of each project funded, funds expended, and financing mechanisms used. The Department of Community and Human Services (DCHS) is the lead agency managing and allocating this funding through the Housing, Homelessness and Community Development Division's Housing Finance Program.

### **Program Activity Highlights**

Through the end of 2020, DCHS has committed \$148.6 million, or 79 percent, of the \$187 million appropriated through the 2016 TOD Allocation Plan and the 2019-2020 Biennial Budget. These funds are expected to create or preserve at least 4,000 housing units in 29 affordable housing projects throughout the County. The \$38.4 million balance will be available through specific project RFPs for location specific appropriations as sites are ready; \$9.9 million of this remaining balance will be offered in the DCHS Housing Finance Program's 2021 Capital RFP.

The TOD Annual Report details the status of these commitments, briefly summarized below:

- Eleven projects providing 1,186 units of affordable TOD housing are completed and open.

- Six projects currently under construction will be complete by 2022, delivering 573 affordable units.
- Five projects now fully funded will start construction in late 2021. Two additional projects will likely reach full funding in 2021 to start construction in early 2022. Together these will create 1,192 units over the next two years.
- A site issue that caused a delay for one project, King County Housing Authority (KCHA) Trailhead, has been resolved. KCHA will acquire the site in 2021, complete permitting in 2022, and start construction on 155 units in 2023.
- Ten projects face challenges to starting construction. These challenges include needing additional financing to move forward, timing or process delays, and infeasible initial concepts. Geographic flexibility for two of these projects was addressed in the 2021-2022 budget, and DCHS is working with north and east jurisdictions to identify site opportunities and offer related RFPs in 2022. Two other RFPs (City of Burien and 272/Des Moines station area) are expected to be released in 2022. DCHS is also working with the City of Bellevue, A Regional Coalition for Housing (ARCH), and Sound Transit to identify TOD site opportunities for the Bel-Red corridor appropriation after the project selected in 2019 did not need the County funds. Five remaining projects still need tax credit allocations or alternate financing to move forward to construction.
- Since early 2021, significant cost increases for materials and labor continue to drive funding gaps in projects already awarded funding and close to starting construction. DCHS is working with project sponsors and public funder partners on a case by case basis to identify actions sponsors can take (changing design, raising fundraising dollars, etc.) to narrow budget gaps and resources funding partners can contribute to budget solutions. The eight projects starting construction in 2021/early 2022 may face new funding gap challenges, and DCHS will continue to work with project sponsors on solutions if those gaps arise.

The TOD program furthers King County's Strategic Plan goal of providing accessible, affordable housing. It supports King County's Equity and Social Justice Initiative by creating diverse, vibrant, mixed-income communities in high-capacity transit areas throughout the region.

It is estimated that this report required 30 staff hours to produce, costing about \$1,800.

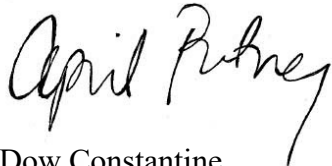
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Thank you for your continued support of our regional efforts to bring equitable development to communities in high-capacity transit areas across King County. If you have any questions, please contact Leo Flor, Director, Department of Community and Human Services, at 206-477-4384.

Sincerely,

 for

Dow Constantine  
King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Janine Weihe, acting Chief of Staff

Melani Pedroza, Clerk of the Council

Shannon Braddock, Deputy Chief of Staff, Executive Office

Karan Gill, Director of Council Relations, Executive Office

Dwight Dively, Director, Office of Performance, Strategy and Budget

Leo Flor, Director, Department of Community and Human Services