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October 21, 2013

Steve Walker, Director
Multifamily Housing & Community Facilities Division
Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, WA 98104-3601

RE: Park 16 Project application for revenue bond financing

Dear Mr. Walker:

The following represents the City of Federal Way's comments regarding DevCo's application to the Washington State Housing Finance Commission (Commission) for use of nonrecourse revenue bond financing for the Park 16 multifamily project, located at 35703 16th Avenue South in Federal Way. The City finds that the proposed project is inconsistent with the City's CDBG Consolidated Plan and we therefore oppose the application for financing.

The City is appreciative of the need to provide housing affordable at a broad spectrum of income levels and has historically supported a diverse range of housing options for our socioeconomically diverse community. While the City's CDBG Consolidated Plan is supportive of affordable housing, that plan specifically is intended to complement and work within the structures of the existing policies and "strategic" planning documents of the City and uses information from these documents as referenced throughout the Plan.

24 CFR 91.510 (c) mandates that "[the] jurisdiction's certification that an application is consistent with its consolidated plan means the jurisdiction's plan shows need, the proposed activities are consistent with the jurisdiction's strategic plan, and the location of the proposed activities is consistent with the geographic areas specified in the plan."

The City's Comprehensive (Strategic) Plan clearly enacts the Growth Management Act (GMA) and County Wide Planning Policies, which outline preferences for an equitable mix of housing affordability within cities and regionally. Within that context, we are concerned that approval of the bonds for Park 16 would add to what is already an oversupply of a specific range of low-income housing in Federal Way. This would run counter to the goals of the GMA and County

Wide Planning Policies (CWPP). We are thus, unable to extend a Letter of Consistency for the proposed Park 16 project.

More specifically, based on the adopted CWPP, the City should provide 16% of our housing stock at levels affordable to families earning between 51% and 80% of King County Average Median Income (AMI) – the same category of families for which DevCo wishes to develop Park 16.

Based on our most recently available data, the City currently provides approximately 35% of our housing stock at a level affordable to families earning between 51% and 80% of AMI – far in excess of the CWPP target. For this reason we do not believe that the City has a need for additional housing in this segment of the affordability spectrum.

Public policy in the area of affordable housing should result in a broader mix of income levels within communities and less income disparity between communities. We understand the multifamily housing bond process is competitive and we believe that this tax incentive should be utilized to encourage development of more affordable housing in communities that have not met their CWPP targets for the associated affordability range and that have a higher need for new affordable housing supply.

For the above reasons we do not support the use of Bonds to facilitate additional housing in this part of the affordability spectrum in Federal Way, when we have clearly exceeded the targets set by the CWPPS. We, therefore, respectfully request that the Commission take the City's opposition into consideration when evaluating the Park 16 application for Bond issuance.

Thank you for the opportunity to comment. Please do not hesitate to contact me if you have any questions. I can be reached at 253.835.2410 or skip.priest@cityoffederalway.com.

Sincerely,



Skip Priest
Mayor of Federal Way