

Memo

To: King County Affordable Housing Committee Members
From: McCaela Daffern, Regional Affordable Housing Implementation Manager
cc: Housing Interjurisdictional Team
Date: October 31, 2022
Re: Draft 2023 AHC State Legislative Priorities

Summary

At the November 3 Affordable Housing Committee (AHC or Committee) meeting, the Committee will potentially vote to adopt 2023 State legislative priorities. Members will have 20 minutes to review the proposed priorities, discuss amendments, and form a vote.

This report summarizes the process to date for developing the draft priorities and next steps. Below is a summary of the included exhibits:

- Exhibit A: Draft 2023 AHC State legislative priorities
- Exhibit B: Crosswalk of AHC State legislative priorities to other relevant agendas
- Exhibit C: Adopted legislative agendas from housing policy-interested organizations

Process to Date

The AHC committed to develop and adopt 2023 State legislative priorities this year as part of its 2022 work plan. In consultation with the Housing Interjurisdictional Team (HIJT), staff drafted an agenda guided by these principles:

- advance the AHC's Shared Revenue Principles¹
- support implementation of 2022 AHC State Legislative Agenda²
- resurface 2022 AHC adopted legislative priorities that did not pass last legislative session
- remove references to specific bills that didn't pass due to a new biennium; and
- increase housing stability focus to address concerns about rising rents and other tenant issues.

At the September 29 AHC meeting, members reviewed and asked clarifying questions about the draft priorities. Committee members had until October 20 to propose amendments and share other priorities. AHC staff did not receive any amendments or shared priorities from AHC members by the deadline.

Next Steps

Committee members are encouraged to review the exhibits in preparation for the possible vote to adopt the draft priorities at the November 3 AHC meeting. Following adoption, the Chair will share the adopted legislative priorities with State legislators. Members may refer to these priorities during the 2023 state legislative session.

¹ King County Affordable Housing Committee's Shared Principles to Guide Future Affordable Housing Revenue Decisions in King County, adopted November 13, 2020 [\[link\]](#)

² King County Affordable Housing Committee's 2022 State Legislative Priorities, adopted November 17, 2021 [\[link\]](#)

Exhibit A: Draft 2023 Affordable Housing Committee (AHC) State Legislative Priorities

King County Affordable Housing Committee's

2023 State Legislative Priorities

The King County [Affordable Housing Committee](#) of the Growth Management Planning Council is charged with recommending actions and assessing regional progress to advance affordable housing solutions recommended by Regional Affordable Housing Task Force in December 2018. The Task Force estimated that by 2040 King County will need to add a total of 244,000 affordable units to ensure that no low-income household pays more than 30 percent of its income on housing. In 2019 and 2020, the region added 8,415 affordable units. That means King County needs to build or preserve, on average, 11,579 affordable units every year for the remaining 20 years to meet the need. In light of this, the committee of 18 elected, nonprofit, and business leaders adopted these state legislative priorities, which call for additional resources and legislation to build and preserve affordable housing, support housing planning and community engagement, ensure that people remain stably housed, increase housing access, and support populations experiencing chronic homelessness.

Affordable Housing Committee's 2023 State Legislative Priorities

1. Increase capital and operating resources for affordable housing

- a. Increase existing funding sources like the Housing Trust Fund, including creating a permanent funding source and authorizing new, progressive sources that do not disproportionately burden low-income households, to the greatest extent possible.
- b. Ensure new housing revenue tools retain local flexibility to support uses including:
 - i. Capital investments and ongoing operating and services support for new and existing projects serving 0-50% area median income (AMI) households. This includes support for permanent supportive housing and workforce 0-30% AMI housing.
 - ii. Projects that promote access to opportunity, anti-displacement, and wealth building opportunities for Black, Indigenous, and People of Color communities most disproportionately impacted by housing cost burden.

2. Support local jurisdictions planning for increasing affordable housing

- a. Fund community-based organizations from impacted communities to engage in the comprehensive plan process and shape local strategies that prevent displacement and undo racially biased exclusionary policies. This funding would support implementation of Engrossed Second Substitute House Bill 1220 (2021).

3. Support housing stability through increased financial support to low-income households, tenant protections, and civil legal assistance

- a. Maintain or expand the Housing and Essential Needs program to keep up with rising rents for the lowest income community members.
- b. Support legislation that increases equitable opportunities for tenants to learn about and enforce their rights.
- c. Increase legal assistance funding to fully implement Right to Counsel created by Senate Bill 5160 (2021).
- d. Pass the Housing Justice Act to ban discrimination against renters based on a prior criminal record.

