

2020 LEGISLATIVE AGENDA

AND COMMUNITY LISTENING TOUR FINDINGS

The Washington Low Income Housing Alliance is comprised of advocates from across the state who share the goals of expanding access to affordable homes and ending homelessness. Each interim, the Housing Alliance works with our members to develop state level legislative priorities that reflect the most urgent needs in their communities.

Last summer, we travelled across Washington to meet directly with people experiencing homelessness and housing instability, service providers, low-income housing developers, and local advocates. In total, we visited eight communities, and a vast array of people generously shared their insights and experiences. We also conducted a survey and received over 300 responses, deepening what we had learned on the tour.

The lack of housing affordable to low-income people was clearly named as the biggest issue facing communities. The need to protect tenants, especially against abusive and excessively high fees and against arbitrary termination of tenancies was consistently named, as was the need for more funding for homelessness interventions. The need to reduce barriers and cost drivers to

building affordable housing was also raised in every community. The criminalization of homelessness was named as an issue by people experiencing homelessness and by service providers. In addition, we heard about several local governments that passed ordinances preventing the siting of shelters and/or permanent supportive housing. Another significant theme was the lack of affordable homes accessible to people with physical or behavioral health disabilities.

Our legislative priorities work together to build a pathway to a Washington where everyone has the opportunity to live in a safe, healthy, affordable home. Our priorities have a statewide impact and address racial and systemic inequities that underlie the disproportionate impact of homelessness on communities of color.

Our legislative agenda is derived directly from the feedback we heard and seeks to address some of the biggest affordable housing and homelessness challenges facing our communities. 2020 priorities fall into four categories:

1. Build homes affordable for low-income households

2. Reduce impediments to building affordable homes

3. Increase housing stability

4. Prevent and end homelessness

Additionally, we support a broad set of policy priorities lead by other organizations that expand access to affordable homes, reduce homelessness and/or help low-income people meet other basic needs.

LEAD AGENDA

BUILD HOMES AFFORDABLE FOR LOW-INCOME PEOPLE.

The for-profit housing market produces very little housing that is affordable for the lowest income people, leaving a gap of more than 200,000 homes for people earning less than half the area median income. Local communities need resources to build homes that cost what those households can afford.

INVEST \$10 MILLION INTO THE HOUSING TRUST FUND FOR PRESERVATION OF AFFORDABLE HOMES.

The Housing Trust Fund provides homes for families with children, seniors, veterans, people with disabilities, farmworkers, and more. Many currently affordable homes across Washington are at risk of being lost to the for-profit market. An additional \$10 million-dollar appropriation for the Housing Trust Fund in the Supplemental Capital Budget would help save homes and prevent the displacement of people living in them. This would preserve affordable homes already subsidized but at risk of loss. Funds could be used for the preservation of all units at risk of loss, including USDA properties in rural communities and homes funded with Low Income Housing Tax Credits.

ALLOW THE LOCAL OPTION FOR A 1/10TH OF 1% SALES TAX INCREASE FOR AFFORDABLE HOUSING TO BE IMPLEMENTED BY LOCAL ELECTED OFFICIALS. (HB 1590/SB 6126)

Local jurisdictions need more options to generate local funds for affordable homes. In 2015, the Legislature authorized cities and counties to implement a sales tax for affordable housing, but using the option requires an electoral process that is expensive and time-consuming. This would allow this local option to be enacted through a simple majority vote of the city or county council. Local governments could still send it to the voters, but would not be required to.

IMPROVEMENTS TO 1406

Improvements are needed to last year's House Bill 1406 to ensure that local jurisdictions can take full advantage of the state sales tax credit for affordable housing.

LEAD AGENDA

REDUCE IMPEDIMENTS TO BUILDING AFFORDABLE HOMES.

Changes in current law are needed to reduce the cost and impediments to building affordable homes. These bills would make it easier for nonprofits and public housing authorities to develop affordable homes.

CREATE A REAL ESTATE EXCISE TAX EXEMPTION FOR SELLING PROPERTY TO A NONPROFIT OR PUBLIC HOUSING AUTHORITY WHO ACQUIRES IT FOR AFFORDABLE HOUSING. (HB 2634/ SB 6366)

The lack of properties available to develop multifamily housing and the inability to compete with for-profit developers to acquire existing properties is a significant issue facing affordable housing developers across the state. Providing a Real Estate Excise Tax (REET) exemption when selling to a nonprofit or public housing authority for affordable housing will incentivize preserving or developing affordable homes. All sales or transfers of real property to a nonprofit entity, public development authority, or public housing authority would be exempt from the REET if the purchasing entity records a covenant requiring the property to be used for affordable housing.

