

Memo

To: King County Affordable Housing Committee Members

From: McCaela Daffern, Regional Affordable Housing Implementation Manger

cc: Housing Interjurisdictional Team

Date: November 3, 2020

Re: Proposed 2021 State and Federal Legislative Agenda

Background

The Affordable Housing Committee (AHC) revised its work plan in July 2020, adding a new work plan item to *raise AHC member awareness of regional stakeholders' state legislative agendas to help further increased alignment and coordination during the 2021 state legislative session*. In July, the Washington State Low Income Housing Alliance shared their process for establishing a state legislative agenda with the Committee. At that same meeting, the Committee adopted a recommendation to the state to increase tenant stability by extending the eviction moratorium and implementing other tenant protections. In September, members shared emerging legislative priorities from their respective jurisdictions or organizations. They also considered shared principles to guide future revenue decisions, which acknowledge that the state and federal governments have a role to play in meeting the need.

In light of the Committee's interest in advancing a legislative agenda, the Chair, in consultation with the Vice Chair and with staff support, developed a draft state and federal legislative agenda for Committee consideration at the November 13 meeting.

Adoption Process

- *November:* At the November 13 AHC meeting, the Committee will be briefed on the proposed legislative agenda. No vote will be taken. The Committee may choose to direct staff to revise the draft based on the Committee discussion and circulate an updated version.
- *December:* Between the November and January AHC meetings, members can consult with their communities and stakeholders to explore where there is regional alignment with the priorities.
- *January:* At the late January AHC meeting, the Committee will vote to adopt a state and federal legislative agenda, if consensus is reached on a set of priorities.
- *February:* Following adoption, the Chair and Vice Chair will share the adopted legislative priorities with state and federal legislators.

Considerations

Staff considered the following suitability factors while developing the recommended legislative agenda scope:

- **Timely:** The policies advance or relate to topics discussed and supported by the Committee previously. The Committee was largely supportive of the need for additional revenue from the state for affordable housing and COVID-related tenant protections in 2021.
- **Alignment:** The policies advance goals, strategies and actions recommended by the Regional Affordable Housing Task Force or the Affordable Housing Committee. Items 1, 3, and 4 support Goal 2 of the Task Force: "Increase construction and preservation of affordable homes for households earning less than 50% area median income." Item 2 supports Goal 4 of the Task Force: "Preserve access to affordable homes for renters by supporting tenant protections to increase housing stability

and reduce risk of homelessness.”

- **Cross-sector support:** Each policy recommendation is supported by one more local jurisdictions or non-public entity in King County.

Recommendation

Staff recommend the Committee support the following policy priorities for 2021.

Draft 2021 State Legislative Priorities

1. INCREASE DOCUMENT RECORDING FEE TO MEET DEMAND

Increase the document recording fee in an amount necessary to address the unmet demand for Operating, Rental Assistance and Services funds for affordable housing and personal protective equipment (PPE) or retrofitting of congregate shelters to prevent COVID outbreaks.

Operating funding needs for over 3,000 current permanent supportive housing units in King County, supported primarily by document recording fee revenue, are expected to outpace revenue over the next five years. A document recording fee increase (or other dedicated revenue source), with an automatic increase for inflation, would address this imminent gap and preserve access to housing for individuals experiencing chronic homelessness.

2. INVEST \$250 MILLION IN THE HOUSING TRUST FUND (HTF)

The HTF is the state’s primary source of financial equity for developing affordable housing across Washington State. It is a critical source of leverage for housing programs in King County. When the HTF is increased, the region gains additional permanent supportive homeless housing and other affordable homes.

3. SUPPORT HOUSING STABILITY, THROUGH TENANT PROTECTIONS AND COVID-19 RECOVERY EFFORTS

Pass statewide protections against discriminatory and arbitrary evictions, increase resources for rental assistance and foreclosure prevention, and prevent evictions based on nonpayment of rents due to the COVID economic recession.

- Currently, only Seattle, Auburn, Burien, and Federal Way have just cause policies in place that prohibit landlords from evicting tenants for “no cause.” Landlords in the rest of Washington State can terminate a renter’s tenancy for “no cause” as long as they follow the terms of the lease and provide 20 days’ notice. This creates uncertainty for renters, who are at risk of homelessness when they are unable to find a suitable, affordable home they can afford within 20 days. **Just Cause eviction protections** would require that landlords show cause (from an enumerated list) in order to terminate tenancy before the end of a lease.
- Respond to increased housing instability caused by the COVID-19 pandemic through resources for **rental assistance and foreclosure prevention**. Increase funding for foreclosure counselors and extend the Foreclosure Fairness Act to small landlords.
- Existing **manufactured home (mobile home) relocation reimbursements and notice requirements** are outdated and do not adequately meet current market conditions. Make it easier for manufactured home park tenants to maintain housing stability by increasing both the amount of relocation assistance and tenant notice protections, particularly for park closures, to better reflect market realities.
- Pass the **Housing Justice Act** to ban discrimination against renters based on a prior criminal record (SB 6490/HB 2878 from 2020).

