



**South Sound Housing Affordability Partners
Executive Board**

Regular Meeting Agenda

3602 Pacific Ave Tacoma, WA 98418 | Muckleshoot Conference Room

Dial: 253-215-8782 Meeting ID: 983 7464 3754

Webinar Link: <https://piercecountywa.zoom.us/j/98374643754>

February 7, 2025, 8:30 a.m.

Chair Councilmember Kevin Ballard, Vice Chair Councilmember Robyn Denson, Mayor Nancy Backus, Councilmember John West, Mayor Kim Roscoe
Councilmember Hunter George Mayor Mary Barber, Councilmember Paul Bocchi, Mayor Shanna Styron Sherrell, Executive Ryan Mello, Councilmember Ned Witting
Mayor Kathy Hayden, Mayor Dick Muri Mayor Victoria Woodards, Councilmember Stan Flemming

Deputy Mayor Mike Winkler (Alternate), Mayor Dave Olson (Alternate), Councilmember Lew Wolfrom (Alternate), Councilmember Brett Wittner (Alternate) Councilmember
Mike Brandstetter (Alternate), Councilmember Dave Morell (Alternate), Councilmember Nancy Henderson (Alternate), Councilmember Kiara Daniels (Alternate)
Councilmember Denise McCluskey (Alternate)

I. CALL TO ORDER

ROLL CALL

INTRODUCTORY QUESTION

Question: What is one thing not related to your job or elected office that you are really good at?

II. REVIEW AGENDA/AGENDA MODIFICATIONS

III. CONSENT AGENDA

ATTACHMENTS: January 10, 2025, Executive Board special meeting minutes

[Document Link](#)

IV. PUBLIC COMMENT

This is the time set aside for the public to comment on final action of the Executive Board. To request to speak virtually, please press the Raise Hand button near the bottom of your Zoom window or *9 on your phone; if speaking in person, please sign in on the on the public comment form in the conference room. Your name or the last four digits of your phone number will be called out when it is your turn to speak. Public comments are limited to 3 minutes per speaker.

The Executive Board meeting can be heard by dialing 253-215-8782 or through Zoom at <https://piercecountywa.zoom.us/j/98374643754> and entering the Meeting ID 983 7464 3754. Written comments may be submitted to jason.gauthier@piercecountywa.gov.

V. RESOLUTIONS AND PRESENTATIONS

A. Overview of Affordable Homeownership

Purpose: Presentation by Kathleen Hosfeld of Homestead Community Land Trust and Sherrana Kildun of Tacoma/Pierce County Habitat for Humanity on affordable homeownership.

ATTACHMENTS: Agenda Memorandum: Overview of Affordable Homeownership

[Document Link](#)

Homestead Community Land Trust Presentation

[Document Link](#)

Tacoma/Pierce County Habitat for Humanity Presentation

[Document Link](#)

B. Select Legislative Item Updates

Purpose: Presentation by Mary Connolly, SSHA³P Program Specialist II, on select legislative items and seeking Executive Board direction on position regarding House Bill 1717 and Senate Bill 5591 to create a sales and use tax remittance program for affordable housing.

ATTACHMENTS:	Agenda Memorandum: Select Legislative Item Update	Document Link
	Select Legislative Item Update Presentation	Document Link
	ROC Infrastructure Funding One-Pager	Document Link
	Sales and Use Tax Remittance for Affordable Housing One-Pager	Document Link
	House Bill 1717	Document Link
	Senate Bill 5591	Document Link

VI. REPORT BY THE SSHA³P MANAGER

- A. CLIHP Grant Update
- B. Advisory Board Update
- C. Property Tax Exemption Seminar Update
- D. PRO Housing Grant Update

ATTACHMENTS:	February 2025 SSHA ³ P Manager Report	Document Link
	Puyallup Property Tax Exemption Seminar Flyer – February 24	Document Link
	Sumner Property Tax Exemption Seminar Flyer – March 11	Document Link

VII. UPDATES/COMMENTS OF THE EXECUTIVE BOARD

VIII. ADJOURN

SSHA³P

South Sound Housing Affordability Partners Executive Board Meeting Minutes

January 10, 2025

8:30 – 9:43 a.m.

