

**COUNCIL SUMMARY BACKGROUND BRIEFING:  
KING COUNTY REGIONAL COMMITTEES AND OTHER ISSUES  
*May 2019***

This briefing summarizes recent actions taken by the three regional committees formed as a result of the merger of King County and Metro. The three regional committees are the Regional Policy Committee, the Regional Water Quality Committee, and the Regional Transit Committee. Staff will also include updates on other regional issues (e.g., King County Flood Control District, King Conservation District) as appropriate. In addition, the Growth Management Planning Council (GMPC), was formed in the early 1990s to comply with the Growth Management Act requirements for collaboration of counties and their cities on countywide planning policies. The GMPC meets three to four times per year to consider amendments to the countywide planning policies and to monitor progress on implementation. This is intended as a summary briefing; staff can provide more details on any of the items below.

**REGIONAL POLICY COMMITTEE (RPC)**

***April 17 meeting summary:***

- **Solid Waste Management Plan.** In February, the RPC recommended adoption of the King County Comprehensive Solid Waste Management Plan (Plan). In April, the King County Council voted to approve the Plan with several amendments. At the April RPC meeting, the committee unanimously approved the revised Plan with two additional amendments. The two amendments address reporting on groundwater monitoring and leachate at the Cedar Hills Landfill.

**Update following the RPC Meeting**

The County Council took final action to adopt the Plan on April 24. Cities within the King County solid waste system, including Bellevue, will be asked to consider adoption of the Plan during a 120-day period that began on May 20 and will end on September 16. The City Council is currently scheduled to receive a briefing on the final Plan in June.

In order to be an approved Plan that can be forwarded to the Washington State Department of Ecology (DOE) for final action, the Plan must be adopted by cities representing 75 percent of the total population of the cities that act on the Plan during the 120-day period. King County expects to submit an approved Plan to the DOE for final approval in 2019.

- **Emergency Medical Services (EMS) System.** King County staff provided an update to the RPC on the current EMS system, proposed levy rate, levy renewal planning for 2020-2025, and the EMS Advisory Task Force recommendations to replace the levy that expires at the end of 2019. Councilmember Jennifer Robertson served as Bellevue's representative on the Task Force. EMS is a regional system that provides life-saving services to King County residents and visitors. The services provided in this system rely on coordination between fire departments, paramedic agencies, EMS dispatch centers and hospitals.

The 2019 levy rate is \$0.22 per \$1,000 of assessed value (AV). The original levy rate passed by voters in 2013 was \$0.33 per \$1,000 of AV. Due to rising property values, the rate has declined over the course of the six-year levy. A median house in Bellevue with an assessed value of \$941,000 pays about \$205 per year. Property owners in Bellevue pay approximately \$14 million per year under the levy.

The proposed EMS levy rate is \$0.265 for \$1,000 of AV for 2020-2025, which would raise \$1.1 billion over the course of the levy. A median house in Bellevue would pay approximately \$250 per year under the new rate, and Bellevue property owners would contribute a total of \$18.6 million per year.

#### Levy Approval by Cities

Under a new state law, before the levy can be placed on the ballot, at least 75 percent of cities with populations over 50,000 must pass a resolution approving placing the levy on the ballot. This requires approval by nine out of the 11 cities in King County with over 50,000 people.

The cities with populations greater than 50,000 are: Auburn, Bellevue, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, Sammamish, Seattle and Shoreline. Once the measure is placed on the countywide ballot, only a simple majority is needed for approval.

In order for the measure to be placed on the November 5 ballot, the RPC and the County Council must act by July 24, or by August 6 if the County Council passes the legislation as an emergency.

*Additional information about the EMS Levy will be presented to Council tonight as part of a Regional Issues Study Session briefing item.*

#### **May 8 meeting summary:**

- **Emergency Medical Services (EMS) System.** The RPC continued its discussion of the proposed renewal of the EMS Levy for 2020-2025.

