



South Sound Housing Affordability Partners  
Executive Board Meeting Minutes

February 3, 2023

8:30 – 9:57 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 Eidinger, City of Edgewood – present  
Councilmember Christi Keith, City of Edgewood (alternate) - absent  
Mayor Kim Roscoe, City of Fife – excused  
Councilmember Doug Fagundes, City of Fife - absent  
Councilmember Hunter George, City of Fircrest – present  
Mayor Pro Tempore Joe Barrentine, City of Fircrest - present  
Mayor Tracie Markley, City of Gig Harbor – present  
Councilmember Mike Brandstetter, (alternate) City of Lakewood – excused  
Councilmember Paul Bocchi, City of Lakewood - present  
Mayor Shanna Styron Sherrell, City of Milton – absent  
Executive Bruce Dammeier, Pierce County - excused  
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 – absent  
Chair, Mayor Victoria Woodards, City of Tacoma – present  
Councilmember Kristina Walker, City of Tacoma (alternate) - present  
Councilmember Stan Flemming, City of University Place – absent

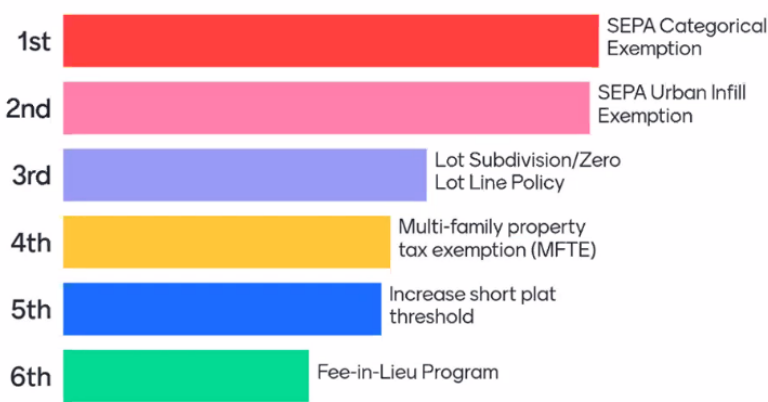
**Staff:** Jason Gauthier, SSHA³P Manager  
Mary Connolly, Program Specialist  
Becki Foutz, Administrative Assistant

**Guests:** Ryan Windish, Debbie Bingham, Jason Wilson, Kenneth George, LeighBeth Merrick, Patti Spaulding-Klewin, Taylor Jones, Tiffany Speir, Trish Crocker, Alex Harrington, Kristin Mitchell, John Howell, Kevin Briske, Bryan Schmid, Cynthia Stewart, Katie Baker, Jason Gano, Eric Clute, Ted Richardson, Master Builders, Jayne Westman, Jason Wilson

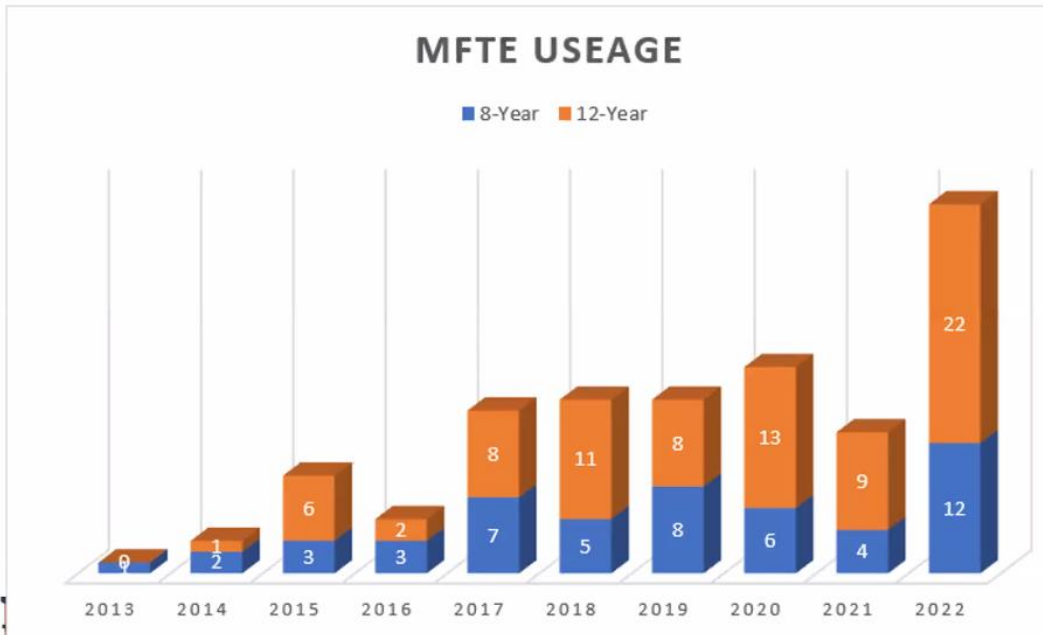
MINUTES

TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Mayor Woodards called the meeting to order at 8:34. SSHA³P Manager Gauthier called roll, per above; a quorum was present.	Wel-come!
Consent Agenda	Any additions to the agenda? None. Mayor Backus moved to approve the consent agenda. Councilmember Bryan seconded. The group voted to approve the consent agenda.	The agenda was approved.