Executive Board: Mayor Nancy Backus, City of Auburn – present
 Chair, Councilmember Kevin Ballard, City of DuPont – present
 Deputy Mayor Mike Winkler, City of DuPont (alternate) – present
 Mayor Dave Olson, City of Edgewood – present
 Councilmember Christi Keith, City of Edgewood (alternate) – excused
 Chair, Mayor Kim Roscoe, City of Fife – present
 Councilmember Lew Wolfrom, City of Fife (alternate) – present
 Councilmember Hunter George, City of Fircrest – present
 Councilmember Brett Wittner, City of Fircrest (alternate) – excused
 Mayor Mary Barber, City of Gig Harbor - present
 Councilmember Paul Bocchi, City of Lakewood – excused
 Councilmember Mike Brandstetter, (alternate) City of Lakewood – present
 Mayor Shanna Styron Sherrell, City of Milton – absent?
 Executive Ryan Mello, Pierce County – present
 Strategic Advisor LeighBeth Merrick, Pierce County (alternate) - present
 Councilmember Ryan Mello, Pierce County – present
 Vice Chair Robyn Denson, Pierce County (alternate) - present
 Councilmember Ned Witting, City of Puyallup – present
 Mayor Dick Muri, Town of Steilacoom – excused
 Councilmember Nancy Henderson, Town of Steilacoom, (alternate) – present
 Mayor Kathy Hayden, City of Sumner – present
 Mayor Victoria Woodards, City of Tacoma – present
 Councilmember Kiara Daniels, City of Tacoma (alternate) – excused
 Councilmember Stan Flemming, City of University Place – present
 Councilmember Denise McCluskey, City of University Place (alternate) - excused

Staff: Jason Gauthier, SSHA³P Manager
 Mary Connolly, Program Specialist 2
 Becki Foutz, Admin Assistant

Guests: Erika Rhett Hunt, Kit Burns, Ryan Windish-Sumner, Steve Decker

MINUTES

TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Chair Ballard called the meeting to order at 8:32. SSHA ³ P Manager Gauthier called roll, per above; a quorum was present.	Welcome, all!
Consent Agenda	CM Flemming moved to approve the consent agenda. Mayor Barber seconded the motion. Vote was taken; none opposed and no abstentions. The motion carried unanimously.	Consent agenda approved.