*Additional information about the EMS Levy can be found above in the April 17 RPC meeting summary and will be presented to Council tonight as part of a Regional Issues Study Session item.*

- **Briefing on Housing Reports in Response to County Budget Provisos.** The RPC received a briefing on several reports regarding homelessness and affordable housing strategies that King County Executive Dow Constantine transmitted to the County Council in response to four provisos in the 2019-2020 budget.
  - (1) The first report addresses a Modular Dorm Plan. In 2018, the Executive launched some pilot projects to use modular housing as one way to address the challenge of homelessness. The budget proviso required that the Executive submit information about the location, configuration, project budget, timeline and outreach plan for surrounding communities.

Nine units are currently located in South Seattle on a parking lot owned by King County Metro ("SODO site") and a site on Harbor Island. Another 14 units will also be delivered to the Harbor Island site. The units located in SODO are expected to open in June. The operation of the Harbor Island units will be part of an RFP expected in the third quarter of this year.

- (2) The second report addresses the Transit-Oriented Development (TOD) Preservation and Acquisition Plan, which was developed to preserve and acquire workforce affordable housing outside Seattle in accordance with an approved TOD. The plan identifies three potential properties for the \$30 million investment, confirmed by the King County Housing Authority (KCHA) to be at risk of increased rent or redevelopment. Two properties are located in Kirkland and one is in Federal Way. The County will work with the KCHA to acquire the properties.
- (3) The third report addresses a Housing Investment Plan and a Housing Engagement Plan. To address the requirements in the proviso, the Executive and the County Council created an Interbranch Task Force (IBTF) made up of the Executive and County Councilmembers and supported by executive branch staff as well as County Council central and personal staff.

The Housing Investment Plan indicates that except for the \$1.5 million committed to the Modular Dorm Plan described above, no additional funding commitments or expenditures will be made until a priority-setting process is completed as agreed to by the IBTF.

The Housing Engagement Plan proposes that the Executive work with the County Council to establish a process for Council participation in the development of any new regional homeless governance structure, as well as any spending plan for new sources of funding for housing investments.

- (4) The final report is an allocation plan for \$30 million in TOD funds, including a proposal to prioritize projects near existing or planned light rail and those with a local match. The plan calls for investments consistent with the 2019-2020 budget which apportioned the funds as follows: \$8 million each for South, North and East King County, and \$6 million for Seattle. Proposed projects will be solicited and evaluated as part of a 2019 Housing Finance Program Request for Proposals process.

The next meeting of the RPC is scheduled for June 12.

## **REGIONAL TRANSIT COMMITTEE (RTC)**

### ***April 17 meeting summary:***

- **Equity in Mobility.** The RTC received a briefing on equity in transit and other mobility options. In November, the King County Council approved Motion 15253, asking King County Metro (Metro) to develop a Mobility Framework that would plan mobility innovations in a way that puts people first and ensures the equitable allocation of public space. The RTC's equity discussion

sets the stage for the Mobility Framework report, which will be available for RTC review in October. The RTC received a briefing from Stuart Cohen, the co-founder of TransForm, a nonprofit organization in California that addresses climate change and social inequity through transportation and housing solutions. TransForm recommends that local governments take action to:

- Authentically engage and respond to the needs of disadvantaged communities. TransForm noted that representatives of disadvantaged communities may need funding in order to consistently participate in initiatives like the Mobility Framework.
- Conduct equity demonstration projects. For example, TransForm established a free bicycle lending program in Oakland where residents can borrow bikes for up to a month.
- In urban areas, give priority to shared modes, such as public transit, high occupancy vehicles (HOV), and car shares.

Following the presentation, the RTC members discussed how Metro can incorporate the recommendations into its Mobility Framework.

- **Bus Fleet Electrification.** In 2016, the County Council approved Motion 14633, requesting that the County Executive transmit a report addressing the feasibility of achieving a carbon-neutral or zero-emission transit fleet. In response, Metro completed the Feasibility of Achieving a Carbon-Neutral or Zero-Emission Fleet report (“Feasibility Report”) in 2017. In the report, Metro proposes a goal to transition to a zero-emission fleet as early as 2034, or by 2040 at the latest, depending on technology requirements and other implementation considerations.

