



South Sound Housing Affordability Partners  
Executive Board Meeting Minutes

January 6, 2023

8:30 – 10:00 a.m.

**Executive Board:** Mayor Nancy Backus, City of Auburn – present  
Councilmember Kevin Ballard, City of DuPont – present  
Deputy Mayor Mike Winkler, City of DuPont - present  
Mayor Daryl Eiding, City of Edgewood – present  
Councilmember Christi Keith, City of Edgewood (alternate) - excused  
Mayor Kim Roscoe, City of Fife - present  
Councilmember Hunter George, City of Fircrest – present  
Mayor Pro Tempore Joe Barrentine, City of Fircrest - present  
Mayor Tracie Markley, City of Gig Harbor – present  
Mayor Jason Whalen, City of Lakewood – present  
Mayor Shanna Styron Sherrell, City of Milton – present  
Executive Bruce Dammeier, Pierce County - present  
Councilmember Ryan Mello, Pierce County – present  
Deputy Mayor Ned Witting, City of Puyallup – present  
Councilmember Annette Bryan, Puyallup Tribe – present  
Mayor Dick Muri, Town of Steilacoom – present  
Councilmember Charla Neuman, City of Sumner – present  
Chair, Mayor Victoria Woodards, City of Tacoma – absent  
Councilmember Kristina Walker, City of Tacoma (alternate) - excused  
Councilmember Denise McCluskey, City of University Place – present

**Staff:** Jason Gauthier, SSHA³P Manager  
Mary Connolly, Program Specialist  
Becki Foutz, Administrative Assistant

**Guests:** Alex Harrington, Bryan Schmid, Cynthia Stewart, Dorsol Plants, Jason Gano, Jayne Westman, Kenneth George, Kevin Briske, LeighBeth Merrick, Patti Spaulding-Klewin, Robin Bolstergrant, Ryan Windish, Ted Richardson, Trish Crocker, John Howell, Jayne Westman, Paul Loveless, Nicholas Carr, Katie Baker, Laura Benjamin, Jim Andrews, Carl Schroeder, Nancy Henderson

MINUTES

TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Councilmember George called the meeting to order at 8:31. SSHA³P Manager Gauthier called roll, per above; a quorum was present.	Wel-come!
Icebreaker Question	<i>What's the one thing you're looking forward to working on, learning, or taking away from the SSHA³P Executive Board experience in 2023?</i>  Mayor Roscoe: Progress	

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<p><b>Icebreaker Question, continued</b></p>	<p>Mayor Backus: Finding ways to accelerate opportunity to fund projects.</p> <p>Deputy Mayor Witting: Focused on Comprehensive Plan, thinks SSHA<sup>3</sup>P can really help with that this year.</p> <p>Councilmember Mello: Developing housing toolkit so we can get specific strategies out to communities to use.</p> <p>Councilmember Ballard: Getting the Advisory Board situated and off to a good start.</p> <p>Mayor Sherrell: Takeaways to add to Comp Plan.</p> <p>Mayor Muri: Learning about the nuances of housing in Pierce County and meeting elected municipal officials in the area.</p> <p>Mayor Markley: Assistance with our Comp Plan and where Gig Harbor can put housing in their city, then bringing city and Council on board.</p> <p>Executive Dammeier: Seeing some innovative solutions that haven't been considered yet, coming up with some ways to deliver housing affordably and quickly.</p> <p>Councilmember McCluskey: Incentivizing developers so they'll put their creative juices to work to create sustainable housing that perpetuates into the long term, so we don't have to cycle back to fix it.</p> <p>Councilmember Neuman: Seeing the tangible happen, an increase in housing supply as a result of the changes we've started making.</p> <p>Mayor Whalen: Understanding what creative solutions there may be that we haven't thought of yet, to increase our affordable housing supply.</p> <p>Councilmember Bryan: Seeing innovative partnerships between the local jurisdictions and tribal governments.</p> <p>Mayor Pro Tem Barrentine: Learning more about the current state of play so he can be more productive going forward, specifically in the area of keeping seniors in their homes.</p> <p>Deputy Mayor Winkler: Agrees with Barrentine, learning more about SSHA<sup>3</sup>P and being more informed, prepared to fill in as needed as alternate.</p> <p>Councilmember Henderson: serving as alternate, interested in working together to reduce housing issues.</p>	<p>Thank you!</p>