TOPIC/WHO	DISCUSSION	ACTION
<p>Public Comment</p>	<p>Chair Ballard opened the floor for public comment. None. No written comments have been received.</p>	
<p>SSHA^{3P} Housing Capital Fund Update Jason</p>	<p>Member governments make contributions to the SSHA^{3P} Housing Capital Fund through their budget processes. They inform SSHA^{3P} of the amount and source of funds contributed, annually or biennially. The fund currently has \$586,000 from Auburn, Fife, Sumner, and Pierce County's 1406 funds (Affordable and Supportive Housing Sales and Use Tax).</p> <p>A NOFA was released in April 2024; three applications were received; however, the committee did not recommend funding any of them, due to insufficient application scores.</p> <p>\$966,000 is anticipated for the fund this year, again from Auburn, Fife, Sumner, and Pierce County. Use of these funds will be determined by the Capital Fund Committee, and ultimately by this Executive Board.</p> <p>The Capital Fund Committee is developing a usage policy to guide the fund's use. The policy will come before this Executive Board for approval when ready. The Committee has also discussed opportunities for targeted award investment and release of 2025 NOFAs and/or RFPs. The Committee will present their plan to the Executive Board when it's ready.</p> <p>Executive Mello expressed gratitude for the Committee's good, clear work. Who serves on the Committee? How will they decide whether to use NOFAs vs RFPs?</p> <p>The timing of investments is important; we want to spend the money wisely. The Committee's willing to be a catalyst funder for a project. It's easier to envision if you have the real estate. Of Auburn, Fife, Sumner, and Pierce County, three have real estate they're considering for use. They'll be seeking their Councils' direction on how to deploy it. We wouldn't want to publish a solicitation any later than when the County and City issues them, probably the beginning of Q2. It will likely be an RFP for a piece of property, offering SSHA^{3P} capital investment of approximately \$966,000.</p> <p>As far as composition of the Capital Fund Committee, SSHA^{3P} staff will be reaching out soon to ask member governments for volunteers/recommendations of those to serve on the Committee.</p>	<p>Informational</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Family Promise of Pierce County Steve Decker, CEO</p>	<p>Family Promise is one year old this month! 1443 families have presented for services, and they were able to serve 200 families, including 1000 children. They secured permanent stable housing for 119 families! Only one of them had a HUD voucher. Eleven moved into low-income housing. Families with children are the fastest growing population of people experiencing homelessness, nationwide. 39% more families experienced homelessness last year, according to HUD.</p> <p>The answer isn't just emergency shelter. Financial literacy, employment assistance, mentoring, and transitional housing are essential, and that's what Family Promise provides.</p> <p>Approximately 6500 people are homeless at any time in Pierce County. Family Promise uses small, scattered-site shelters. They've found that large congregate shelters create opportunity for nefarious people to prey on the weak. Family Promise brings \$1M of in-kind services, including online searching for appropriate housing and texting families when they need to apply. Their average clients' stay in shelters is 26 days, compared to the nationwide average of 67 days.</p> <p>Family Promise moves 68% of families into permanent housing, compared to 45% County average. As of last night, they have 67 families on the waiting list, including 130 children, 26 of whom are under the age of three.</p> <p>In June, Family Promise became available 24/7 to take phone calls and connect people with shelter and other services.</p> <p>As of January 1, Family Promise is a Coordinated Entry agency, and they can go out, pick up families and take them to the intake center or directly to shelter. They're having great success working with first responder referrals.</p> <p>They've noted a small percentage of veterans coming through, there's been a 7% decrease in homeless veterans, both locally and nationally. The vast majority of their clients speak English. Tacoma School District has the largest number of families experiencing homelessness; second is Bethel School district, which is located in a service desert.</p> <p>40% of those experiencing homelessness for the first time are fleeing domestic violence. We have a lack of available DV services in the area.</p> <p>There are housing units available locally, today and every day; however, restrictions on who may apply for housing creates barriers. Family Promise's best friends are private single landlords who have ADUs or duplexes, and are willing to work with people who may not officially qualify. The big low-income housing projects have not been as favorable to their clients.</p>	<p>Informational</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Family Promise continued</p>	<p>Family Promise has 14 employees. Their annual revenue this year will be over \$1M. They're making a difference for families with children!</p> <p>Vice Chair Denson expressed how impressed she is with Family Promise's success. She wonders if this group would like to hear from the landlord group, to see how this Board may support them. She asked Steve if Family Promise works with Housing Connector. He explained that Housing Connector tends to work with large corporate organizations, rather than small private landlords. Housing Connector does help clients overcome things like prior evictions, but it doesn't change the monthly income ratio requirements, which is their largest hurdle.</p> <p>Mayor Backus asked if they've seen any decrease in the number of small property owners due to the state requirements that have been put in place. They have, specifically within the city limits of Tacoma they've seen a reduction, due to their tenant protection statutes.</p> <p>CM Flemming asked how they convince landlords to take a risk on struggling clients? Utter and complete transparency is their best tactic. Besides housing, their clients need financial and employment coaching. Family Promise shows landlords that their clients' income is on track and that they'll have ongoing case management to help them succeed. If clients don't follow their plan, Family Promise will support landlords if eviction must take place.</p> <p>CM Brandstetter asked if corporate landlords who are less willing to engage with Family Promise clients are influenced by the notion that housing should only cost 30% of income? Does this work against tenants? At a micro level, property managers have been told to reduce the risk of tenants who cannot pay. They've been told not to deviate from the guidelines. At a corporate level, they're seeking stability, and it's better for them to have open units for people who are "guaranteed" to pay.</p> <p>Mayor Roscoe asked if the graphic was based on city or school district. School district. Where does Family Promise's funding come from? What are the rents that are being charged? Does rent come through the program? How do rents compare with the market rate? Family Promise has an HHP contract that funds their shelter in Spanaway; they have an ARPA-funded project for Shelter Hub and the Coordinated Entry screening project, for a quarter million. Less than 5% comes from private or foundation donations. Steve feels that they need to be less dependent on the county. They're exploring whether they want to get into the landlord business; Steve would rather get into property management. Family Promise does not have funding to help with move-in, application fees, or first month's rent. Families place under their own merit, and Family Promise focuses on helping them generate income. They served only one family with a FEMA HUD voucher. Monthly rental rates are all over the board, since unit size varies greatly. There are some studios, single rooms, and some larger units cost \$3000 a month to get into. The portal on their website shows data points.</p>	<p>Informa- tional</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Family Promise continued</p>	<p>Mayor Hayden noted that Tacoma’s eviction restrictions and limits on raising rent have made it undesirable for landlords.</p> <p>CM Henderson asked if there are any local or state rental policies that either impede or facilitate better placement of clients into rentals, without imposing more risk on landlords. The federal HUD requirement is actually the biggest hurdle; it ties developers’ hands, and HUD vouchers lock clients into those requirements. ADUs work nicely, but zoning restrictions create a barrier to them. Steve finds a lot of unused property across the county, like empty apartments in complexes, due to requirements. 60% of clients are single individuals – how does Family Promise prioritize housing? Family Promise can get single individuals into housing immediately. Families spend a minimum of eight weeks on the wait list.</p> <p>CM Flemming asked what Family Promise’s budget funds. \$150,000 operates their six-unit family shelter, including a case manager, supplies, and rent. \$30,000 is dedicated to prevention of homelessness, and that’s provided by private donors. The remaining \$820,000 is for their 24/7 team that helps clients, picks them up, feeds them, and takes them to shelters and other services. They are proud to pay their employees a living wage. Admin is capped at 10%.</p>	<p>Thank you, Steve!</p>
<p>SSHA^{3P} Manager Report Mary</p>	<p>As appointed by the Executive Board, nine new members join the SSHA^{3P} Advisory Board this month. 166 community outreach responses were received via survey. They have held several interviews and discussions to inform CLIP grant work. working with Makers Architecture to move forward on grant deliverables. Staff and Makers are drafting a model Ordinance supporting jurisdictions to implement HB 1998.</p> <p>Jason and Mary met with newly elected Assessor-Treasurer Campbell and Deputy Assessor-Treasurer McDaniel regarding continuing the property tax exemption seminar series. Puyallup and Sumner have requested seminars this year.</p> <p>Jason added that the Assessor-Treasurer’s office has agreed to begin tracking numbers of disabled veterans who receive property tax exemptions in June; this will be quite helpful.</p> <p>The legislative session begins Monday! Mary’s working diligently – she’s the point person on expansion of infrastructure funding opportunities for manufactured home communities. There’s a preliminary agreement with the Housing Finance Commission for them to create their own grant program. Rock NW has \$5M in funding for infrastructure they would like awarded via a competitive or state-run program. Jason and Mary will be in Olympia discussing this next week, as well as other affordable housing capital budget requests.</p>	<p>If your jurisdiction would like to have a seminar, please reach out to Mary.</p>

