

August 6, 2018

VIA ELECTRONIC MAIL

The Honorable Dave Upthegrove The Honorable Rod Dembowski The Honorable Jeanne Kohl-Welles King County Council 516 Third Avenue, Room 1200 Seattle, WA 98104

Re: King County Lodging Tax

Dear Councilmembers Upthegrove, Dembowski and Kohl-Welles:

We are writing to thank you for your efforts to leverage use of lodging tax revenue to build affordable housing needed to address King County's homelessness crisis. As representatives of Seattle, where 75% of King County's homeless population resides, the undersigned members of the Seattle City Council support your interest in pursuing a larger portion of this revenue source to increase affordable housing units in the region.

Together, in 2015, the Seattle Mayor and King County Executive acknowledged the existing and growing homelessness crises with joint Proclamations of Civil Emergency. Today, members of the public and elected, civic and business leaders agree that we must urgently redouble our efforts to address the ongoing homelessness emergency crisis throughout the region.

The state law that provides the floor for the proportional allocation of the lodging tax was considered in 2011; an era in which the homelessness crises was not nearly as acute as it is today. We believe that if members of the King County Council allocate only the minimum legally required by state law for affordable housing, that decision will represent a missed opportunity to act in a way that is consistent with the needs of our jointly proclaimed Civil Emergency on Homelessness.

Even as we achieve more efficiencies and better results with our collective investments made through All Home King County and Seattle Department of Human Services, the 2018 Point in Time Count confirms that households continue to fall into homelessness at a rate greater than we can help them maintain or exit to permanent housing. Expert analyses also present a clear picture

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that throughput from services and shelter to permanent housing remains *the major obstacle* to making a meaningful dent in the number of families and individuals experiencing homelessness. At its root our homelessness crisis is driven by the dearth of affordable housing in King County—estimated by McKinsey & Company to be roughly 60,000 units short of the need.

This need is spread in all communities throughout King County, which is often missed in many conversations around affordability. In Bellevue, average rents for one-bedroom apartments are actually higher than in Seattle, and Kirkland is not far behind. For the more "affordable" Renton, an individual would need to make at least \$60,000 per year to afford the average one-bedroom rental home, far more than the \$23,920 per year a minimum wage earner can expect to make (assuming a 40-hour workweek). In Burien, Federal Way and Kent, the minimum income needed to afford a one-bedroom without being "cost burdened" annually is \$51,320, \$44,000 and \$52,120, respectively.

As members of the Seattle City Council, we are eager to collaboratively work with our King County elected leaders in implementing additional solutions and finding the additional resources sorely needed to fund proven, evidence-based solutions to ameliorate the homelessness crisis. Investing in affordable housing is one of several nationally-recognized methods of addressing throughput issues and diverting people from experiencing homelessness.

The investment in affordable housing would mark a major step toward addressing the growing crisis in Seattle and King County and demonstrate the region's real commitment to the issue. The humanitarian-level crisis we are experiencing demands urgent action that is long overdue.

We thank you for your efforts in framing a productive and sensible dialogue that moves the region towards the direction of capturing a rare opportunity to infuse our region with additional and desperately needed affordable housing for those experiencing homelessness or at risk of experiencing homelessness. Please don't hesitate to let us know if there is anything that we can do to help.

Sincerely,

Council President Bruce Harrell

(District 2, South Seattle)

Councilmember M. Lorena González

(Position 9, Citywide)

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Councilmember Lisa A. Herbold (District 1, West Seattle & South Park)

Councilmember Teresa Mosqueda (Position 8, Citywide)

Councilmember Mike O'Brien (District 6, Northwest Seattle)

cc: King County Executive Dow Constantine

King County Councilmembers