TOPIC/WHO	DISCUSSION	ACTION
Public Comment	<p>Mayor Woodards invited the public to comment. None.</p>	
Election of 2023 Chair & Vice Chair	<p>Mayor Woodards opened for nominations for 2023 SSHA<sup>3</sup>P Executive Board Chair. Mayor Backus nominated Councilmember Hunter George. It was seconded. Mayor Woodards asked for any additional nominations; none. Mayor Markley moved that nominations be closed. Mayor Backus seconded. Mayor Woodards called for a vote to elect Councilmember George Chair. All in favor; none opposed.</p> <p>Deputy Mayor Witting nominated Mayor Markley for 2023 SSHA<sup>3</sup>P Executive Board Vice Chair. Mayor Backus seconded. Mayor Woodards asked for any additional nominations; none. Mayor Backus moved to close nominations. Witting seconded. Mayor Woodards called for a vote to elect Mayor Marley Vice Chair. All in favor; none opposed.</p> <p>Mayor Woodards said that it was an honor to serve as Chair for SSHA<sup>3</sup>P's first year. She's not stepping down from the group, however, she's quite busy. She thanked the group for their support. She's currently in Washington, DC meeting with other elected officials from around the country where she had the opportunity to brag about our local model. We're moving the needle together! Like Executive Dammeier says, we're a coalition of the willing, working together on things, even when we may disagree on some points.</p> <p>Mayor Backus thanked Mayor Woodards for her leadership and willingness to continue, through COVID, brainstorming, and setting up SSHA<sup>3</sup>P. She appreciates Mayor Woodards' dedication to ensuring everyone has affordable housing in Tacoma and the region.</p> <p>Chair George thanked Mayor Woodards for her hard work to get us where we are. He recalled the very first meeting of SSHA<sup>3</sup>P in which Executive Dammeier encouraged everyone, especially those in small cities, to participate. He's excited to serve with Mayor Markley in continuing to unite around this critical community issue.</p> <p>Mayor Markley echoed what's been said and thanked Mayor Woodards for leading the charge, even at times when it seemed hopeless. Mayor Markley likes to work with people who aren't afraid to stand up and do the right thing.</p> <p>Councilmember Bryan thanked Mayor Woodards; she's grateful for the pandemic, in the sense that it gave the group time to think through ideas without pressure. She's happy with the success around Mayor Woodards' leadership and looks forward to the work we'll continue to do.</p>	<p>Congratulations to Council member George, 2023 SSHA<sup>3</sup>P Executive Board Chair and Mayor Markley, Vice Chair!</p>

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<p><b>Resolution 2023-01 Adopt Housing Toolkit</b></p>	<p>The housing toolkit is Strategy 1A of SSHA<sup>3</sup>P's workplan. The Board is asked to adopt the toolkit for member governments to refer to when considering best practice. Some members have previously adopted recommendations included in the kit, which encourages appropriate regional development and alignments. The toolkit is on the SSHA<sup>3</sup>P website. The Executive Board will receive quarterly reports.</p>													
	<h2 style="text-align: center;">SSHA3P Housing Toolkit</h2>  <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>1st</td> <td>SEPA Categorical Exemption</td> </tr> <tr> <td>2nd</td> <td>SEPA Urban Infill Exemption</td> </tr> <tr> <td>3rd</td> <td>Lot Subdivision/Zero Lot Line Policy</td> </tr> <tr> <td>4th</td> <td>Multi-family property tax exemption (MFTE)</td> </tr> <tr> <td>5th</td> <td>Increase short plat threshold</td> </tr> <tr> <td>6th</td> <td>Fee-in-Lieu Program</td> </tr> </table>	1st	SEPA Categorical Exemption	2nd	SEPA Urban Infill Exemption	3rd	Lot Subdivision/Zero Lot Line Policy	4th	Multi-family property tax exemption (MFTE)	5th	Increase short plat threshold	6th	Fee-in-Lieu Program	
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	<p>Categorical exemptions knock off a minimum of three weeks and usually more. The website details municipal action required to implement the exemptions. Some member governments have already voted on threshold status, others are in the process. SEPA urban infill exemption can provide significant relief. It does require an environmental impact statement. It encourages residential or mixed-use development in urban growth areas in which the density and intensity goals of the comprehensive plan are not being met.</p> <p>SSHA<sup>3</sup>P Manager Gauthier opened for questions. Councilmember Mello moved to approve Resolution the housing toolkit. Mayor Markley seconded to approve Resolution 2023-01, the housing toolkit. Chair George asked for any questions or comments; none. Chair George called for the vote; all in favor; none opposed.</p>	<p>Resoluti on 2023-01, Housing Toolkit accep- ted!</p>												