TOPIC/WHO	DISCUSSION	ACTION
<p>Manager Report continued</p>	<p>HB 1106 would decrease the rating scale for veterans' disability to qualify for exemption, and HB 1165 would increase the income thresholds in the three income categories by 5%.</p> <p>SSHA³P staff will meet with Arch and SKHHP staff to discuss the AH monitoring program that the SSHA³P work plan calls for developing.</p> <p>SSHA³P staff has applied for a three-month intern who would be great additional support in the Summer.</p>	<p>Please keep an eye out for the SSHA³P legislative hot-sheets!</p>
<p>Updates & Comments from Executive Board Members</p>	<p>Vice Chair Denson thanked Jason and reported that she participates on WSAC, representing Pierce County, and noted that members of this Executive Board would be great testifiers on housing-related bills. She asked if any members would be willing to testify to the legislature.</p>	<p>Mayor Backus, CM George, and CM Ballard indicated their willingness to testify.</p>
<p>Adjournment.</p>	<p>There being no further business, Mayor Roscoe moved to adjourn. CM Flemming seconded the motion. Vote was taken; the motion passed unanimously. The meeting adjourned at 9:43 a.m.</p>	<p>Meeting adjourned.</p>

The next SSHA³P Executive Board meeting is scheduled for Friday, February 7, at 8:30 a.m. via Zoom.

Respectfully submitted,

Becki Foutz
Administrative Assistant



SSHA³P Executive Board

AGENDA BILL

February 7, 2025

AGENDA CATEGORY: External Presentation

SUBJECT: Overview of Affordable Homeownership

PRESENTED BY: Kathleen Hosfeld, Executive Director, Homestead Community Land Trust
Sherrana Kildun, Chief Philanthropy Officer, Tacoma/Pierce County Habitat for Humanity

SUMMARY/BACKGROUND:

In this presentation, Kathleen Hosfeld and Sherrana Kildun, will describe their organizations' model, project development outlook, and conditions that are supportive of their program and building typology.

Homestead Community Land Trust creates stability, equity and opportunity by developing land and housing in trust, giving lower-income households the opportunity to own a home that is affordable to them and remains affordable to future owners.

Tacoma/Pierce County Habitat for Humanity partners with a individual and families to build and own affordable homes in safe communities. Habitat homebuyers earn no more than 80% of the Area Median Income and meet our eligibility requirements. As active participants in building a better future for themselves, and their families, Habitat homebuyers make a minimal down payment and pay an affordable mortgage.

ATTACHMENTS:

- Homestead Community Land Trust Presentation
- Tacoma/Pierce County Habitat for Humanity Presentation

STAFF RECOMMENDATION:

N/A

ALTERNATIVES:

N/A

RECOMMENDED MOTION:

N/A

HOMESTEAD



Community Land Trust

SSHA3P Executive Board Update

2.7.25

Homestead Announces Community-Centered Acquisition of Property in Tacoma's Hilltop

- Acquisition of \$4.2 Million Property
- Partnership with Aya Community Land Trust
- Community engagement process for 2025
- Potential for 100 to 200 homes plus 6,000 sq ft commercial



Typologies

Willowcrest



Net-Zero Energy townhomes in Renton; 12 3- and 4-bedroom homes, Phase II in 2026

the Southard



Net-Zero Energy, Salmon-Safe cottage homes in Tukwila; 11 3- and 4-bedroom homes (18 homes ttl)

VILLAGE GARDENS



Highly Energy Efficient townhomes with solar panels in Seattle, 3- bedroom homes (16 homes ttl)

Nest



Fossil-fuel free, highly energy efficient condo flats in Seattle, 19 1-, 2- and 3-bedroom homes (30 homes ttl LATE 2025)

Scattered Site Single Family

Single-family detached, scattered sites



WOODLAND VIEW



Fossil-fuel free, highly energy efficient condoflats in Seattle, 19 1-, 2- and 3-bedroom homes (26 homes ttl), affordable commercial LATE 2025