4. Preserve the supply of affordable housing

- a. Preserve manufactured housing communities through state policies that provide tenants and nonprofit organizations the opportunity to purchase manufactured housing communities and require longer notices for closures of manufactured housing communities. Over 8,600 households live in manufactured housing communities, a vital affordable housing resource for low-income people in King County, and many communities are at risk of closure, redevelopment, or substantial pad rent increases.

DRAFT

Exhibit B: Crosswalk of Draft Affordable Housing Committee State Legislative Priorities to Other Relevant Agendas

AHC State Legislative Priorities, draft	Housing Development Consortium	Habitat for Humanity Seattle-King & Kittitas Counties	South King Housing & Homelessness Partners
1a. Increase existing funding sources like the Housing Trust Fund, including creating a permanent funding source and authorizing new, progressive sources that do not disproportionately burden low-income households, to the greatest extent possible.	✓	✓	✓
1b. Ensure new housing revenue tools retain local flexibility to support uses including: i. Capital investments and ongoing operating and services support for new and existing projects serving 0-50% AMI households, including support for permanent supportive housing and workforce 0-30% AMI housing. ii. Projects that promote access to opportunity, anti-displacement, and wealth building opportunities for BIPOC communities most disproportionately impacted by housing cost burden.	✓	✓ Explicitly calls for increasing Black homeownership	
2a. Fund community-based organizations from impacted communities to engage in the comprehensive plan process and shape local strategies that prevent displacement and undo racially biased exclusionary policies. This funding would support implementation of House Bill 1220 (2021).			✓ Similar priority of providing planning resources and support to help local governments plan for more diverse housing supply and prevent displacement
3a. Maintain or expand the Housing and Essential Needs program to keep up with rising rents for the lowest income community members.	✓ Similar priority for increasing rental assistance statewide		
3b. Support legislation that increases equitable opportunities for tenants to learn about and enforce their rights.			
3c. Increase legal assistance funding to fully implement Right to Counsel created by Senate Bill 5160 (2021).			✓
3d. Pass the Housing Justice Act to ban discrimination against renters based on a prior criminal record.			
4a. Preserve manufactured housing communities through state policies that provide tenants and nonprofit organizations the opportunity to purchase manufactured housing communities and require longer notices for closures of manufactured housing communities.			

Exhibit C: Adopted Legislative agendas from housing policy-interested organizations



2023 Lead Advocacy Agenda

The Housing Development Consortium of Seattle-King County (HDC) is the nonprofit membership association of 190+ private businesses, nonprofit organizations, and public partners dedicated to the vision that all people throughout King County live with dignity in safe, healthy, and affordable homes. HDC invites you to join us as we advocate for the following policies in 2023.

FUND AFFORDABLE HOMES

Despite significant progress on funding at the state and local levels in recent years, great and unaddressed needs remain. Affordable housing and homelessness service providers are successfully creating pathways into stability – but for every person they serve, there's another to take their place. As we emerge from the COVID-19 crisis, the pre-existing housing and homelessness crisis has only worsened. Construction costs have risen over 15% in just one year and rents and home prices have continued to spike beyond wage growth for low-income people. We have been woefully behind in adequately investing in housing for our community, and the combined crises of COVID-19, housing unaffordability, and homelessness threaten to set us back even further. Not only has it significantly increased housing insecurity overall, but it also disproportionately impacts Black, Indigenous and People of Color (BIPOC) communities.

The Washington State Department of Commerce estimates that King County needs to add 212,000 homes affordable below 80% of Area Median Income (AMI) by 2044, or over 8,800 per year. At current capital costs of approximately \$330,000 per home, this totals \$2.9 billion in annual capital investments to produce the income-restricted homes King County needs. Existing public capital resources for income-restricted affordable housing creation in King County totaled \$984 million in 2021. This means that the region needs \$1.9 billion in additional public revenue for capital funding per year, as well as expanded operating funding to support affordable homes.