The RTC received a briefing on Metro’s near-term actions to implement a zero-emission fleet. Metro plans to add 120 battery-electric buses to its fleet by 2021. The Feasibility Report recommended that Metro focus early deployment of zero-emission buses in communities that are the most vulnerable to air pollution. Metro compiled factors for air quality, health, and social conditions for each census block in the Metro service area. Based on this analysis, Metro is deploying the 120 battery-electric buses from South Base in Tukwila.

#### ***May 15 meeting summary:***

- **Mobility Framework.** The RTC discussed the *Scoping Document for Metro’s Framework for the Equitable and Sustainable Implementation of Mobility*, which was transmitted to the County Council in April. As described above, the County Council directed Metro to develop a framework for implementing innovations in transit service. The Mobility Framework will:
  - Review emerging transportation technologies and their impact on transit. For example, transportation network companies (TNC) may divert ridership from public transit.
  - Develop a plan to fund and implement METRO CONNECTS, Metro’s long-range transit service vision.
  - Review policies for the use of public space. Transit competes with TNCs, private employer shuttles, delivery loading zones and other activities for limited curb space.
  - Review industry-wide workforce trends. Emerging vehicle technologies such as autonomous vehicles may change the demand for labor in the transportation sector.

According to the scoping document, the Mobility Framework will describe existing conditions, best practices, opportunities, and challenges associated with each of these issues. The equity and sustainability impact of each issue will also be assessed.

The scoping document notes that the final Mobility Framework report will be reviewed by the RTC in October. In 2020, the RTC will use recommendations from the Mobility Framework to update the following policy documents:

- The Strategic Plan for Public Transportation which describes a vision for the future of the County's public transportation system and sets goals, objectives, and strategies for achieving the vision.
- The Service Guidelines define Metro's process for incrementally adding or reducing transit service.
- **Guiding Principles.** The County Council directed Metro to develop "guiding principles that will inform the Mobility Framework development work, including putting people first." In addition to addressing the central themes of equity and sustainability, the guiding principles include related issues such as responding effectively to innovation. Metro will revise the guiding principles based on input from the RTC and other stakeholders.

The next meeting of the RTC is scheduled for June 19.

## **REGIONAL WATER QUALITY COMMITTEE (RWQC)**

### ***May 1 meeting summary:***

- **King County 2019 Sewer Rate, Capacity Charge, and Capacity Charge Affordability Proposal.** The Committee received an informational briefing from the King County Wastewater Treatment Division (WTD) finance staff regarding the County Executive's proposal for a County wholesale 2020 sewer rate, capacity charge, and expansion of the County's capacity charge discount programs. The rate and capacity charge ordinance will be reviewed by the County Council's Budget and Fiscal Management Committee and then by the County Council for final action prior to June 30.

The proposed rate and capacity charge ordinance would:

- Retain the monthly wholesale sewer rate for 2020 at \$45.33, which represents no change from the 2019 rate;
- Set the 2020 monthly capacity charge for new connections to the regional system at \$66.35, which is a 2.9 percent increase over the 2019 rate of \$64.50; and
- Establish a new set of policies to assist low-income capacity charge customers.

## **County Executive's 2020 Wastewater Rate, Budget and Capacity Charge**

### Wastewater Rate

The County Executive is proposing to retain the 2019 monthly sewer rate for 2020. The rate is \$45.33 per month. A typical Bellevue residential customer pays a total of \$83.58 per month for wastewater, which includes the \$45.33 County rate plus a local rate and taxes.