Pipeline

- **Woodland View -- 26 Condominium homes, Commercial retail (Phinney)**
- **Nest – 30 Condominium homes (Phinney)**
- **Kenyon – Eight Townhomes (Rainier Valley)**
- **Willowcrest II – 19 Townhomes (Renton)**
- **Admiral – 19 Homes, Mix of Townhomes and Flats, Church (Seattle)**
- **Goodwill Baptist – 34 Condominium homes (Central District)**
- **Skyway – 57 Homes, Mix of Townhomes and Flats, 3 acres of housing surrounded by 11 acres of greenspace (Skyway)**
- **Dumar – 21 Condominium homes plus ground floor commercial (Seattle)**
- **Hilltop – 100+ homes TBD (Tacoma)**

ClosedDoorsReport.com

CLOSED DOORS:

2024 Update
Unlocking Affordable
Homeownership Supply
in Washington State

Report and online Tableau
dashboard that examine
prices, inventory and
solutions to lack of supply
of affordable for-sale
homes, and increasing
homeownership rates for
BIPOC buyers.

HOMESTEAD
Community Land Trust

Thank you for your interest!

Kathleen Hosfeld
CEO, Executive Director
kathleen@homesteadclt.org





Tacoma/Pierce County
Habitat
for Humanity®

Tacoma/Pierce County Projects in Review

February 2025

Presented by
Sherrana Kildun
Chief of Philanthropy



Tacoma/Pierce County
Habitat
for Humanity®



300 new
homes sold



1,120 volunteers
engaged in 2024

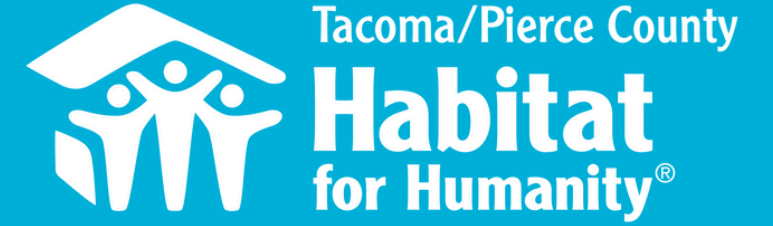


213 homes repaired
since 2020



23 homes in resale
restricted model

Construction Pipeline



American Lake Townhomes

12 Homes in South Tacoma

Proctor Place

19 homes in South Tacoma

Sherwood

24 Homes in East Tacoma

Orchard Cottages

24 Homes in North Tacoma

Puyallup Homes

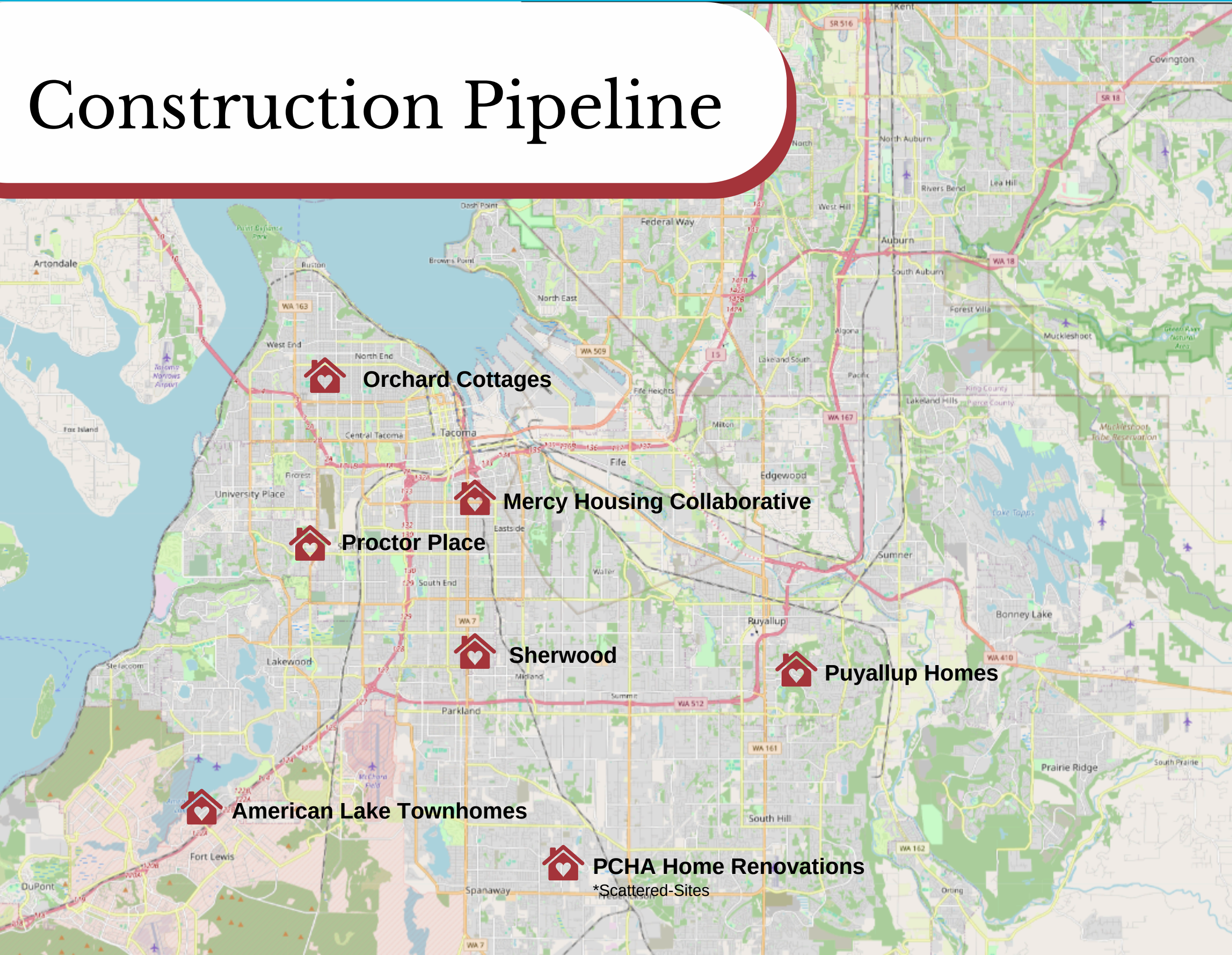
6 Homes in Puyalup

Mercy Housing

40+ Homes in East Tacoma

PCHA Home Renovations

80 scattered-site units in Parkland and Spanaway





American Lake Townhomes

Proctor Triplex



Local Government Impact & Contribution

- Continue to prioritize homeownership funding with both construction subsidy and DPA
 - Funding for Infrastructure
- Keeping impact fees low for affordable housing
- Surplus property



SSHA³P Executive Board

AGENDA BILL

February 7, 2025

AGENDA CATEGORY: Staff Presentation

SUBJECT: Select Legislative Item Updates

PRESENTED BY: Mary Connolly, SSHA³P Program Specialist II

SUMMARY/BACKGROUND:

On October 4, 2024, the SSHA³P Executive Board adopted a 2025 State Legislative Agenda, which can be found online at <https://southsoundaffordablehousing.org/home-page/advocacy/>.

In this presentation, Mary will provide an update on select legislative priorities. Additionally, Mary will ask for the Executive Board's direction on supporting, opposing, or monitoring HB 1717/SB 5591, which would create a Sales and Use Tax Remittance Program for Affordable Housing.