Addressing the affordable housing crisis will take a comprehensive and holistic approach and cannot be solved without vastly increasing the funding for affordable housing. Significantly increasing capital and operating dollars to support the production of permanent housing options affordable for low-income households is a priority for us. Because our need for housing is tremendous, we need funding at every level – local, state, and federal – to collaborate and think creatively about leveraging resources. In times of uneven economic growth, this robust public funding is critical. In 2023, HDC will:

- **Advocate for a state bill in 2023 to authorize an expanded Real Estate Excise Tax (REET) for affordable housing**

- **Lead the advocacy and coalition mobilization work to renew and expand the Seattle Housing Levy in 2023**
- **Advocate for a commercial fee and mandatory inclusionary zoning that leverages Bellevue’s commercial and residential development growth**
- **Lead the work to create a framework for subregional investments in affordable housing at the state level**

BUILD & MAINTAIN INCLUSIVE COMMUNITIES

To promote equitable growth and prosperity for all, King County and our cities should implement best practices and policies that ensure low-income residents can live or remain in communities of opportunity near jobs, services, and access to transit. This must be accompanied by recognizing that housing segregation achieved by government policies, such as redlining and other discriminatory practices, resulted in long-lasting racial inequities in housing. In 2023, HDC will:

- **Lead coalition work on the major update of Seattle’s Comprehensive Plan – a rare, critical opportunity to change the City’s land use strategy and its support for housing affordability. In addition, shape the framework for Housing Element updates across the King County region**
- **Advocate for a statewide missing middle housing bill, allowing duplexes, triplexes, fourplexes and sixplexes by right within all urban growth areas**
- **Lead education and coalition building efforts on a state bill allowing counties and cities to establish housing benefit districts (HBD) for the acquisition of land for affordable homes**
- **Advocate for regulatory reform that accelerates housing production and reduces the cost to build housing. This includes:**
 - **Increasing allowed densities, height, and floor area ratios**
 - **Facilitating efficient permitting and coordination between responsible departments**
 - **Advancing utility waivers for affordable homes**
 - **Exempting affordable housing developments from infrastructure improvement fees**
 - **Eliminating design review for affordable homes**
 - **Reducing or eliminating parking requirements**
- **Partner in leading and continuing support for the Black Home Initiative policy framework and regulatory reform recommendations**

- **Advocate for siting of permanent supportive housing as the proven solution for homelessness throughout King County**
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IMPROVE HEALTH, STABILITY & SUSTAINABILITY OF HOUSING

King County is experiencing explosive growth and unprecedented inequity in access to housing. We face a shortfall of 149,000 homes affordable at less than 80% AMI today and a projected deficit of 212,000 homes by 2044. Capital dollars currently available to King County's affordable housing developers are nowhere near what is needed.

Far too many low-income King County households – disproportionately people of color – are now perpetually housing insecure or pushed into homelessness. Enveloping everything is the climate crisis. In recognition of the issue's urgency and the effects of the built environment, HDC looks at housing unaffordability, the inequity that leads to housing insecurity, and climate change as fundamentally interdependent and not as issues in isolation of each other. Affordable, safe, quality housing is a social determinant of health and a key element in creating an overall healthy community. This calls for a proactive approach to ensure housing stability for renters and low-income homeowners, and a sustainable built environment for healthier and livable places. In 2023, HDC will:

- **Advocate for public funding of resident services in non-permanent supportive affordable housing in the 2023 City of Seattle budget and the 2023 Seattle Housing Levy renewal**
- **Advocate for increased funding for rental assistance at the state level**

2023 Support Advocacy Agenda

The Housing Development Consortium of Seattle-King County (HDC) is the nonprofit membership association of 190+ private businesses, nonprofit organizations, and public partners dedicated to the vision that all people throughout King County live with dignity in safe, healthy, and affordable homes. HDC invites you to join us as we advocate for the following policies in 2023.

FUND AFFORDABLE HOMES

- **Support renewal of the King County Veterans, Seniors, and Human Services Levy in 2023**
- **Advocate for progressive revenue that will ease the burden on low-income and working households, adequately fund affordable housing and homelessness programs, and make our economy more resilient in the long-term**
- **Support federal advocacy for expanded funding for affordable housing, including through Low Income Housing Tax Credit (LIHTC) reforms to:**
 - **Renew the temporary 12.5% increase in LIHTC allocations that expired in 2021**
 - **Increase the allocation of the 9% LIHTC by 50%**
 - **Reduce the tax-exempt private activity bonds threshold test for the 4% LIHTC from 50% to 25%**
 - **Provide a 50% basis boost for homes set aside for extremely low-income households in 9% LIHTC properties**
- **Fund the State Housing Trust Fund (HTF) at a historically high level in the biennial Capital Budget and establish a permanent funding source for the HTF**
- **Support policies that improve workforce pay, equity, and sustainability in permanent supportive housing**
- **Support implementation of the codified JumpStart Seattle spending plan and its robust allocation for affordable homes**
- **Increase the per-household funding cap for affordable homeownership projects imposed by King County and the Washington State Department of Commerce**