FIX THE PROPERTY TAX EXEMPTION FOR AFFORDABLE RENTAL HOUSING FOR VERY LOW-INCOME HOUSEHOLDS. (HB 2384/ SB 6232)

Nonprofit affordable housing is currently granted a property tax exemption under certain circumstances, but it needs to be adjusted to work with the needs of today's affordable housing providers. If a tenant's income increases, which it often can because affordable housing stabilizes lives and improves employment opportunities, housing providers can be required to pay the full property tax. This unpredictability drives funders to require significant up-front cash reserves which can significantly increase the cost of building affordable homes.

This bill would adjust the initial target income of tenants from 50% of Area Median Income (AMI) and below, to 60% AMI and below to apply to more people. It would also eliminate the wildcard of future tax liability by allowing a tenant to increase their income without triggering a tax increase for the property.

IMPROVEMENTS TO 1923

Improvements are needed to last year's House Bill 1923 that creates incentives for reducing the cost of building homes.

LEAD AGENDA

INCREASE HOUSING STABILITY.

Stable housing improves health and educational opportunities. Preventing families from losing their homes prevents homelessness and helps people stay in their communities near jobs, schools, and services.

REQUIRE A LEGITIMATE REASON TO MAKE SOMEONE MOVE. (HB 2453/ SB 6379)

Currently in Washington, landlords can end a month to month lease and make a tenant move without even telling the tenant why. This is a loophole in Washington's fair housing laws and other legal protections for tenants and can mask illegal retaliation and discrimination. The fear of getting a twenty-day no cause notice to move is a common reason tenants don't assert their rights under the law. Landlords should not be able to make someone move unless they have a legitimate business reason and they should not be allowed to provide such little notice.

This would require a landlord to have a legitimate business reason to make someone move and require more than twenty days notice. The bill includes a variety of reasons similar to Seattle's Just Cause Eviction Ordinance, but also applies to month to month tenancies.

FUND FORECLOSURE COUNSELORS TO PROTECT HOMEOWNERS.

Homeowners in Washington continue to face the loss of their homes through foreclosures, including tax-lien foreclosures as the population of homeowners ages and includes more people on fixed-incomes. 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.

IMPROVEMENTS TO 5600

As some landlords have exploited loopholes in last year's Senate Bill 5600, changes are needed to ensure tenants are protected from unfair evictions as intended.

LEAD AGENDA

PREVENT AND END HOMELESSNESS.

While many of our other priorities will also help prevent and end homelessness, these directly target homelessness by expanding rental assistance, eliminating the ABD reduction for people living in shelter, and letting tenants spread out high move-in costs over three months.

ESTABLISH A PILOT PROGRAM TO PROVIDE RENTAL ASSISTANCE TO DISABLED ADULTS AND SENIORS TO PREVENT HOMELESSNESS.

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 would establish a pilot program to provide immediate relief to prevent homelessness and study program options for cost-effective interventions for consideration in 2021.

ELIMINATE THE ABD SHELTER PENALTY.

The Aged, Blind, or Disabled (ABD) cash grant program serves extremely low-income people with disabilities who are in the process of applying for federal Supplemental Security Income (SSI) assistance. The grant was dramatically cut from \$339 per month to \$197 per month during the Great Recession and the shelter penalty was implemented which lowers the cash grant even further to \$120 per month for people who are determined not to have out-of-pocket housing expenses.

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 impacts about 15 percent of ABD recipients who are already struggling to make ends meet. While there is more work needed to increase the grant, eliminating the shelter penalty is a common-sense step the legislature can take during a supplemental budget year to address the needs of an extremely low-income disabled population.

REQUIRE LANDLORDS TO ACCEPT A 3-MONTH PAYMENT PLAN FOR MOVE-IN COSTS WHEN A TENANT REQUESTS IT. (HB 1694)

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. Allowing tenants a three-month payment plan to cover these move-in costs will help address this significant barrier. This bill would not regulate fees but requires a landlord to accept a tenant's request for a three-month payment plan for all the move in fees, deposit, and first/last month's rent.