ATTACHMENTS:

- Select Legislative Item Update Presentation
- ROC Infrastructure Funding One-Pager
- Sales and Use Tax Remittance for Affordable Housing One-Pager
- House Bill 1717
- Senate Bill 5591

STAFF RECOMMENDATION:

N/A

ALTERNATIVES:

N/A

RECOMMENDED MOTION:

N/A



UPDATE ON SELECT LEGISLATIVE PRIORITIES

EXECUTIVE BOARD REGULAR MEETING

FEBRUARY 7, 2025

MARY CONNOLLY, PROGRAM SPECIALIST II

Agenda

- Resident-Owned Community (ROC) Infrastructure Funding
- Sales and Use Tax (SUT) Remittance Program
- Other Items of Interest

ROC Infrastructure Funding: Background

- Manufactured home communities (mobile home parks) are home to many low- and moderate-income families and seniors
 - In Pierce County, there are 160 manufactured home communities with over 8000 homes
- ROC = “resident-owned community”
- 28 ROCs in Washington representing over 1400 households
 - In Pierce County, there are 5 ROCs representing over 210 households
 - Half of ROCs in Washington created since 2020

ROC Infrastructure Funding: The Problem

- Existing ROCs need critical infrastructure repairs and upgrades
 - Bob's and Jamestown Homeowners Cooperative in Lakewood in need of infrastructure repairs for lots affected by 2023 fire
 - Woodbrook Wagon Homeowners Cooperative in Lakewood in need of sewer line connection
- Cost of needed infrastructure improvements can make cooperative purchase infeasible
 - Example: When Harborland Mobile Home Park in Gig Harbor was put up for sale in 2023, it was not financially feasible for residents to cooperatively purchase their community, partly due to the need to connect to municipal sewer.
- Lack of financing sources for infrastructure improvements leads to displacement of residents

ROC Infrastructure Funding: Proposal

- New low-interest revolving loan fund administered by the Washington State Housing Finance Commission (WSHFC)
 - Low-interest: reduces cost for residents compared to traditional financing
 - Revolving: once paid back, funds will be available for future loans, increasing sustainability of the program
- Requesting \$15M for this biennium
 - Existing ROCs face over \$5 million of estimated infrastructure repair and replacement costs
 - ROC Northwest expects another \$10M will be needed over the next biennium to address additional needs that arise in new and existing ROCs
 - Proposed capital budget allocates \$5M directly to ROC Northwest for infrastructure repairs; we and ROC NW have advocated to reallocate this funding for the new loan program