BUILD & MAINTAIN INCLUSIVE COMMUNITIES

To promote equitable growth and prosperity for all, King County and our cities should implement best practices and policies that ensure low-income residents can live or remain in communities of opportunity near jobs, services, and access to transit. This must be accompanied by recognizing that housing segregation achieved by government policies, such as redlining and other discriminatory practices, resulted in long-lasting racial inequities in housing. Support policies that empower BIPOC-led community-based organizations such as the JumpStart Community Resiliency. In 2023, HDC will:

- **Support implementation of the countywide Equitable Development Initiative fund to prevent and mitigate displacement within areas most at risk of experiencing physical, cultural, and economic displacement**
- **Advance funding and policy solutions that reflect the role of affordable homeownership in ensuring wealth building for individuals and families affected by racial and ethnic segregation, marginalization, and discrimination**
- **Support local tools and policies to reverse historic and current patterns of racial and ethnic segregation through effective use of HDC's recommended Anti-Displacement Strategies like community ownership or preference, right of first refusal, tenant opportunity to purchase, etc.**
- **Support disposition of publicly-owned surplus or underutilized land at reduced or no cost for affordable housing. Support a state bill to facilitate the disposition of publicly-owned surplus or underutilized land for affordable homeownership**
- **Support state-level reform of condo development regulations and liability laws**
- **Support and advocate for the implementation of the Health through Housing Initiative in King County**
- **Continue legislators' education efforts on the impact of Residential Prevailing Wage rates and work towards a new methodology that supports affordable housing production**

IMPROVE HEALTH, STABILITY & SUSTAINABILITY OF HOUSING

Households faced with high-cost burdens, housing instability, and homelessness may see the impacts of those experiences on both their physical and mental health. In addition, housing quality can have significant impacts on health.

Too many homeowners and renters are currently living in unhealthy or substandard homes, particularly in areas of South King County. Renters in these homes may be unable or afraid to report their inadequate housing conditions. Affordable, safe, quality housing is a social determinant of health and a key element in creating an overall healthy community. In addition, the climate crisis' intersection with housing calls for a proactive approach to ensure a sustainable built environment for healthier and livable places. In 2023, HDC will:

- **In coalition with climate, health, and labor advocates, promote policies, practices, funding, and incentives that support affordable housing projects to reduce energy and water use, utilize renewable energy, minimize greenhouse gas emissions, and optimize the health and safety of residents**
- **Support state policies that address the arbitrary barriers that people exiting the criminal justice system face in acquiring rental housing**
- **Support reforms to the state Home Repair Loan Program, including authorizing loans for all counties in Washington State, and capping the interest rate charged to low-income homeowners**
- **Support creation of a Covenant Reinvestment Account, which would address historic racism in housing policies by funding down-payment assistance for first-time homebuyers with a document recording fee**
- **Support funding of housing counselors working to prevent foreclosures and assist first-time homebuyers**



2023 Legislative Agenda

Posted on September 20, 2022

The lack of affordable housing and affordable homeownership opportunities continues to be one of the biggest challenges facing Washington today. We're working to make sure that housing choices are a priority in the 2023 legislature.

Habitat for Humanity Seattle-King & Kittitas Counties strongly believes in a world where EVERYBODY has access to a safe, affordable and decent place to live — and with our agendas, we're working tirelessly to make that a reality.

End Exclusionary Zoning

Washington State has a long and sordid history with exclusionary zoning. The use of race-based restrictions and redlining maps keeps Black, Indigenous, and people of color out of neighborhoods that were predominantly White, limits the affordability of housing and restricts the amount of homes available to these marginalized groups. **Habitat for Humanity Seattle-King & Kittitas Counties calls on the legislature to look to the examples of Oregon and Walla Walla and end the practice of exclusionary zoning in Washington State.**

Increase Black Homeownership

The lowest homeownership rate of any racial or ethnic group in the United States is that of Black people – currently, the average Black family in Seattle is 33% less likely to own their own home than a white family. The policies in place at the local, state, and federal governments have prohibited households of color from having equal access to homeownership, mortgage financing, neighborhood development, and many other possibilities, all of which are made easily available to White households. **Habitat for Humanity Seattle-King & Kittitas Counties urges the state legislature to eliminate the systematic bias that pervades American home financing, home buying, and exclusionary zoning regulations, which has kept generations of Black families from becoming homeowners.**