SUPPORT AGENDA

Support Governor Inslee's Operating and Capital Budget investments in homelessness.

The Governor's unprecedented proposal to reduce homelessness expands the Housing and Essential Needs program, permanent supportive housing, critically needed shelter, and other homelessness interventions. These investments should be included in the final budget.

Enact a state level rent stabilization policy. (HB 2779)

There is no limit on how much, or how often, for-profit landlords can raise the rent. In order to keep people in their homes, Washington should follow the lead of California and Oregon and implement controls on rent increases. (Tenants Union)

Ensure that the Housing Trust Fund's geographic distributions are met for rural housing.

Language authorizing the Housing Trust Fund requires that 30% support affordable housing in rural communities. As earmarks and restricted categories in the HTF have grown, this has been compromised. This would clarify that rural Washington receives 30% of the entire HTF annual appropriation, not just the competitive portion. (Office of Rural and Farmworker Housing)

Establish a Communities of Concern public development authority.

Grant the Communities of Concern Commission public development authority status to access funding for capital assets in their respective communities to reduce poverty. This includes Capital Budget and Operating Budget requests of \$1 million each. (Catholic Community Services of Western Washington)

Amend the definition of "first time homebuyer."

Broaden the definition of First Time Homebuyer to include more people such as those who have owned manufactured homes or are displaced homemakers. (OPAL Community Land Trust)

Add a statutory definition of "permanently affordable homeownership."

Defining this term would codify best practices and help to assure a shared standard. The addition of this definition is a protective measure so that future policy makers and stakeholders can be confident that they mean the same thing when using the term. (OPAL Community Land Trust and Northwest Community Land Trust Coalition)

Reverse the cuts to TANF made during the great recession.

The deep cuts that Washington made to TANF during the Great Recession were made by implementing harsh sanctions, time limits and other restrictions that disproportionately impact people of color, people experiencing homelessness, and people with mental health needs and should be restored. (Statewide Poverty Action Network)

SUPPORT AGENDA

Fix loopholes in deposit protections and increase protections against post-tenancy debt. (HB 2520)

This bill addresses the problem of tenants being billed for replacement of expensive fixtures when the damage was not caused by the tenant. Exaggerated post-tenancy claims are a significant component of tenant debt, which can be a barrier to moving into a future home. This would reduce the total amount of post-tenancy debt by addressing one of its most significant drivers. (Columbia Legal Services)

Provide 3-year notice of closure of manufactured housing communities. (HB 2657/ SB 6271)

Manufactured homeowners need more time to make informed decisions when the land under their homes is sold. They will lose their largest asset and the current statute does not give them enough time to make proper arrangements. (Association of Manufactured Homeowners)

Create opportunities for homeowners to purchase their manufactured housing community. (HB 2610/ SB 6230)

The Opportunity to Purchase would provide a way for manufactured homeowners to purchase land collectively to preserve their community and allow this affordable form of home ownership to remain viable for low income families in the future. (Association of Manufactured Homeowners)

Enact a Housing Justice bill to prevent categorical denial of housing to people with criminal records. (HB 2878/ SB 6490)

People of color are significantly more likely to be impacted by the criminal justice system at every level, even when they have committed the same crimes as white people. Policies that deny housing to people who have previously been involved with that system compound that inequity and create barriers for people of color, especially African Americans, to accessing housing. (Washington Statewide Reentry Council)

Extend the Working Connections Child Care homeless grace period. (HB 2456/ SB 6351)

Improve access to high quality childcare for children experiencing homelessness by extending the current "homeless grace period" from 4 to 12 months. This will provide more time for a family to meet the full eligibility requirements of the Working Connections Child Care subsidy. (Child Care Resources)

Reduce documentation barriers for young adults experiencing homelessness. (HB 2607/ SB 6304)

Improve access to state ID for youth and young adults experiencing homelessness by establishing an ID verification letter for homeless youth, similar to one that exists for foster youth. (Mockingbird Society)

Establish long-term housing options for minors experiencing homelessness.

Include \$1 million in the Operating Budget for the Office of Homeless Youth to contract with licensed providers for transitional housing beds for 16 & 17 year olds. This would fund 15 new beds. (Mockingbird Society)