

Memo

To: King County Affordable Housing Committee Members
From: Sunaree Marshall, Housing Policy and Special Projects Manager, King County DCHS
cc: Housing Interjurisdictional Team
Date: April 1, 2022
Re: State Legislative Priorities Update

Background

The Affordable Housing Committee (the AHC or Committee) adopted 2022 State Legislative Priorities in November 2021. At the February 9 AHC meeting, members were briefed on priorities still under consideration by the state legislature. The 2022 State legislative session closed on March 10. This table summarizes the final status of bills of interest to the AHC.

2022 Bill Tracker

| AHC Priority | Bill #s and Final Status |
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| <p>1. Increase capital resources for affordable housing</p> <ul style="list-style-type: none"> a. Increase existing funding sources like the Housing Trust Fund, to include creating a permanent funding source like that provided for in SB 5138, and authorize new, progressive sources that do not disproportionately burden low-income households, to the greatest extent possible. In particular, allocate at least \$400 million of one-time federal ARPA funds available in the 2022 State budget to fund affordable housing. b. Ensure new housing revenue tools retain local flexibility to support uses including: <ul style="list-style-type: none"> i. Capital investments and ongoing operating and services support for new and existing projects serving 0-50% 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. c. Support a bill giving authority to counties and cities to establish a housing benefit district for affordable low- and middle-income housing projects. | <ul style="list-style-type: none"> • SB 5138 did not pass • SB 5651 Final capital budget includes \$113M for the Housing Trust Fund (with \$73M competitive) and \$300M for rapid acquisition • Set asides within the appropriation include: <ul style="list-style-type: none"> ○ \$20M solely for rural projects ○ \$10M solely for cost overruns for projects funded by prior rapid capital acquisition funds ○ \$16M solely for direct project earmarks ○ \$60M solely for Apple Health and Homes a new program to increase and streamline supportive housing ○ \$25M for homeownership projects • HB 1880 did not pass |

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| <p>2. Support local jurisdictions planning for increasing affordable housing</p> <p>a. Provide funding for jurisdictions to update their comprehensive plans to increase opportunities for affordable housing and counter displacement. This funding would support implementation of 2021's E2SHB 1220.</p> <p>b. Provide funding for community-based organizations from impacted communities to engage in the comprehensive plan process and shape local strategies to prevent displacement and undo racially biased exclusionary policies. This funding would support implementation of 2021's E2SHB 1220.</p> | <ul style="list-style-type: none"> • SB 5693 Final operating budget includes: <ul style="list-style-type: none"> ○ \$10M for grants for updating and implementing comprehensive plans and development regulations in order to implement the requirements of the Growth Management Act ○ \$7.5M for grants to advance middle housing types in the PSRC region • SHB 1782, which included the community based organization funding provision, did not pass |
| <p>3. Support housing stability through increased financial support to low-income, tenant protections and COVID-19 recovery</p> <p>a. Give our lowest income community members expanded access to housing by increasing payment levels under the Aged, Blind and Disabled (ABD) program (State program that bridges the financial assistance provided by SSI while individuals are going through the 2 lengthy federal Supplemental Security Insurance (SSI) application process); and continue the existing Housing and Essential Needs (HEN) voucher pilot program, which allows individuals to retain HEN vouchers even though they have moved from ABD to SSI.</p> <p>b. Support housing stability as part of COVID-19 recovery by maintaining and strengthening current pandemic-related renter protections.</p> <p>c. Pass the Housing Justice Act to ban discrimination against renters based on a prior criminal record.</p> | <ul style="list-style-type: none"> • SB 5693 Final operating budget includes a permanent doubling of ABD grant and fully funded HEN • Limited progress on tenant protections this session. <ul style="list-style-type: none"> ○ Operating budget includes at least \$45M in rental assistance • HB 2017 did not pass |
| <p>4. Preserve the supply of affordable housing</p> <p>a. Pass a Real Estate Excise Tax (REET) Exemption for affordable housing. The legislature passed HB 2634 in 2020, but it was vetoed due to pandemic-related budget concerns. Enacting this exemption would contribute to the committee's efforts to preserve the existing supply of affordable housing in King County by incentivizing property sales to non-profit or public entities and lowering the cost of property purchases.</p> <p>b. Preserve manufactured housing communities. Support state policies that provide tenants and</p> | <ul style="list-style-type: none"> • HB 1643 Creates a REET exemption to give non-profit housing developers and local governments an advantage when competing for properties • HB 1100 did not pass • SSB 5079 did not pass |

| AHC Priority | Bill #s and Final Status |
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| <p>nonprofit organizations the opportunity to purchase manufactured housing communities and require longer notices for closures of manufactured housing communities. There are currently over 8,600 households living in manufactured housing communities—almost entirely in suburban King County. These communities represent a vital affordable housing resource for low-income people in King County and many are at risk of closure, redevelopment, or substantial pad rent increases.</p> | |
| <p>5. Increase capital, services, and operations & maintenance resources for permanent supportive housing for populations experiencing chronic homelessness</p> <p>a. Support the Health & Homes Act of 2022</p> <ul style="list-style-type: none"> i. Immediately expand the supportive housing supply statewide by prioritizing a substantial portion of ARPA dollars for a dedicated fund to reduce unsheltered homelessness through the rapid acquisition of currently available housing units for quick conversion into transitional or affordable housing, for populations experiencing chronic homeless. ii. Increase case management by investing \$60 million for services, such as substance use disorder and mental health treatment, and expand case management to assist in navigating persons experiencing homelessness into emergency shelters and permanent housing solutions. iii. Expand Apple Health state funding to establish an ongoing revenue stream for medically necessary supportive housing by authorizing select doctors and nurse practitioners to write a prescription for income qualified affordable housing, including capital construction, services, and operations & maintenance dollars. Partner with Housing Authorities, Public Development Authorities, and certified non-profit housing developers to bond against the revenue stream and develop and operative medically prescribed permanent supportive housing programs for populations experiencing chronic homeless. | <ul style="list-style-type: none"> • SHB 1866 Bill passed, but changed substantially from the original version. The final: <ul style="list-style-type: none"> ○ Establishes the Apple Health and Homes program to provide eligible persons with a permanent supportive housing (PSH) benefit and community support services benefit ○ Strengthens coordination and alignment of eligibility between Medicaid-funded services through Foundational Community Supports (FCS) and PSH ○ Establishes the Office of Apple Health and Homes in the Department of Commerce to coordinate PSH efforts ○ Requires the Health Care Authority to seek approval from the federal government for certain changes to implementation of the Medicaid waiver for FCS ○ Amends the 2021 document recording fee increase to make operations, maintenance, and services for PSH explicitly eligible <p>Note: The budget included \$60M for Apple Health and Homes, including \$6.5M for PSH operations, maintenance, and services.</p> |

Other Legislation

Comprehensive Planning

[HB 1241](#) – Comprehensive planning timelines and reporting, passed

- Extends the deadline for PSRC region comprehensive plans by six months to December 2024
- Amended the frequency of PSRC region comprehensive plan periodic updates to every ten years
- Added a requirement for a five-year implementation progress report which includes progress on housing policy implementation

Tenant protections:

[HB 1904](#) longer notice of rent increases, did not pass

[HB 2023](#) summary proceedings for tenants, did not pass