HB 1717 / SB 5591: Concept Background

- Farmworker Housing Sales Tax Exemption RCW 82.08.02745 (originally created in 1996)
- 2019's SB 5025/HB 1168 to create both a REET and Sales/Use Tax Exemption for Self-help housing
 - SB 5025 passed, creating a REET exemption but not a sales/use tax exemption.
- 2024's HB 2219 to create a sale tax exemption for the construction of affordable housing
 - Would have exempted purchases of labor and material used in the construction of affordable housing from the state's sales and use tax. Bill did not pass.
- 2024's SB 6175 allows a city to create a sales and use tax deferral program for the conversion of commercial property for use as affordable housing.
 - Bill passed and went into effect on June 6, 2024

HB 1717 / SB 5591: Proposal Development

- Representative Mari Leavitt (28 – University Place) contacted staff from SSHA³P and the Tacoma Housing Authority in October 2024
- Ask was to convene stakeholders to develop a tax proposal to:
 - Lower cost of building affordable housing
 - Fund the production of more affordable housing
- Stakeholders
 - Non-profit and for-profit affordable housing developers, AWC and city members, WSAC, Department of Revenue, and Governor's Office

HB 1717 / SB 5591: Proposal

- Optional program for both cities and counties
- Minimum affordability
 - At least 50% of units must be affordable to households earning less than 80% AMI
 - Affordable units must be affordable for at least 40 years
- Projects must file application and be approved by governing body
 - Jurisdictions can set higher thresholds of affordability, establish certain areas the projects can be built, etc. Similar to MFTE program.
- At project completion
 - Developer is eligible to apply for and receive ½ of total (state and local) sales and use tax spent on qualified purchases (labor and materials used on the project)
 - Jurisdictions is eligible to apply for and receive ½ of total (state and local) sales and use tax spent on qualified purchases (labor and materials used on the project)

HB 1717 / SB 5591: Use of Funds

- Funds remitted to the jurisdiction have limited uses:
 - Acquiring, rehabilitating, or constructing affordable housing
 - Operation and delivery of behavioral health treatment programs and services
 - Funding the operations and maintenance costs of new units of affordable or supportive housing
 - Reimbursement of a jurisdiction's general fund investment in the qualifying project

Program Example

EXAMPLE PROJECT | TACOMA, WA | 100 UNITS



Both developer and jurisdiction receive over \$1,500,000!!!



Ordinance is adopted by jurisdiction and developer applies for and finishes a qualified project.



Total Development Cost
\$51,500,000
Total Construction Cost
\$30,800,000
Total Project Cost
\$82,300,000



Total State Sales Tax (6.5%)
\$2,002,000
Total Local Sales Tax (3.8%)
\$1,170,400
Total Combined (10.3%)
\$3,172,400



Developer applies for a sales/tax use remittance.

Developer receives \$1,586,200 in remittance to offset project costs.



Jurisdiction eligible for a sales/tax use remittance.

Jurisdiction receives \$1,586,200 in remittance to support affordable housing activities.

In this example a 50% remittance is 5.15% of total sales/use tax collection ($10.3\% / 2 = 5.15\%$).

\$3,172,400 TAX BENEFIT!

Items of Interest

Property Tax Exemption

HB 1106

Lowers disabled veteran disability rating requirement

HB 1165

Increase maximum income threshold in each tier by 5%

HB 1179

Freezes property valuation for households qualified for property tax exemption program

SB 5020

Exempts all real property owned by a resident over the age of 75 from state and local property taxes

SB 5398

Creates a new property tax exemption program for disabled veterans

Workforce Development

HB 1414

Creates workgroup to review career barriers for students ages 16-17

HB 1533

Allows a specialty electrician w/ valid competency certificate to continue working while enrolled in a journey level apprenticeship program

HB 1580

Funding to support vocational alternative learning experience

HB 1722

Reviews state restrictions affecting students participating in career and technical education programs and other career pathways

Land Use/Housing

HB 1096

Lot splitting

HB 1438

Permitting approvals

HB 1491

Transit-oriented development

HB 1195 / SB 5497

Siting of shelters and transitional housing

HB 1235 / SB 5148

GMA compliance

HB 1380

Use of public property

SB 5184 / HB 1299

Minimum parking requirements

SB 5559

Subdivision process

HB 1694

Provides REET 2 flexibility to fund affordable housing



UPDATE ON SELECT LEGISLATIVE PRIORITIES

EXECUTIVE BOARD REGULAR MEETING

FEBRUARY 7, 2025

MARY CONNOLLY, PROGRAM SPECIALIST II



Revolving Infrastructure Loan Fund for Resident-Owned Manufactured Home Communities

Who lives in manufactured housing?