4. MAKE EXISTING REVENUE SOURCES MORE RESPONSIVE TO LOCAL NEEDS

The King County Affordable Housing Committee estimates it will cost approximately \$20 billion to construct or preserve, operate, and service 44,000 homes affordable at 0-50% Area Median Income (AMI) between 2019 and 2024 in order to make significant progress toward the region's goal to ensure that no household pays more than 30% of its income on housing by 2044.

Greater flexibility is needed in two current revenue options to ensure the King County region has a diverse stock of affordable homes and serves people experiencing homelessness and at-risk of homelessness:

- Allow the councilmanic 0.1% sales tax option (RCW 82.14.530) to be used for property acquisition (not just construction) to support a speedy response to chronic homelessness and affordable housing needs.
- Update the allowable populations for lodging taxes and affordable housing/behavioral health sales taxes to more effectively meet local housing needs:
 - Remove the 30% AMI floor on housing related lodging tax revenue expenditures; and
 - Permit lodging tax funds to support capital for youth service space.
 - Clarify that affordable housing sales tax funding can support housing for homeless single adults;
 - Allow affordable housing sales tax funding to support existing units of affordable housing, not just new ones.

5. MAINTAIN FUNDING FOR ABD/HEN PARTICIPANTS

The Housing & Essential Needs (HEN) and Aged, Blind, and Disabled (ABD) programs help provide housing stability for people with disabilities and those experiencing homelessness. A much-needed increase to HEN occurred in 2020. For 2021-22, the Commerce Department proposed cutting back HEN funding to 2017-19 levels. This proposal would reduce funding in King County by an estimated \$8 million and eliminate services for approximately 640 residents. Washington State must maintain these critical supports at 2020 levels.

2021 Federal Legislative Priorities (Provided by King County Housing Authority)

1. COVID-19 RELIEF BILL

This bill is currently in negotiations between the White House, House Democratic leadership and the Senate. No action is anticipated before the election, but the pace may pick up again by mid-November. The House has offered a slimmed down version of its original (HEROES Act) legislation that still contains significant housing support for low income households, including:

- **\$51 billion for emergency rental** relief for households that are homeless or facing eviction. This is a critically needed resource for preventing a significant spike in homelessness in the region as the various eviction moratorium provisos expire.
Advocacy Note: The bill proposes that \$50 billion be provided mostly as two year maximum time-limited assistance through the Emergency Solutions Grant (ESG) program and \$1 billion be provided through "one-time use" Housing Choice Vouchers (Section 8). Advocacy should include a request to re-balance the division of assistance between the two programs for the following reasons: 1) short-term rental assistance will not be sufficient for many lower income households adversely impacted by job loss – creating a potential spike in evictions down the road, and; 2) the ESG program is not designed to provide rent assistance – a program would have to be developed to disburse this funding. The Housing Choice Voucher program is already in operation and currently supports over 20,000 households in King County. It can be quickly scaled up.
- **\$5 billion to support Public Housing operating costs** (including health safety measures) as tenant rent payments are reduced due to losses of income, and to support increased subsidy payments to private landlords participating in the Housing Choice Voucher program in order to compensate for reduced tenant rent payments and prevent potential evictions.

- **\$5 billion in Community Development Block Grant (CDBG)** allocations to support state and local jurisdictions in their COVID-19 response and to mitigate the impacts to communities.
- **\$5 billion in Homeless Assistance Grants** allocations to support individuals and families who are homeless or at risk of homelessness, including additional homeless assistance, prevention, and diversion activities to mitigate the impacts of the pandemic.

These provisions would collectively provide a substantial infusion of dollars into the local housing and homelessness arena that would support our efforts to stave off a new wave of homelessness. While this brief focusses on housing provisions, the act also includes significant support for state and local governments, **including \$179 billion for city and county governments**, to pay for COVID-related expenses and replace foregone revenues, which could be used to support existing programming.