Support Permanently Affordable Homeownership

While we drastically need more investment in affordable housing across the board, we also need to make deliberate investments in permanently affordable homeownership here in Washington State. The reality is the disparity between Washington State's support for rental, shelter, and supportive services housing and Washington's support for homeownership is roughly 20 to 1 in favor of rentals, shelter, and supportive services. That is a massive racial and economic equity issue, because it ensures developers build only rentals in communities of color, denying families opportunities to become homeowners and build equity. **We at Habitat for Humanity Seattle-King & Kittitas Counties strongly support the creation of new avenues of support for permanently affordable homeownership, because we need long term solutions to address this crisis.**

RESOLUTION NO. 2022-05

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING COUNTY HOUSING AND HOMELESSNESS PARTNERS, ADOPTING LEGISLATIVE PRIORITIES FOR USE DURING THE 2023 WASHINGTON STATE LEGISLATIVE SESSION

WHEREAS, the South King Housing and Homelessness Partners (SKHHP) Executive Board has agreed to advocate for certain legislative issues for 2023; and

WHEREAS, the actions of the Washington State Legislature in respect to local, regional, and state issues, services, and funding have a profound effect on SKHHP's ability to pursue its mission and goals, and each participating jurisdiction's ability to provide local services to its residents; and

WHEREAS, the SKHHP Executive Board recognizes these priorities are not all encompassing, in that certain additional items may arise during the legislative session that require support or opposition; and

WHEREAS, the SKHHP Executive Board believes it is appropriate to communicate its position regarding issues affecting the region and local government that may come before the State Legislature during the 2023 legislative session; and

WHEREAS, the SKHHP Executive Board agreed to these priorities at the SKHHP Executive Board meeting on October 21, 2022.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The SKHHP Executive Board adopts the SKHHP 2023 State Legislative Priorities as shown in Attachment A.


Section 2. SKHHP staff shall distribute these legislative priorities to appropriate Legislative District representatives and to other regional government entities and organizations.

Section 3. SKHHP staff shall work with other organizations and agencies with shared legislative priorities and advocate, testify, and/or otherwise promote legislative support for the SKHHP priorities.

Section 4. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed this 25th day of October, 2022.

SOUTH KING HOUSING AND HOMELESSNESS PARTNERS


NANCY BACKUS, CHAIR

Resolution No. 2022-05
October 21, 2022

South King Housing and Homelessness Partners (SKHHP) is a coalition of 11 jurisdictions in South King County working together and sharing resources in order to increase the available options for South King County residents to access affordable housing and to preserve existing affordable housing stock.

South King County has seen some of the highest increases in rent and home sale prices. Without preserving and building more affordable and attainable housing, families will continue to be displaced from their neighborhoods and forced further from their jobs and communities.

The following state legislative priorities focus on legislation that will positively impact South King County communities by increasing housing stability, preventing displacement, authorizing local affordable housing tools and revenue options, and providing funding for affordable housing



INCREASE HOUSING STABILITY AND PREVENT DISPLACEMENT

Support the establishment of statewide rental and vacant property registration program for the purpose of inventorying both tenant-occupied and potentially available rental housing, for the benefit of landlords and tenants.

Provide funding support for tenants' Right to Counsel program and pre-eviction legal aid. Right to Counsel provides low-income tenants a free lawyer in eviction court. Pre-eviction legal aid is an anti-displacement strategy and can prevent cases from entering the court process.



LOCAL AFFORDABLE HOUSING TOOLS AND REVENUE OPTIONS

Authorize local option Real Estate Excise Tax (REET) for affordable housing and displacement prevention. Addressing the affordable housing needs cannot be solved without vastly increasing the funding for affordable housing. A local REET option will provide critical local funding resources necessary to preserve affordable housing and help counter displacement in South King County.

Amend surplus land dispossession policies to support homeownership. Expand the use of public property for the purposes of affordable housing to moderate-income households by allowing a public benefit purpose to include both affordable rental housing and permanently affordable homeownership.

Provide planning resources and support to help local governments plan for more diverse housing supply and prevent displacement prevention by implementing best practices and policies that ensure planning for housing at all economic segments.



FUND AFFORDABLE HOUSING

Fully fund the Washington State Housing Trust Fund and authorize new sources of funding that do not disproportionately burden low-income households, and support continued affordable homeownership investments.

Contact:

South King Housing and Homelessness Partners

25 W. Main Street

Auburn, WA 98001