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<b>Consent Agenda</b>	<p>Any additions to the agenda? None</p> <p>Nancy Backus moved to approve the consent agenda. Councilmember Ballard seconded. The group voted to approve the consent agenda.</p>	<p>The agenda was approved.</p>
<b>Public Comment</b>	<p>Councilmember George invited the public to comment. None, and no written comments have been received.</p>	
<p><b>Legislative Update</b> Carl Schroeder, Assoc of WA Cities</p>	<p>Carl Schroeder, Deputy Director of Government Affairs of Association of WA Cities, provided a legislative preview presentation. All have been under a lot of pressure around zoning and housing issues. AWC wanted to bring cities together to change the dynamic and become part of the solution, and to develop a packet of proposals to inform AWC's approach as they work on housing issues in the 2023 session. BDS Planning, a facilitation firm, was hired, and ran the Housing Solutions Stakeholder Process, in which a stakeholder group of officials of 15 cities from around the state, varying in size, situation and perspective was formed. (John Hines, Tacoma Councilmember, represented Pierce County.) They also invited partners, including realtors, builders, low-income advocates, and met with legislators, the governor, and a variety of other stakeholders between August and November. Recommendations went through the AWC Board and represent where AWC stands on housing this session.</p> <p>The groups were oriented on the breadth of work done already, including state action on land use and housing, such as direction on parking, and zoning mandates, as well as local housing action plans. Many positive actions have been taken. EcoNorthwest, a data firm, was hired to develop presentations for sharing. Over the past 20 years, detached single-family housing has been declining, and we've now crossed over to where more multifamily are being built than single-family. Despite the development, rent and home sale prices are increasing, and construction costs are rising as well. The residential construction workforce is working at full capacity. In order to tackle housing underproduction, we would need an additional 11,700 units per year for 20 years, for this we would need 8900 more workers, a 25% increase in the workforce.</p> <p>Cities play an important role in promoting housing development, however they don't build the housing or fully control when and where it occurs. By 2044, Pierce will need 66,103 units, at 0 to 50% of the median income,. Statewide, 1,100,000 will be needed; 500,000 to 600,000 at 0 to 50%. Without direct and substantial action, we won't be able to meet that. EcoNorthwest studied Vancouver and Seattle and assessed that new apartment buildings only become four to five percent more affordable in terms of the AML, every decade, so building lots of new apartments won't drive the rent down to an affordable rate. Statewide, rent for one-bedroom apartments rent increased 8% last year, totaling an increase of 19% since 2020.</p>	<p>Carl's Power-Point is included in the meeting packet.</p>

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<p><b>Legislative Update</b>                      Carl Schroeder, continued</p>	<p><u>Zoning around transit:</u> AWC's proposal is that cities not be allowed to have any maximum densities within half a mile (walking distance) of rapid transit stations, if the project that's proposed has 20% of the units dedicated to affordable housing, at 80% of the median income or below, for a very long time, or permanently. Cities over 20,000 without rapid transit must allow at least three units (configured any way) on every lot within ¼ mile of arterials.</p> <p><u>Zoning around community assets:</u> Cities must allow three units per lot within ¼ mile walking distance around schools and community parks OR 75% of residential lots in a city must allow at least three units per lot, in any configuration, by permitted use.</p> <p>Zoning is only a small part of the problem so they wanted to propose <u>regulatory streamlining</u> as well: exempt residential development from SEPA if consistent with comp plans; eliminate external design review boards; provide state funding assistance for voluntary code audits; develop more online and streamlined permitting systems; and change the state building code to facilitate middle housing.</p> <p><u>Infrastructure investments:</u> restore revenues to the Public Works Assistance Account to ensure infrastructure funding for capacity increases is available; and enhance Connecting Housing and Infrastructure Program (supports sewer hook-up costs and other hard infrastructure costs for affordable housing developments).</p> <p><u>Direct Housing Funding:</u> proposing that the State to increase housing investments by at least \$1B/year; a new 0.25% councilmanic real estate excise tax that could be used to fund affordable rentals, home ownership and infrastructure support; additional flexibility for use of lodging taxes for affordable housing and increase funding for cities to plan for housing and density increases.</p> <p>AWC has received pretty good feedback from partners. They're looking forward to starting session and having conversations with legislators and partners. Housing will be a real priority this session. They're also working on the pursuits issue, addressing the Blake issues and investments in behavioral health and substance abuse, prevention and support. It feels like this is the year that all of these things will come together!</p> <p>Carl opened for questions.</p>	<p>Informational</p>