### Wastewater Capacity Charge for New Connections

The proposed 2020 capacity charge for new connections is \$66.35 per month for 15 years which is a 2.9 percent increase, or an additional \$1.85 per month, compared to the 2019 charge of \$64.50. Approximately \$0.50 of the \$1.85 increase is needed to address the anticipated revenue lost to cover the new reduced capacity charge program for income-restricted affordable housing, described below. The charge can be paid monthly over 15 years for a total of \$11,943. The charge can also be paid in an up-front lump sum amount of \$9,280.

### **Operating Budget**

The 2019 operating expenses are projected at \$172.7 million and \$168.8 million in 2020, a 2.25 percent reduction. This is primarily due to cost containment efforts, including energy and other efficiency initiatives.

### **Capital Budget**

The capital budget projections for 2019 and 2020 are higher than those forecast in the 2019-2020 budget. 2019 capital spending is forecast at \$226 million, approximately \$6.5 million more than the budget forecast of \$219 million. 2020 capital spending is forecast at \$272 million, approximately \$8.3 million more than the \$265 million forecast. These increases are driven by costs associated with major capital projects anticipated in the next several years, including: investments for combined sewer overflow projects in Seattle (Georgetown Wet Weather Treatment Station and the Joint Ship Canal Water Quality CSO Control); the Thornton Creek Trunk Replacement and Realignment; the North Mercer Island and Enatai Interceptors Upgrade; and the Lake Hills Interceptor Refurbishment. The last two projects include elements in Bellevue.

The Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) submitted a letter to the County Council supporting the sewer rate proposal. At the time the letter was prepared, the County did not have a capacity charge proposal available for review.

### **Capacity Charge Affordability Study and Proposed Affordability Policies**

The County undertook a study regarding affordability issues related to the King County capacity charge, which is the charge assessed by the County on new connections. The study documented and characterized wastewater customer income challenges and identified a range of assistance program options. King County worked with the MWPAAC over the course of the study. Outreach for the study also included engagement with affordable housing development organizations.

Based on the research and input received, four recommendations were identified:

1. Connect customers with community support services,

2. Improve payment plan options for customers with temporary hardships,
3. Defer payment through property liens for qualified low-income homeowners, and
4. Reduce the capacity charge for income-restricted, affordable housing.

The RWQC received a briefing on this study at its February meeting. The County Executive has proposed adopting all four options to improve rate affordability.

The following provides more detail about the proposed affordability changes:

1. Connecting customers with support services

The WTD would work with Washington 2-1-1, which maintains a statewide database of community human services resources, as a partner to connect customers experiencing financial hardship with free support services.

2. Additional payment plan options

The WTD would allow delinquent account holders up to a full year to pay outstanding balances through monthly payments. This is designed for customers experiencing acute hardship and a temporary inability to pay. To qualify, customers must have a history of on-time payments or successful completion of previous payment plans.

3. Payment deferral through property liens

This would allow qualifying low-income homeowners to defer payment of the capacity charge through the placement of a property lien for the balance owed, including waiving fees and a reduction in the interest rate. Customers would need to qualify for the State's property tax exemption program for seniors and disabled persons to be eligible for this assistance.

4. Reduced capacity charge for income-restricted affordable housing

This would expand the range of affordable housing units and structures eligible for reduced charges to include all unit sizes and more structure types. Currently only studio-sized units in multi-family buildings are eligible for a 50 percent discount in the capacity charge.

### **Affordable Housing**

To be eligible for this 50 percent discount the occupants and affordable housing units must meet the following criteria:

- Multi-family structures must have at least 51 percent rent-restricted housing units set aside for persons with incomes of not more than 80 percent of the median income of the county. The reduced capacity charge only applies to the qualifying income-restricted units.
- Single family units must be rent-restricted for households with incomes of not more than 80 percent of the median income.
- Owner-occupied residential units must be the principal residence owned and occupied by a household which, at the time of initial ownership and occupancy, has a gross annual household income at or below 80 percent of the median income. The property must also be limited to only allow future transfers of ownership to persons meeting the same income requirements and transfers must be at an affordable price as defined in the ordinance (mortgage payments not more than 35 percent of gross monthly income).

