

## Washington State House Democratic Caucus

# Affordable Homes for All

Housing affordability and homelessness continues to be a growing problem across Washington—every district, every county, every community faces this critical challenge. Despite efforts and resources to date, the scale of the problem grows unabated because we are not bringing resources commensurate with the scope of the problem. We do not have adequate housing options across income levels and across specialized needs in order to keep Washingtonians housed.

Whether we are considering the challenges of a middle-class family trying to rent three bedrooms or purchase a first home, a low-wage worker trying to live near their job, trying to discharge patients from Western State Hospital, or help people exit homelessness: we do not have enough housing for these needs and more. And this is not factoring in the projected growth in our state in coming years and generations.

The number of people experiencing homelessness in the Puget Sound area has grown 9% over the last year, to more than 15,000 on any given day. In addition to people already homeless, more than 100,000 low-income households spend more than half their income to cover their housing costs, and in danger of becoming homeless. [HOUSING ALLIANCE WILL UPDATE WITH STATEWIDE STATS]

This crisis is also not impacting people equally, as renters and people of color are more likely to be overburdened by housing costs, and at greater risk for displacement.

Increasing affordable housing stock and mitigating the factors that lead to homelessness are top priorities for House Democrats in the 2019 session. The following is a blueprint of our 2019 legislative agenda:

1. **BUILD MORE:** We need to build more affordable housing statewide, which means new state and local funding.
2. **BUILD UP:** We need more density around transit centers.
3. **BUILD BETTER:** We must cut the bureaucratic red tape that's holding us back by reforming planning, speeding up construction and incentivizing local action.
4. **BUILD STRONG COMMUNITIES:** We need to increase housing stability for everyone in our community by preventing displacement and homelessness, and supporting stable housing options.

The following pages provide more detail about specific policy proposals.

House Democrats are confronting a growing statewide housing crisis with policies that will have immediate and substantial impact. This package of proposals will reduce homelessness and help ensure Washingtonians have the opportunity to live in safe, healthy and affordable housing. These are practical, widely-supported tools to achieve the aggressive vision of housing for all in our state so that future generations do not live with the housing scarcity, high cost burdens, and trauma of homelessness we know today. The crisis is real and urgent, but so is our will and means to solve it.

### **Top 10 Caucus Priorities: (draft)**

- 1.** Fully Fund the Housing Trust Fund
- 2.** Sales Tax Credit for Housing
- 3.** Reform Condominium Liability
- 4.** Incentives within State Planning Laws
- 5.** Remove impediments to affordable housing
- 6.** Eviction Process Reform
- 7.** Just Cause Eviction Requirements
- 8.** Protections for Manufactured Home Owners
- 9.** Expand Rent Subsidies to those most at risk of homelessness
- 10.** Anchor Community Initiative

## **1. BUILD MORE: We need to build more affordable housing statewide, which means new state and local funding.**

- 1.1. **Fully Fund the Housing Trust Fund** – [need description]
- 1.2. **Sales Tax Credit for Housing** – Building on 2018’s HB 2437, this policy would offer a significant sales tax credit to local jurisdictions to build affordable housing.
- 1.3. **Dedicated Funding for Housing Trust Fund** – The HTF has been an effective capital program since its inception 30 years ago, but the biennial struggle to secure funding in the resource-constrained capital budget has led to inadequate and unpredictable funding levels.
- 1.4. **New Revenue** – With a changing landscape of increased impacted families and broader awareness, proposals to create new revenue for affordable housing are more viable than in past years. The Real Estate Excise Tax continues to be the tax instrument with the most direct nexus to housing, so a graduated/tiered REET proposal is likely the most attractive option to generate new revenue for affordable housing.

