



2020 Lead Legislative Agenda Talking Points

Everyone should have the opportunity to live in a safe, healthy, affordable home. Yet, Washington's severe shortage of affordable homes is the primary driver of homelessness. For very low-income households in our state (those earning less than 50% of the area median income), there are just 50 affordable rental homes available for every 100 households and that number shrinks to just 29 affordable homes available for every 100 extremely low income households (those earning less than 30% of the area median income). This means many people are living in housing that they can't afford; in fact, 71% of Washington's extremely low-income households are spending more than half their income on housing each month. This is unsustainable and drives homelessness.

The affordable housing crisis especially harms some communities in particular. African American and Native American people are overrepresented among people experiencing homelessness and African American and Native American children are three times more likely to experience homelessness than white children. LGBTQ+ people, veterans, and people with disabilities are also disproportionately impacted by the housing crisis.

To solve this, we need **many more affordable homes, reduce impediments to building affordable homes, increase housing stability**, and take steps that **directly prevent and end homelessness**.

These priorities were developed by talking with people all across Washington, including housing developers, service providers, and people personally impacted by the lack of affordable housing.

INVEST IN AFFORDABLE HOMES FOR LOW-INCOME HOUSEHOLDS

Invest \$10 Million into the Housing Trust Fund for Preservation of Affordable Homes

- Washington is at-risk of losing significant numbers of deeply affordable homes due to their affordability requirements expiring. This includes federal US Department of Agriculture (USDA) properties, some tax credit properties, and other subsidized affordable homes.
- Between 2012 and 2019, for example, Washington lost 533 USDA Rural Development apartments, which are often the only affordable options for extremely low-income households in rural areas. We stand to lose over 5,000 more over the next 5 years if we do nothing.
- We cannot afford to lose affordable homes. It undermines our great progress and displaces more people into housing instability and homelessness.

HB 1590 & SB 6126 – Allow the Local Option for a 1/10th of 1% Sales Tax Increase for Affordable Housing to Be Implemented by Local Elected Officials

- KEY SPONSORS: Rep. Doglio (22nd LD) and Sen. Hunt (22nd LD)
- In 2015, the legislature authorized local governments to levy a .1% sales tax for affordable housing, but a compromise required that it can only be implemented through an expensive and time-consuming public vote.
- Local jurisdictions want to enact more funding for affordable housing, but the cost of running a ballot campaign can be prohibitive. Since 2015, only three jurisdictions have passed an ordinance to enact this funding source.
- The .1% sales tax is considered a qualifying local tax and can be leveraged so that cities can maximize their affordable housing funding with funds from House Bill 1406.
- Local governments need more options to quickly secure more funding for affordable homes so they can get to work building the housing our communities need.

HB 2797 - Make Improvements to HB 1406 to ensure all cities can access these new housing funds

- KEY SPONSORS: Rep. Robinson (38th LD)
- The legislature passed House Bill 1406 in 2019. If fully enacted, it could bring counties and cities over \$500 million over 20 years. However, technical fixes need to be made to ensure local governments can take full advantage.

REDUCE IMPEDIMENTS TO BUILDING AFFORDABLE HOMES

HB 2634 & SB 6366 – Create a Real Estate Excise Tax (REET) Exemption for Selling Property to a Nonprofit or Public Housing Authority Who Acquires It for Affordable Housing

- KEY SPONSORS: Rep. Walen (48th LD) and Sen. Mullet (5th LD)
- The Real Estate Excise Tax is a tax on the sale or transfer of a property, based on the value of the property. It is levied on the seller, but often passed on to the buyer.
- HB 2634 and SB 6366 would create a REET exemption on the sale of property to a nonprofit or public housing authority who agrees to record a covenant requiring it to be used for affordable housing.
- A REET exemption will act as an incentive to sell to a nonprofit or public housing authority – giving them an important leg up in the increasingly competitive market for land zoned for multifamily development.

HB 2384 & SB 6232 - Fix the Property Tax Exemption for Affordable Rental Housing for Very-Low Income Households

- KEY SPONSORS: Rep. Doglio (22nd LD) and Sen. Kuderer (48th LD)
These bills will provide flexibility in a property tax exemption that was created in 1999 to make it work better with today's affordable housing environment.
- Currently, affordable housing providers get charged property taxes if their tenants incomes rise beyond 50% of the AMI – this penalizes nonprofits for successfully stabilizing lives.
- HB 2384 and SB 6232 would remove the wildcard of future tax liability by allowing a tenant to increase their income without triggering tax liability for the nonprofit. The bills would also adjust the target income of tenants from 50% AMI to 60% AMI to apply to more affordable housing.