- For private developers, the low-income requirements must be in place for 40 years. For government or non-profit development, the requirements must be a legally enforceable condition of construction and operation of the housing, in perpetuity.

### **Shelters/Transitional Housing**

The second part of the County's proposal to discount the capacity charge addresses development of shelters and transitional housing for people experiencing homelessness. The housing must be owned by a government or a nonprofit corporation and operated as a shelter or transitional housing for residents receiving support services from a county-recognized government assistance program for homelessness. The discount would work as follows:

- Structures with distinct dwelling units (multi-family or detached homes) would be charged a special rate of 0.32 Residential Customer Equivalents (RCE) per dwelling unit. The regular rate for a detached home is 1.0 RCE, and between 0.64 and 0.8 RCE, depending on building size, for multi-family units.
- Structures such as dormitory-style shelters would be charged based on a fixture count at a reduced rate of 50 percent of the usual fixture count charge for a non-shelter dormitory or other alternative housing structure.

According to King County, of the four proposals to enhance affordability, only the reduced capacity charge for income-restricted affordable housing and shelters/transitional housing would have a substantive impact on revenue. The WTD has reported that the two options that defer payments will only change the timing of revenue and will not cause a negative revenue impact. The reduced capacity charge for income-restricted affordable housing and shelters/transitional housing is estimated by the WTD to result in an annual loss of \$2.25 million, which would be spread across the rate base of new capacity charge customers.

Committee members asked about the burden of managing this new program, including oversight of affordable housing development to ensure properties continue to serve the target population. Staff explained that the WTD would not be qualifying new or additional housing but instead would depend on existing entities that already monitor or enforce affordable housing.

The new affordability discounts are expected to become effective in June.

- **Joint Ship Canal Briefing.** The Committee received a briefing from Seattle Public Utilities staff regarding the Joint Ship Canal Water Quality Project (Project) of King County and the City of Seattle.

The RWQC last received a briefing on the Project at its June meeting. A key point of interest and concern at that time was related to possible increased cost projections and how the County and Seattle will share the new additional costs.

The latest materials from the County show the Project total having increased to \$570 million from the original \$423 million cost estimate in the King County Seattle Joint Project Agreement.



The County's cost share is now estimated at \$178.2 million, which is an increase of \$48.2 million above the original estimated share of \$133.7 million.

The primary reasons for the \$147 million increase are an expanded tunnel diameter to increase capacity, increased land costs and inflation:

- Escalation increases/market conditions (\$39 million)
- Tunnel volume increase (from 14 feet to 18 feet) for increased capacity (\$25 million)
- Tunnel shaft design refinements (\$24 million)
- Project design refinements and scope additions (\$23 million)
- Planning and estimating corrections (\$19 million)
- Risk events (\$9 million)
- Property cost increases (\$8 million)

#### Background

The County and Seattle are participating in a partnership to design, construct and operate the Project. The Project is responsive to respective consent decrees signed by each of the parties with state and federal agencies, requiring control of combined sewer overflows (CSOs) that discharge untreated wastewater and stormwater into regional waters. The Project will control CSO discharges into the Lake Washington Ship Canal from six outfalls: four CSO outfalls owned by Seattle and two CSO outfalls owned by the County.

A Joint Project Agreement approved in 2016 spells out the roles for Seattle and the County in the Project:

- Seattle is in the lead for design and construction and will own and maintain the facility upon completion, with the County contributing 35 percent of the operations and maintenance costs after completion;
- The Project will include a 2.7-mile-long storage tunnel with a minimum interior diameter of 14 feet, now upsized to 18 feet, located in the street right-of-way;
- Seattle is paying approximately 65 percent and the County is paying approximately 35 percent of design and construction costs; and
- Project changes are the responsibility of a Project Review and Change Management Committee made up of senior management from both agencies.

Several elements of the project are still in design, while others are nearing completion and construction bid documents are being prepared. Construction will begin this year.

The next meeting of the RWQC is scheduled for June 5.