- 1.5. **REET 2 flexibility** – The legislature made REET 2 funding available for affordable housing through 2019, but the legislature needs to act to extend that flexibility beyond 2019.
- 1.6. **REET 3 authority** – [description]
- 1.7. **Sales Tax Exemption** – The legislature contemplated a one-time sales tax exemption for local governments building affordable housing, and though the legislation (HB 1797) did not pass, the need remains.
- 1.8. **0.1% Sales Tax Authority** – Counties and cities have the authority to impose a .1% sales tax to benefit mental health and affordable housing. Requiring councilmanic action rather than a vote of the people would likely lead to greater utilization of this authority.
- 1.9. **Public Works Loans** – Adequately fund this account and include affordable housing as an eligible activity to make low-interest loans available to local jurisdictions.
- 1.10. **Fund Local Planning** to ensure affordable housing forecasts, zoning, siting laws and regulations are realistic, achievable and promote affordability.
- 1.11. **Multi-family Tax Exemption** – *(pending more detail)*

## **2. BUILD UP: We need more density around transit centers.**

- 2.1. **Support zoning for increased density in areas well-served by transit** – Transit-Oriented Development (TOD) strategies can increase the pace of well-placed affordable housing production in communities across the state.
- 2.2. **Reform Condominium Liability** - Update regulations to support the building of more condominiums while protecting consumers, especially at prices affordable to first-time homeowners and retirees. Update 'right to repair' provisions for owners. [Include condo conversion protections for low-income tenants?]
- 2.3. **Accessory Dwelling Units** – Streamline requirements statewide.
- 2.4. **Repurpose derelict properties** – (need description)

## **3. BUILD BETTER: We must cut the bureaucratic red tape that's holding us back by reforming planning, speeding up construction, and incentivizing local action.**

- 3.1. **Incentives within State Planning Laws** – Streamline environmental review by reducing duplication between SEPA and other environmental laws. Reduce bottlenecks in environmental review and permitting processes that slow housing construction in urban areas.
- 3.2. **Utilize Public Land** – The legislature took a major step in 2018 to make underutilized public land available for affordable housing, and with some of the first projects already underway, we are learning how to further refine the statute to better utilize public land for public benefit.
- 3.3. **Remove impediments to affordable housing** – Expedite financing, permitting, impact fee waivers, and other factors that can impede timely construction of affordable housing.
- 3.4. **Innovative approaches** – Explore new options, such as co-operative ownership, applications for matching roommates in shared-housing placements, streamlining modular production, etc.

#### **4. BUILD STRONG COMMUNITIES: We need to increase housing stability for everyone in our community by preventing displacement and homelessness, and supporting stable housing options.**

- 4.1. **Eviction Process Reform** – The eviction process presents substantial obstacles even for tenants who are able and willing to pay rent. Providing a more balanced forum to resolve legal disputes between landlords and tenants will help tenants retain stable housing.
- 4.2. **Just Cause Eviction Requirements** – Continuing effort that started with HB 2804 to enact ‘just cause’ requirement for eviction. Seattle and many other cities around the country have already enacted versions of this policy.
- 4.3. **Protections for Manufactured Home Owners** – Increase protections for owners of manufactured homes – often the most affordable form of homeownership. Notice of sale, right to purchase, and relocation assistance were among options contemplated in HB 1514, HB 1798 and HB 1884.
- 4.4. **Expand Rent Subsidies to those most at risk of homelessness** – The Housing and Essential Needs program provides rent subsidies for people with disabilities.
- 4.5. **Anchor Community Initiative** – An innovative program to end youth homelessness in four Washington communities by 2022. The initial four communities are Pierce, Spokane, Yakima, and Walla Walla Counties, with hopes to eventually expand to a total of 12-15 communities across the state.
- 4.6. **Fair Chance Housing** – Prevents landlords from unfairly denying applicants housing based on criminal history. Addresses bias against people who have served their time, are seeking to provide for themselves and their families, and yet have faced barriers to accessing safe, stable housing.
- 4.7. **End Rent Gouging** – We’ve seen a marked increase in exorbitant rent increases as the housing crisis grows. This puts families in danger of losing their homes, and proximity to work, school and communities.
- 4.8. **Don’t discharge people into homelessness** – Provide support to and accountability of criminal justice, foster care, behavioral health and other state entities with high discharge rates into homelessness.
- 4.9. **Discourage criminalization of homelessness** – Support communities, including religious entities, in finding durable and humane solutions to homelessness.
- 4.10. **Senior property tax exemption** – Tailor in a way that could incentive ADU production, and ensure relief to seniors most at risk of displacement.
- 4.11. **Tax foreclosure protection** – (Orwall, need description)