TOPIC/WHO	DISCUSSION	ACTION
<p><b>Local Success of the Multifamily Property Tax Exemption Program</b> Debbie Bingham &amp; Ryan Windish</p>	<p>Jason welcomed Debbie Bingham, the City of Tacoma’s Business &amp; Economic Development Program Manager, and Ryan Windish, the City of Sumner’s Community &amp; Economic Development Director, to present on their MFTE programs. Multifamily Property Tax Exemption programs help accommodate housing targets for 2044 planning.</p> <p>Debbie’s been managing MFTEs in Tacoma for about ten years. They provide incentive to create housing in desired areas of the city. Each city’s local government must designate areas for housing, per an identified lack of housing. Four or more units must be created, and property tax on all residential improvements is exempt. The land is still taxed, and commercial/mixed use of the property is also taxed.</p> <p>8-year exemption – all market rate 12-year exemption must provide 20% of units to low- to moderate-income households 20-year exemption - 25% of units must be permanently affordable</p> <p>Tacoma’s MFTE program began in 1995 as a 10-year property tax exemption. In 2007, it changed to 8- and 12-year exemptions. In 2020-21, SB 5287 updated the program with a new stated purpose, and a 12-year extension for current projects was added, as well as a new 20-year exemption for permanently affordable housing. Increased reporting requirements were also added at that time.</p> <p>Tacoma’s Affordable Housing Action Strategy was adopted in 2018, to create more homes for more people. The strategy aims to:</p> <ol style="list-style-type: none"> <li>1. Create more homes for more people;</li> <li>2. Keep housing affordable and in good repair;</li> <li>3. Help people stay in their homes and communities; and</li> <li>4. Reduce barriers for people who often encounter them.</li> </ol> <p>Per the Tacoma Equity Index, the 8-year option was removed from very high equity areas; this will be reviewed every three years. If they want the option, they should be adding affordable housing in those areas. Tacoma’s also expanding use of 12- and 20- year MFTEs through their Home in Tacoma II program, to be finalized at the end of 2023.</p> <p>Tacoma adopted the MFTE program in 1996. They took it to the legislature for almost 10 years to get it passed. Prior to 1995, Tacoma hadn’t had any new development in 20 years; they needed the economic incentive to create housing. In 2009, hundreds of units were added. Currently, to qualify for the 12-yr exemption, 20% of units must be occupied by households earning a maximum of 70% AMI. Pierce County has a higher AMI than the City of Tacoma. The figures will be revisited over time. Units must be spread across unit type.</p>	<p>Informational</p>

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<p><b>Local Success of the Multifamily Property Tax Exemption Program</b>                      Debbie Bingham continued</p>	<p>Between 1998 and 2022, 5402 units built with the 8-yr exemption and 251 affordable units were built with the 12-year exemption. A total of 6689 units have been built, in 178 projects.</p> <p>Future projects: 3147 units at 8-yr exemption, 474 affordable units at 12-yr exemption. Total of 5495 units, in 67 projects.</p>	<p>Informational</p>																																												
	<p style="text-align: center;"><b>MFTE USEAGE</b></p>  <table border="1" data-bbox="310 661 1347 1291"> <caption>MFTE Useage Data</caption> <thead> <tr> <th>Year</th> <th>8-Year</th> <th>12-Year</th> <th>Total</th> </tr> </thead> <tbody> <tr><td>2013</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>2014</td><td>2</td><td>1</td><td>3</td></tr> <tr><td>2015</td><td>3</td><td>3</td><td>6</td></tr> <tr><td>2016</td><td>3</td><td>0</td><td>3</td></tr> <tr><td>2017</td><td>7</td><td>1</td><td>8</td></tr> <tr><td>2018</td><td>5</td><td>6</td><td>11</td></tr> <tr><td>2019</td><td>8</td><td>0</td><td>8</td></tr> <tr><td>2020</td><td>6</td><td>7</td><td>13</td></tr> <tr><td>2021</td><td>4</td><td>5</td><td>9</td></tr> <tr><td>2022</td><td>12</td><td>10</td><td>22</td></tr> </tbody> </table>	Year	8-Year	12-Year	Total	2013	0	0	0	2014	2	1	3	2015	3	3	6	2016	3	0	3	2017	7	1	8	2018	5	6	11	2019	8	0	8	2020	6	7	13	2021	4	5	9	2022	12	10	22	
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	<p>The average number of units has increased, from 30 to 60 units. The 12-yr plan does add administrative burden to the city, as they must monitor the units. They've had to bring on more staff to do that.</p>																																													