HB 2343 & SB 6334 – Make Improvements to HB 1923

- KEY SPONSORS: Rep. Fitzgibbon (34th LD) and Sen. Salomon (32nd LD)
- The legislature passed HB 1923 in 2019, which tackled some cost drivers and impediments to building affordable homes. As a follow-up, these “trailer bills” (HB 2343 & SB 6334) improve limitations on expensive parking requirements that local cities can require of affordable housing developers, updates the definition of permanent supportive housing, and adds more options for cities to address increased density.

INCREASE HOUSING STABILITY

HB 2453 & SB 6379 - Require landlords to have a legitimate reason to make someone move

- KEY SPONSORS: Rep. Macri (43rd LD) and Sen. Kuderer (48th LD)
- In Washington, a landlord can force a tenant out of their home with just 20-days' notice, even if they have never violated the terms of their lease and never paid rent late.
- Landlords are not required to provide any reason for making someone move, which allows discrimination and retaliation to go unchecked and undermines Fair Housing protections.
- Oftentimes people who receive "no cause" 20-day notices receive them after asserting their tenant rights such as requesting a repair or challenging an illegal act by the landlord.
- This issue affects all renters, but particularly communities of color since 69% of black households, 66% of Native Hawaiian and Pacific Islander households, and 57% of Hispanic/Latinx households are renters in Washington -- compared to just 33% of white households.

Invest \$3.65 Million to Fund Foreclosure Counselors to Protect Homeowners

- KEY CHAMPIONS: Rep Orwall (33rd LD) and Senator Mullet (5th LD)
- Washington is currently seeing the highest rates of foreclosures since 2014. As rents continue to rise and the ability to find an affordable rental home becomes less and less possible, seniors and fixed-income homeowners are put at higher risk of housing instability and homelessness when facing foreclosure.
- Additional funding is needed to maintain skilled counselors and mediators who connect homeowners to prevention resources and to information on homeowners' rights in the foreclosure process.

PREVENT AND END HOMELESSNESS

Eliminate the ABD Shelter Penalty

- KEY CHAMPIONS: Rep. Leavitt (28th LD)
- The Aged, Blind, or Disabled (ABD) cash grant program serves extremely low-income people with disabilities who are in the process of applying for Supplemental Security Income (SSI) assistance.
- The ABD cash grant was dramatically cut from \$339/month to \$197/month during the Great Recession and the shelter penalty was implemented, which lowers the cash grant even further to \$120/month for an individual who is deemed not to have out-of-pocket housing expenses. This affects roughly 15% of people on ABD.

- The ABD cash grant is a critical resource for addressing basic needs and every ABD recipient should be able to access the full \$197.
- This Operating Budget request was funded in the Governor’s budget and will cost the state \$2.5 million.

HB 1694 - Require Landlords to Accept a Payment Plan for Move-in Costs When a Tenant Requests It

- KEY SPONSORS: Rep. Morgan (29th LD)
- Moving costs, including first and last month’s rent, deposits, and fees can add up to thousands of dollars and is a major hurdle for people trying to transition out of homelessness or who have to move.
- Allowing tenants a payment plan to cover these move-in costs will help address this significant barrier.
- HB 1694 would not regulate fees or the cost of the deposits but requires a landlord to accept a tenant’s request for a payment plan for all the move in fees, deposits, and last month’s rent.

Establish a Pilot Program to Provide Rental Assistance to Disabled Adults and Seniors to Prevent Homelessness

- KEY CHAMPIONS: Rep. Macri (43rd LD)
- When disabled adults and seniors successfully complete the arduous process of securing federal supplemental social security income, they increasingly find themselves still far short of the income needed to meet today’s sky-high rents. \$783 is not enough even to afford a studio apartment in most areas of Washington.
- Receiving SSI makes these individuals ineligible for Housing & Essential Needs rental assistance which otherwise fills a housing gap for disabled adults.
- This budget proviso would establish a pilot program to provide immediate relief to prevent homelessness and study program options for cost-effective interventions for consideration in 2021.
- This is an Operating Budget request for \$5 million.