



## 2020 Housing Alliance Lead and Support Agenda

Current as of 10-29-19. \*Additional Support Agenda items may be added prior to the 2020 State Legislative session

### Lead agenda

**Investing \$10 Million into the Housing Trust Fund for preservation of affordable homes.**

Many currently affordable homes across Washington are at risk of being lost. An additional appropriation for the Housing Trust Fund in the state’s Supplemental Capital Budget would help save homes and prevent the displacement of people living in them.

More details:

This would specifically be for the preservation of affordable homes already subsidized but at risk of loss. These dollars would be allowable for the preservation of all units at risk of loss, including USDA properties in more rural areas of Washington and homes funded with Low Income Housing Tax Credits.

**Requiring a legitimate business reason to make someone move.**

Currently in Washington State, landlords can make anyone move for any reason – and they don’t even need to tell the tenant why. This leaves a huge loophole in Washington’s fair housing laws and in all the legal protections that tenants and advocates have fought to win. Additionally, the fear of getting a twenty-day no cause notice to move is a top 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 be required to provide more than twenty-days notice.

**SHB 1656/Macri & 5733/Saldaña**

More details:

SHB 1656 would require a landlord to have a legitimate business reason to make someone move. The amended bill includes a variety of reasons similar to Seattle’s Just Cause Eviction Ordinance, but HB 1656 also applies to month to month tenancies.

**Requiring a move-in fee installment payment plan over a three-month period when a tenant requests it.**

The cost of moving anywhere in Washington State is tremendous as tenants are often required to pay first and last month’s rent, deposits, and fees. It can cost thousands to get into a new home and is one of the biggest barriers 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.

**HB 1694/Morgan**

More details:

HB 1694 does not regulate fees, but it 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.

**Creating a Real Estate Excise Tax exemption for selling to a nonprofit who acquires it for affordable housing.**

The lack of properties available to develop multifamily housing and the inability to acquire existing properties due to an inability to compete with for-profit developers is a significant issue facing nonprofit affordable housing developers across the state. Providing a Real Estate Excise Tax (REET) exemption if the seller sells to a nonprofit or public housing authority who seek to acquire it for affordable housing will help incentivize the preservation or development of affordable housing.

More details:

All sales or transfers of real property to a nonprofit entity, public development authority, or public housing authority should be exempt from the real estate excise tax if the purchasing entity records a covenant requiring the property to be used for affordable housing.

**Eliminating 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 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 to not 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.

More details:

This ABD shelter penalty impacts about 15 percent of ABD recipients who are already struggling to make ends meet. While there is more work needed to increase the ABD cash 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. The Operating budget impact for fiscal year 2021 is estimated to be \$2.5 million.

**Fixing the property tax exemption for affordable rental housing for very low-income households.**

Nonprofit affordable housing is currently granted a property tax exemption under certain circumstances, but the law needs some fixes in order 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. But this unpredictability in exposure drives funders to require significant up-front cash reserves which significantly increases the cost of building affordable homes.

More details:

This bill would make two changes: It would adjust the initial target income of tenants from 50% AMI and below, to 60% AMI and below in order to apply to more people. It would also eliminate the wildcard of future tax liability by allowing a tenant to experience an increased income without it triggering a tax liability for the property. Current law has this safeguard but limits it to properties of 10 units or less. This change would also require the apartment to be rented on vacancy to someone at 60% AMI or below. The State Operating Budget impact is unknown, but likely very modest.

