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Members of the Pierce County Legislative Delegation
Washington State Legislature
416 Sid Snyder Avenue
Olympia, WA 98504

Dear Honorable Legislators,

We write to you as a coalition of Pierce County communities, large and small, to express our desires for legislative action to support housing attainability and stability. In the past year, the South Sound region experienced a rapid rise in housing costs, continuing a trend that has developed over the course of the past five years. Housing affordability and stability issues are now exacerbated by the COVID-19 public health emergency and associated economic downturn. To that end, our requests of the Legislature reflect our ongoing concerns about housing supply and attainability in addition to unique housing considerations related to the coronavirus pandemic.

The South Sound Housing Affordability Partners respectfully request the Legislature take action on the following:

- **Reform the Multi-family Tax Exemption to all cities and towns and appropriate county urban growth areas.** Current state law provides for cities with a population over 15,000 to offer the Multi-family Tax Exemption (MFTE), either for eight years for market-rate housing developments or twelve years if the development sets aside at least twenty percent of units for low- and moderate-income households. Average rents in some South Sound zip codes have risen close to \$2,000 per month, due in part to a lack of supply to meet the demand. Expanding the availability of this program to smaller jurisdictions would facilitate housing development and help address the shortage of units in the region. Further reforms to the program for cities currently eligible to offer the exemption should focus on providing cities with flexibility to best increase the number of housing units, both affordable and market rate, and to incentivize redevelopment of land in county urban growth areas to promote transit-supportive densities and more efficient land use.
- **Provide robust resources for rent and foreclosure-prevention assistance.** While Governor Inslee's eviction moratorium and a recent order issued by the Centers for Disease Control and Prevention have halted evictions due to pandemic-related income loss, our members are concerned about long-term accumulation of back payments that threaten housing stability for families in our region. A report issued by the U.S. Census Bureau in mid-September indicated that nearly 140,000 households in Washington State were not current on their rent. Further, we recognize that the burden of the pandemic also impacts providers of rental housing in our communities, especially landlords of single-family and smaller buildings with rental units. While Pierce County and some of our cities have activated Rental Assistance programs, those efforts have been largely funded by CARES Act Coronavirus Relief Funds, which expire at the end of 2020. Because the trajectory of economic recovery is yet unknown, we request that the

Legislature identify robust funding support for rent and mortgage assistance in the 2021 session to help prevent evictions and foreclosures in the coming year.

- **Preserve and Fully Fund the Housing Trust Fund.** The 2019-2021 capital budget allocated \$175 million toward affordable housing projects, and that the Department of Commerce is currently selecting projects for the 2021-23 budget. While only one multi-family project in Pierce County was awarded funding in 2019, the program plays a crucial role in fostering affordable housing development in Washington State. We request that you preserve the Housing Trust Fund in the 2019-21 capital budget, and fully fund the program in 2021-23.
- **Authorize a local option for graduated Real Estate Excise Tax.** Washington State recently switched from a flat Real Estate Excise Tax (REET) rate to a graduated rate based on the selling price of the property. Because of the correlation between high property values and high costs of living, many of our communities would welcome the option of enacting a similar policy at the local level. Such a taxing structure would allow for less of a burden on those selling lower-priced properties while still providing adequate revenue to cities through the higher rate collected on the property sales at the higher tiers. For some property sales, the revenue collected by the city may exceed the amount that would have been collected under the flat REET rate. Cities could use this additional revenue to supplement our existing revenue as another resource to help fund affordable housing projects.

While each of our jurisdictions have unique needs and circumstances, we are united in our desire to see individuals and families being able to remain in their homes, and for more available housing options for our friends and neighbors with low- and fixed-incomes. During this public health emergency, we are keenly aware of the disparate impacts on the most vulnerable in our communities, including seniors, the unhoused, people of color, veterans, and working families. We are continuing to explore and work toward actions that can be taken at the local level to foster greater housing stability here in the South Sound. We thank you for your consideration of our requests and hope you will consider us partners to you in your policy making decisions heading into the 2021 legislative session.

Yours in service,