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<p><b>Legislative Update</b>                      Carl Schroeder, continued</p>	<p>Councilmember Henderson asked about eliminating external review design boards and making the process more administrative. Lots of cities have historical districts; Steilacoom certainly does. Would the proposal make an exception on eliminating review boards for historical districts? Yes, Carol thinks that's going to be part of the conversation; it will be important to advocate for that. Some in other states believe that new historic preservation districts may be set up to avoid zoning changes, but AWC will likely support the exemption.</p> <p>Exec Dammeier noted that costs and additional regulations are increasing. He's concerned that most of what AWC's trying to do would modify the trajectory slightly; we need to put up hundreds of thousands of units. It seems at some point we need to fundamentally change the stick-built model and look at manufacturing offsite. Is there any discussion about that? Yes, but it's not very robust. There are ideas about promoting development of smaller, more affordable single-family homes. Then there's the land trust model that's more affordable because you're not getting the land with it. There've been pilots to support modular housing. The Housing Trust Fund units are running \$320,000 or so; if we could get that to \$200,000, we'd be ahead of the challenge. Manufactured homes can be purchased online for \$85,000; we need to be a bit more aggressive at pursuing some of those alternatives.</p> <p>Executive Dammeier asked, regarding the density bonus He likes that if 20% are affordable at 80% of AMI for 50 years, but a major project incorporating only 20 affordable units doesn't move the needle. Why not 50%? Carl said that this is voluntary; they didn't want to overcook it to the extend that people just weren't going to be able to come in and feasibly work it. The 20%and 80% are based around the MFTE program which has been a threshold which has allowed the market to come in and do that cross subsidy, but still make a profit. If we could hear from the development community that it was feasible, they may be willing to go a little higher. Executive Dammeier thanked Carl for his work; his challenge is every time he sees us inadvertently driving up the cost of housing in the name of getting more affordable housing, it doesn't seem like it will work long-term. Carl said that that may be referencing the real estate excise tax; that's something they've heard from the industry as well. The challenge is that we're going to need revenue to make investments in the subsidized housing. None of the revenue sources are attractive, for a variety of reasons, depending on who pays for them. Real estate is a close nexus providing an opportunity into a market that's become out of reach for so many people. Carl agreed that we need to do something different if we're going to succeed.</p> <p>Councilmember Bryan asked if the real estate excise tax is for people who already own homes. If so, has there been a cost analysis? The new tax would be on sales, not a continual property tax on existing homes.</p>	<p>Discus-                      sion</p>