## Support agenda

<b>Enacting a state level prohibition on rent gouging.</b>	<p>Rents are sky-high across Washington State and there is no limit on how much, or how often, for-profit landlords can raise the rent. There is a direct correlation between rent increases and increases in homelessness. In order to keep people in their homes, Washington needs to follow the lead of California and Oregon and implement controls on rent increases. The Housing Alliance would support a bill which does the following:</p> <ul style="list-style-type: none"><li>- Applies to both multifamily and single family rental homes,</li><li>- Controls rents at vacancy to prevent incentives to displace long-term tenants,</li><li>- Caps year over year rent increases ideally no more than 3%,</li><li>- Exempts affordable housing funded with state, local or federal funds, that is owned or operated by a nonprofit or public housing authority and seasonal farmworker housing.</li></ul> <p>Lead organization: Tenants Union of Washington State</p>
<b>Passing HB 1590/Doglio</b>	<p>Local jurisdictions need more options to implement local funds for affordable homes. HB 1590 would allow the current 1/10 of 1% sales tax funding option for affordable homes to be enacted through a simple majority vote of the city or county council. Local governments could still send it to the voters, but under HB 1590 they would not be required to.</p>
<b>Ensuring that the Housing Trust Fund's geographic distributions are met for rural housing.</b>	<p>When the Housing Trust Fund was created it required that 30% of each appropriation be used to support affordable housing in rural Washington. This is still standing law, but as earmarks and restricted categories in the Housing Trust Fund (HTF) have become increasingly common, the 30% requirement has been compromised. This proposal would clarify that rural Washington be entitled to 30% of the entire HTF appropriation, not just the competitive bucket in any given year. This proposal supports farmworker housing and other rural affordable housing to reduce overcrowding, get families out of substandard conditions and out of homelessness.</p> <p>Lead organization: Office of Rural &amp; Farmworker Housing</p>
<b>Establishing a Communities of Concern public development authority</b>	<p>This proposal supports the Communities of Concern Commission in seeking public development authority status to access funding to build self-determined capital assets in their respective communities to reduce poverty. This includes Capital Budget and Operating Budget requests of \$1 million each.</p> <p>Lead organization: Catholic Community Services of Western Washington</p>
<b>Amending the definition of "first time homebuyer"</b>	<p>This proposal would broaden the definition of First Time Homebuyer to include more people such as people who have owned manufactured homes or are displaced homemakers.</p> <p>Lead organization: Opal Community Landtrust</p>

**Reversing the cuts to TANF made during the great recession.**

This proposal addresses the deep cuts that Washington state made to TANF during the Great Recession. These cuts were achieved by implementing harsh sanction and time limit policies as well as other restrictions and requirements. The result is that our current TANF caseload is at an all-time low in Washington State, despite simultaneous rise in deep poverty. Additionally, data shows that those with the highest barriers to stability are more penalized by these policies. One-third of those penalized at the time were homeless, more than 70 percent had a mental health need, and the penalties disproportionately impact communities of color. This is an Operating Budget proposal which is estimated to cost \$57 million per biennium.

Lead organization: Statewide Poverty Action Network

**Fixing loopholes in deposit protections and increasing protections against post-tenancy debt.**

The bill addresses a growing problem of tenants being billed for replacement of expensive fixtures, such as carpets or paint jobs, when the damage was not caused by the tenant. Exaggerated post-tenancy claims for damages are a significant component of the problem of tenant debt, which can prevent tenants from transitioning into future tenancies. This bill would help reduce the total amount of post-tenancy debt by addressing one of its most significant drivers. Additionally, it will update the definition of "normal wear and tear," require increased documentation from landlords to substantiate damage claims and create a remedy for tenants whose landlords fail to comply with the documentation requirements. It will also limit the landlords' ability to send claims on to a collection agency.

Lead organization: Columbia Legal Services

**Enacting a Housing Justice Bill to prevent categorical denial of housing to people with criminal records.**

*Note this bill and its placement on our agenda is in progress.*

Due to significant and ongoing issues with our racist criminal justice system, policies that deny housing to people who have previously been involved with the system have significant impacts on black people and communities of color and is one reason that they disproportionately experience homelessness.

The Statewide Re-entry Council is leading this effort and has been working with a large stakeholder group to develop language. Key elements of the proposal include a prohibition on landlords denying or making available any rental unit to a tenant/prospective tenant based on their dismissed charges, successful diversion, expungements, or juvenile records, or if they have obtained a certificate of restoration of opportunity (CROP).

Lead organization: The Statewide Re-entry Council