2. EXPANDING THE LOW INCOME HOUSING TAX CREDIT (LIHTC) PROGRAM

The LIHTC program is the single largest driver of housing production and preservation in the region's affordable housing efforts. Expansion of this program is critical for achieving the Committee's goals. Senator Cantwell and Representative DeBene have been leading this effort nationally, sponsoring the *Emergency Affordable Care Act* (S.4078) and the *Moving Forward Act* (H.R. 2), respectively. A national advocacy campaign is currently underway. The ACTION Campaign (<http://rentalhousingaction.org>) is available to locate resources and add support to these efforts.

The most immediate opportunity is for the insertion of key provisos of the proposed bill into any tax extender legislation advanced before the end of the current legislative session. Priorities include "fixing" the 4% tax credit floor, which would create more than 6,000 additional affordable homes in Washington State over the next decade.

3. FY 2021 THUD APPROPRIATIONS BILL

The House has already passed its version of the 2021 Transportation and Housing and Urban Development (THUD) appropriations bill, which determines annual funding levels for HUD programs. The Senate has not yet moved their version of the bill in the THUD appropriations sub-committee and it is unclear when appropriations legislation will move forward. The federal government is currently operating under a Continuing Resolution that expires on December 11, 2020.

The House version provides for significant increases in support for housing and related programs, including:

- **\$1.35 billion increase** in renewal funding for the Housing Choice Voucher program to support existing voucher-holders as rents increase. **\$178 million** in increased administrative support for the program to enable housing authorities to work directly with landlords to place and support "hard to house" populations such as chronically homeless individuals and homeless youth.
- **\$60 million for additional vouchers** for homeless and disabled veterans.
- **\$210 million in additional funding** for expansion of the Housing Choice Voucher program with a focus on homeless youth, homeless domestic violence survivors and families with children.
- **\$17.85 billion increase in HOME funding and a \$4.1 billion increase in CDBG funding** through a new Title V infrastructure account to support expansion of county and city services and support the local affordable housing pipeline.
- **\$24.5 billion in new capital funding** through the new Title V infrastructure account for repairs to the nation's public housing inventory.
- **\$638 million increase in McKinney-Vento Homeless Assistance Grants**, including \$25 million increase in Rapid Re-Housing for survivors of domestic violence.

- **Proviso language preventing HUD from implementing harmful proposed rules**, including rules that:
 1. Seek to prohibit mixed-eligibility households (whose members have different citizenship and immigration statuses) from living in public and other subsidized housing, and
 2. Dismantle the Equal Access Rule, which if put in place would allow shelter providers that lawfully operate as single-sex or sex-segregated facilities to voluntarily establish a policy that could limit admission for people whose gender identity does not match their biological sex.

These items should be supported in the Senate version and in Conference negotiations between the House and the Senate.

Appendix: Organization support and consideration of proposed AHC State legislative priorities

Priority	Supported By	Under Consideration By
1. INCREASE DOCUMENT RECORDING FEE TO MEET DEMAND	<ul style="list-style-type: none"> Housing Development Consortium (HDC) with slight modification 	<ul style="list-style-type: none"> Joint Recommendations Committee (JRC) Washington Low Income Housing Alliance (WLIHA) South King Housing and Homelessness Partners (SKHHP) with slight modification
2. INVEST \$250 MILLION IN THE HOUSING TRUST FUND (HTF)	<ul style="list-style-type: none"> HDC (“historically high levels”) 	<ul style="list-style-type: none"> JRC WLIHA SKHHP
3. SUPPORT HOUSING STABILITY, INCLUDING COVID-19 RECOVERY EFFORTS		
A. JUST CAUSE	<ul style="list-style-type: none"> HDC 	<ul style="list-style-type: none"> JRC WLIHA SKHHP
B. RENTAL ASSISTANCE	<ul style="list-style-type: none"> Association of Washington Cities (AWC) 	<ul style="list-style-type: none"> WLIHA JRC
C. FORECLOSURE PREVENTION	<ul style="list-style-type: none"> AWC 	<ul style="list-style-type: none"> WLIHA HDC
D. MANUFACTURED HOME (MOBILE HOME) RELOCATION REIMBURSEMENTS AND NOTICE REQUIREMENTS		<ul style="list-style-type: none"> JRC
E. HOUSING JUSTICE ACT		<ul style="list-style-type: none"> JRC WLIHA
4. MAKE EXISTING REVENUE SOURCES MORE RESPONSIVE TO LOCAL NEEDS	<ul style="list-style-type: none"> HDC (30% floor only) 	<ul style="list-style-type: none"> JRC
5. MAINTAIN FUNDING FOR ABD/HEN PARTICIPANTS	<ul style="list-style-type: none"> HDC (“prevent drastic cuts to our state affordable housing, homelessness, and safety net programs”) 	<ul style="list-style-type: none"> JRC