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<p><b>Legislative Update</b> Carl Schroeder, continued</p>	<p>Hunter George said that he attended the City Club Forum in Tacoma and Speaker Jinkins said that something's going to pass; she doesn't think that it will be the version that's been filed today (Rep. Bateman's Bill). Councilmember George expressed his appreciation for AWC and the thoughtful report.</p> <p>Carl acknowledged that there are so many different local situations that it's quite difficult to have the State make these sorts of policy decisions, but AWC's hopeful that if they can orient them in a way that is clearly best practice, they can minimize any unintended consequences and get support for some of the other important elements.</p> <p>Ryan Windish, Sumner Community Development Director, asked about alternative technologies for constructing affordable housing – has there been any discussion about trying to incentivize that? They're 3D printing houses in Texas and that could help considering the diminishing labor supply. Carl said that's a great question; in his 11-12 years of experience, he's seen new pilots around innovative construction techniques such as modular, 3D-printed, etc., every couple of years, and hasn't seen any of them come to pass after the pilots. He sees interest and desire but not sure if they're ready to come out at scale. AWC would be happy to see that happen and find a way to support it, but they don't have a lot of expertise in that area.</p> <p>Mayor Backus said that the city of Auburn, in conjunction with Valley Cities, received grant funding a few years ago for blockables, which is to be considered affordable housing, but it's still in its infancy. They received \$1.5 million dollars to put up 12 units, and there still had to be private funding added. So, while they're great, beautiful units, the volume isn't there yet. It just needs more time and more investment to make it work.</p> <p>Executive Dammeier is looking for ways to change the trajectory. Pierce County's looking at the concept of shared housing that's partially as a solution to addressing permanent supportive housing to address homelessness, since traditional models aren't working. The concept's also being discussed more broadly. Has there been any discussion about that at the State or AWC level? He added that it would be almost like a variant of a townhome, in which some units have their own facilities, and some are shared, in an effort to deliver a lower-cost product. Carl hasn't heard about anything like that – is it a Pierce County pilot? Executive Dammeier explained that they're looking at it with respect to Pierce County Village and discussed about using more broadly with other developers. It could be used in apartments, and there may be a home ownership model as well. Carl said that sounds very innovative.</p>	<p>Discus- sion</p>

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<p><b>Legislative Update</b> Carl Schroeder, continued</p>	<p>Councilmember Ballard thanked Carl for his work. He noted that a lot of the AWC proposals are re: new stuff and zoning, changing things to accommodate growth targets. He's on this board for the affordability aspect, specifically when it comes to disabled seniors and veterans. Rep. Leavitt's working on exemptions for seniors, disabled, and veterans. He suggested we keep an eye out for that. He feels that property tax exemption for disabled veterans should be carved out as in 41 other states. He'd like us to make progress on that this session. Out of six million of those over 18 in Washington State, disabled veterans make up only 59,000 people in the State of WA. Of those, 19% are rated at 100% or greater. Those impacts would be miniscule in the grand scheme of things. His opinion on this will be published in the Suburban Times next week (link at right). Carl thanked Councilmember Ballard and said that AWC has generally supported those types of exemptions; he'll keep an eye on that.</p> <p>Mayor Backus expressed her appreciation for Carl's work. It's always very thorough, logical, thoughtful, and fair. Has there been any discussion on preservation? In Auburn they have a lot of naturally-occurring affordable housing in older neighborhoods. They're concerned that with the legislature from last year there was not guarantee. Tearing down affordable housing to create a few new units doesn't yield much change. The 75% verbiage would allow cities flexibility to protect areas at high displacement risk. In terms of the funding, there's the multifamily tax break but no specific proposal for preservation. Carl said that if Mayor Backus has thoughts on what a specific proposal could look like, AWC will be happy to talk.</p>	<p><a href="#">Council member Ballard's Suburban Times article</a></p> <p>Thank you, Carl!!</p>
<p><b>Advisory Board Appointment Process</b> Mary Connolly</p>	<p>Mary's seeking feedback and direction from the Board regarding recruitment and appointment of Advisory Board members.</p> <p>In December the Advisory Board application was posted online, and flyers were distributed. Nine applications have been received thus far; five of the applicants reside in the City of Tacoma. Part of the goal includes geographic diversity.</p> <p>Two virtual Q&amp;A sessions will be held on January 17. Mary laid out options:</p> <p>Option 1: Mary, Jason and one staff workgroup member will interview applicants. 5-20 applicants will be presented to the Board for appointment recommendations at the April 7 meeting.</p> <p>Option 2: Same as Option 1, with the addition of an Executive Board member participating in interviews.</p>	