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<p><b>Local Success of the Multifamily Property Tax Exemption Program</b> Debbie Bingham &amp; Ryan Windish continued</p>	<p>Councilmember Mello noted that Ryan did a great job explaining the potential revenues and temporary loss. The development wouldn't happen if not for the incentive. The further argument that will take political leadership to tout are all the other benefits that come when affordable stable housing's provided to the community. Costs to government of people not being housed properly are tremendous. In Tacoma, have there been any takers on the new 20-yr exemption with 25% permanently affordable housing?</p> <p>Debbie said no one's been interested in that option yet in Tacoma. In Seattle it's been done by Habitat. If a private developer builds the units, they have to be sold to government or a nonprofit, to ensure they're affordable forever.</p> <p>Councilmember Mello asked Ryan about his slide illustrating the AMI levels and what people can afford to rent or own. Are those figures for WA, or Pierce County specifically? They're Pierce County AMI. Ryan said that the group's welcome to use his slide to illustrate AMI.</p> <p>Councilmember Bocchi added that when it comes to the loss of tax revenue, Lakewood's along the lines of Sumner. Their staff goes through the exercise of trying to figure out the other taxes like utility taxes, and you'd be amazed at the number that comes out. He agreed with Councilmember Mello about AMI; it's confusing. The neighborhood breakdown's important. Lakewood has some very poor neighborhoods and some above average.</p> <p>Mayor Markley thanked Debbie and Ryan. She appreciated the example of a small city. She'll use the AMI slide with Gig Harbor figures for her City Council. Ryan said that the data used was 2019. Jason provided a link to updated data (at right).</p> <p>Jason noted that if jurisdictions are interested in implementing an MFTE program, Jason's happy to help them. Next month there will be a presentation from ARCH in King County. One of their primary programs is helping member cities with MFTE compliance. Looking at more member services that SSHA<sup>3</sup>P can offer, MFTE compliance might be one to consider.</p> <p>Chair George thanked Debbie and Ryan for the report on their successes!</p>	<p>Discus- sion</p> <p><a href="#">Current AMI Data</a></p> <p>Thank you, Debbie &amp; Ryan!!</p>





TOPIC/WHO	DISCUSSION	ACTION
<p><b>Advisory Board Appointment Process</b> Mary Connolly</p>	<p>34 applications have been received thus far. Chair George asked the Board if they had questions or comments about the process and next steps. None. Any volunteers to be on the subcommittee? Councilmember Ballard, Chair George and Deputy Mayor Witting. Jason suggested asking for volunteers after the meeting, since some members had to leave. Mayor Markley volunteered if there aren't enough volunteers; she's quite busy.</p> <p>Mary will reach out to recruit more volunteers; she's looking forward to going through this process!</p>	<p><a href="#">Advisory Board Website</a></p>
<p><b>SSHA<sup>3P</sup> Manager Report</b> Jason Gauthier</p>	<p>SSHA3P Manager Gauthier included the quarterly workplan progress report and budget report in the meeting packet; there were no anomalies. Pierce County transferred their membership fees in January.</p> <p>Jason provided hot sheets from the legislative session. Vice Chair Leavitt's working on Bill 1167 which would create a grant program for multiplex housing, including ADUs. If this passes, cities will have an opportunity to apply for grants. Councilmember Ballard had suggested creating a position for ourselves. Bill 5301 is an amendment to create a spot for interlocal housing collaboration on the Washington Housing Board. If this passes, it will create a slot for SSHA<sup>3P</sup>!</p> <p>HB 1110 is a middle housing bill; its companion bill is 5190. 1110 is in negotiations; it would lift the threshold from 6,000 to 25,000 to provide triplexes. and it looks like it would require cities to hit 6,000 to provide triplexes. There's a natural barrier in the Senate Fiscal committee. Manager Gauthier encouraged member governments to continue to work with lobbyists and pay attention to this one.</p> <p>Chair George invited questions. None.</p>	
<p><b>Executive Board Updates/Comments</b></p>	<p>Chair George invited members to discuss what's going on in their communities. None.</p>	<p>Informational</p>
<p><b>Good of the Order/Adjournment</b></p>	<p>The meeting was adjourned at 9:57 a.m.</p>	<p>Meeting adjourned!</p>

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

Respectfully submitted,

Becki Foutz, Administrative Assistant