2024 State Legislative Priorities

The King County <u>Affordable Housing Committee</u> of the Growth Management Planning Council recommends actions and assesses regional progress towards advancing affordable housing solutions. The King County Countywide Planning Policies recently established that the county needs to add approximately **195,000** net new affordable units by 2044 to ensure that no low-income household pays more than 30 percent of its income on housing. That means countywide, the region must build or preserve an average of 9,750 affordable units every year for the next 20 years to meet the need. With current resources, about 3,700 affordable homes are built or preserved each year, leaving an annual remaining gap of 6,050 units.

We appreciate the state rising to the challenge in recent years, authorizing new revenue tools for affordable housing, specifically the:

- Affordable and Supportive Housing Sales and Use Tax Credit (RCW 82.14.540, authorized by 2019 SHB 1406) authorizing a new state-shared local tax; and
- Housing and Related Services Sales and Use Tax (RCW 82.14.530, authorized by 2020 HB 1590) of up to 0.1 percent which can now be imposed councilmanically.

Based on an analysis we performed in 2021, together, an estimated \$22.5 million had been collected since enactment of this new authority. Combined, this represented about 0.1 percent of the overall \$18 billion we projected needing from existing and new revenue sources between 2019 and 2024 and about 0.5 percent of the local share of \$5 billion in revenue needed.¹ This points to the need for substantial new public revenue to ensure that all low-income households in King County haves a place to call home that they can afford.

In light of this, the committee of 17 elected, nonprofit, and business leaders adopted these state legislative priorities, which call on the state government to:

- increase funding to preserve, operate, and increase the supply of affordable housing;
- support equitable housing planning, monitoring, and community engagement; and
- help people remain stably housed.

Affordable Housing Committee's 2024 State Legislative Priorities

1. Preserve and increase the supply of affordable housing.

- a. Increase and find a dedicated source of funding for the Housing Trust Fund, the state's primary source of financial equity for developing and preserving affordable housing across Washington State. This is a critical source of leverage for housing projects in King County.
- b. Create or authorize a new permanent funding source for affordable housing that minimizes disproportionate burden on low-income households to the greatest extent possible, keeps pace with rising capital and operating costs, and retains local flexibility to support uses including:

¹ May 14, 2021 Revenue and Expenditure Monitoring for Affordable Housing staff report to King County Affordable Housing Committee members [link].

- i. Capital investments and ongoing operating and services support for new and existing projects serving households below 50 percent area median income. This includes support for permanent supportive housing and workforce housing serving households below 30 percent area median income.
- ii. Projects that promote access to opportunity, prevent and mitigate displacement, and create wealth building opportunities for Black, Indigenous, and People of Color communities most disproportionately impacted by housing cost burden. This should include funding for capacity building for community organizations to develop community-driven projects, land acquisition, affordable homeownership, and the non-housing project components that meet the needs identified by communities most disproportionately impacted by housing cost burden.
- c. Exempt publicly funded affordable housing construction and rehabilitation costs from sales tax.
- d. Identify an insurance coverage and cost solution for affordable housing providers that addresses the increasing cost of deductibles and premiums, including for builder's risk, property, and liability insurance.
- e. Expand and make permanent the Connecting Housing to Infrastructure Program (CHIP) Grants Program.

2. Support local jurisdictions in planning for and accommodating housing affordable to households at or below 80 percent area median income.

- a. Fund Commerce to provide technical assistance to jurisdictions in complying with requirements set forth in 2021 House Bill 1220.
- b. Fund Commerce to evaluate the effectiveness of 2021 House Bill 1220 in meeting its stated goals in the Puget Sound region and prepare recommendations based on findings.
- c. Identify and share best practices, model legislation, and other tools to support effective and equitable jurisdictional implementation of comprehensive plan housing policies.
- d. Increase housing affordability near planned and existing high capacity and frequent transit.
- e. Replace the arbitrary one percent property tax cap and provide flexibility for local governments to implement a more progressive tax system.
- f. Give jurisdictions the authority to easily capture value from commercial development for affordable housing.

3. Increase housing stability for low-income households.

- a. Maintain or expand the Housing and Essential Needs program to keep up with rising rents for the lowest income community members.
- b. Increase behavioral health resources to support housing stability for people living in supportive and affordable housing.
- c. Increase equitable opportunities for tenants to learn about and enforce their rights.
- d. Increase funding for legal assistance to help keep tenants housed.

- e. Ban discrimination against renters based on a prior criminal record.
- f. Protect tenants from excessive rent increases and related fees by strengthening statewide requirements for notice of residential rent increases.

Approved November 16, 2023 by the Affordable Housing Committee of the King County Growth Management Planning Council.

To learn more about the Affordable Housing Committee, please visit: www.kingcounty.gov/AHC.

Committee Members

- Councilmember Claudia Balducci (Committee Chair), King County Council
- Alex Brennan (Committee Vice Chair), Futurewise
- Don Billen, Sound Transit*
- Susan Boyd, Bellwether Housing
- Jane Broom, Microsoft Philanthropies*
- Kelly Coughlin, SnoValley Chamber of Commerce*
- Councilmember Amy Falcone, Kirkland, Sound Cities Association
- Veronica Shakotko, Master Builders Association of King and Snohomish Counties
- Mayor Nigel Herbig, Kenmore, Sound Cities Association*
- Ryan Makinster, Washington Multi-Family Housing Association
- Sunaree Marshall (on behalf of King County Executive Constantine), King County, Department of Community and Human Services
- Councilmember Ryan McIrvin, Renton, Sound Cities Association
- Councilmember Teresa Mosqueda, Seattle City Council*
- Mayor Lynne Robinson, Bellevue, Sound Cities Association
- Robin Walls, King County Housing Authority
- Maiko Winkler-Chin (on behalf of Mayor Harrell), Seattle Office of Housing

Alternative Members

- Councilmember Larry Brown, Auburn, Sound Cities Association
- Councilmember Joseph Cimaomo Jr., Covington, Sound Cities Association*
- Deputy Mayor Dana Parnello, Maple Valley, Sound Cities Association
- Council President Lindsey Walsh, Issaguah, Sound Cities Association
- Councilmember Dan Strauss, Seattle City Council*
- Tim Walter, King County Housing Authority*
- Andréa Akita, Seattle Office of Housing*
- Thatcher Imboden, Sound Transit

^{*}Absent for vote