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<p><b>Advisory Board Appointment Process</b> Mary Connolly</p>	<p>Option 3: Mary, Jason and one staff member will interview applicants. Then the Executive Board will review qualified applicants and recommend 15-20 applicants for Board appointment at the April 7 meeting. This would entail the Executive Board appointing a subcommittee of no more than seven members, at the February or March meeting. The subcommittee would meet two to three weeks before the April board meeting, to review and discuss applicants.</p> <p>Option 4: Same as Option 3, with addition of a second interview conducted by the Executive Board's subcommittee.</p> <p>Hunter asked the Board what options they prefer. Executive Dammeier asked what else we want represented on the Board, besides geographical diversity. Mary noted that it's also important to have racial, gender, and age diversity.</p> <p>Councilmember Bryan said that on other groups she participates on, they spell out exactly what they're looking for in the application process. Mary said that she and Jason are exploring using an evaluation tool. They'll be reaching out to community-based organizations.</p> <p>Councilmember Mello encouraged the group to reach out to their networks. He thanked Mary for presenting the options; he leans toward Option 2. Mayor Sherrell and Deputy Mayor Witting also like Option 2.</p> <p>Councilmember McCluskey likes Option 3; she'd like the opportunity to check in with candidates. She asked how the recruitment's being done and what questions are being asked. Mary has a list of 100 stakeholders to network with, in addition to the staff workgroup. They're using social media and flyers. Mayor Sherrell suggested that members share the recruitment on their websites/platforms as well.</p> <p>Executive Dammeier noted that Board members are quite different and represent different regions. He recommended having more staff and Board members participate.</p> <p>Councilmember Ballard asked if the group could be polled today. Jason said a poll could be done in chat now or via an email immediately following this meeting. Jason shared a link to the survey in the meeting chat.</p> <p>Twenty interviews are anticipated.</p>	<p><a href="#">Advisory Board Website</a></p> <p>Mary will share the recruitment email and flyer with the Board.</p> <p>Jason will send an email with the survey link after the meeting as well.</p>



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<p><b>SSHA<sup>3</sup>P Manager Report</b> Jason Gauthier</p>	<p>Jason referenced two attachments: the legislative advocacy support memorandum outlines SSHA<sup>3</sup>P activities that will be engaged in and options for members to participate by request.</p> <p>A short memo was shared about the recent WA State Affordable Housing Fund awards of \$10M to fund 220 units and an additional 30-40 shelter beds. There were two other wait-listed projects – one’s a priority in Lakewood’s capital budget request, so SSHA<sup>3</sup>P will be working to advance that, along with their representatives. One project was declined. So, five of eight projects submitted were awarded. Those monies don’t include the housing trust fund RFP that was released later in 2022, an additional \$25M in last year’s supplemental capital budget to fund affordable home ownership opportunities. Responses are due by mid-January. Habitat for Humanity is requesting a capital budget allocation of the legislature for \$14M this year.</p> <p>SSHA<sup>3</sup>P will be providing either testimony or feedback on SB 5045, which would provide a partial property tax exemption for the creation and rental of ADU units to low-income households. We’d like to see that option a bit more localized and include a slightly higher AML range to make it more attractive for property owners. SSHA<sup>3</sup>P will provide some testimony at capital budget hearings next week in support of both member priority affordable housing projects and changing the Connecting Housing to Infrastructure Program to be more user friendly for local jurisdictions.</p>	<p>Jason will share weekly legislative hot sheets with the Board, going through bills that we’re tracking and the plan for SSHA<sup>3</sup>P engagement.</p>
<p><b>Executive Board Updates/ Comments</b></p>	<p>Executive Dammeier said that Pierce County Housing Authority is looking to divest themselves of their single-family residences. Most housing authorities did this decades ago and shifted to how they can get more units to more people. Habitat for Humanity’s trying to not let these long-time affordable housing units shift to market rate. For quite a while in the past, he’s been concerned that Pierce County wasn’t getting its fair share of the affordable housing pots from Olympia. We’re 12% of the population and got 13% of the allocation, so we’re moving in the right direction – good news!</p>	<p>Informa- tional</p>
<p><b>Good of the Order/ Adjourn- ment</b></p>	<p>The meeting was adjourned at 10:00 a.m.</p>	<p>Meeting ad- journed!</p>

The next SSHA<sup>3</sup>P Executive Board meeting is scheduled for Friday, February 3, at 8:30 a.m. via Zoom.

Respectfully submitted,

TOPIC/WHO	DISCUSSION	ACTION
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Becki Foutz  
Administrative Assistant