In Washington, there are over 1,200 manufactured home communities¹ which consist of more than 68,000 homes.² Thirty-eight percent (38%) of manufactured home park householders in Washington are 65 or older.³ In the Seattle-Tacoma-Bellevue MSA, the median income of a household living in a manufactured home is \$56,000, while the median household income for the whole area is \$103,100.⁴

What is a resident-owned community?

Residents of manufactured home communities (MHC) can preserve their communities and prevent displacement by forming a housing cooperative to purchase the park where they live. These housing cooperatives are known as resident-owned communities (ROCs). Currently, there are nearly 30 ROCs across Washington representing over 1,400 households. Nearly half of the ROCs in Washington have been created since 2020. We expect this trend to continue in the coming years due to an increase in the number of park operators exiting the MHC market or selling their asset.

What is the problem?

Many manufactured home communities across Washington need critical infrastructure improvements, repairs, and upgrades. These include connections to municipal sewer and water systems, addressing drain field failures, and replacement of aging water distribution lines. When an MHC is up for sale, the cost of needed infrastructure improvements can make it infeasible for the cooperative to purchase their community. MHC residents need access to low-interest financing for infrastructure improvements to address critical needs in existing ROCs and to increase the feasibility of establishing new ROCs. This kind of financing will prevent displacement of low- and moderate-income residents, including older adults and people with disabilities, from their homes.

What is the proposal?

We have been in discussion with the Washington State Housing Finance Commission (WSHFC)⁵ regarding their interest in administering low-interest financing to fund ROC infrastructure improvements. We are requesting the legislature allocate \$15 million to a new WSHFC revolving loan fund to finance these improvements.

What are examples of communities that would benefit from this funding?

Currently, there are 18 resident-owned communities with almost 1,200 households that could benefit from this funding. A few of these infrastructure needs are summarized in the table below. Together, these communities are facing over \$5 million of estimated infrastructure repair and replacement costs. ROC Northwest expects another \$10M will be needed over the next biennium to address additional needs that arise in new and existing ROCs.

¹ Also known as "mobile home parks."

² Department of Commerce (2024). Registered Manufactured/Mobile Home Communities in Washington. Retrieved on October 23, 2024 from <https://app.box.com/s/kngyqojutjrpd8vhwbgp9q4sighmk9r5>

³ U.S. Census Bureau (2023). American Community Survey, 1-year estimates. Tenure by Age of Householder by Units in Structure. Retrieved from <https://data.census.gov>

⁴ U.S. Census Bureau (2023). American Housing Survey. Income Characteristics by Units by Structure Type. Retrieved from <https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html>

⁵ WSHFC Contact: Lisa Vatske, Lisa.Vatske@wshfc.org

Resident-Owned Cooperative	Number of Units	Location	Infrastructure Needs
Dallesport Homeowners Cooperative	50	Dallesport, WA 14 th Leg. District	Connection to municipal water system
Woodbrook Wagon Homeowners Cooperative	44	Lakewood, WA 28 th Leg. District	Connection to municipal sewer system
Takesa Village Homeowners Cooperative	279	Mead, WA 6 th Leg. District	Various upgrades for roads, lights, and stormwater system
Quail Run Homeowners Cooperative	66	Moses Lake, WA 13 th Leg. District	Septic system upgrades
Samish Park Cooperative	32	Bellingham, WA 40 th Leg. District	Drainage swale installation

Where would the funding come from?

The proposed capital budgets, SB 5195 and HB 1216, include a \$5 million allocation for the Northwest Cooperative Development Center to fund infrastructure improvements for ROCs. We are requesting that this \$5 million be reallocated to the ROC Infrastructure Fund, along with an additional \$10 million.

Questions? Get in touch!

Victoria O’Banion, ROC Northwest: victoria@nwcde.coop, 308-991-5663

Mary Connolly, SSHA³P: mary.connolly@piercecounywa.gov, 253-625-4153

AFFORDABLE HOUSING

SALES AND USE TAX REMITTANCE PROGRAM

HOW IT WORKS

ABOUT

The Washington State Department of Commerce identified the need for more than 600,000 units of affordable housing for low-income households across the state over the next 20 years. This limited sales and use tax remittance program for affordable housing production is designed to directly address the critical need for affordable housing.

PURPOSE

To support construction of affordable housing now and in the future by reducing financial barriers in a market where labor and material costs continue to escalate.

BENEFITS

- Creates a new, local funding source.
- Provides incentives for the immediate creation of critically needed affordable housing;
- Offers a sustainable approach to meet ongoing needs.
- Developers use remittance for materials, labor, or other costs.
- Jurisdictions investing general funds may recompensate with remittance.
- Participating cities and counties may pool rebated funds.



01

ADOPT ORDINANCE

Cities or counties adopt an ordinance to create a sales and use tax remittance program for qualifying affordable housing development projects.



02

SUBMIT APPLICATION

Qualified developers submit project applications to the governing body and wait for approval.



03

REQUEST REMITTANCE

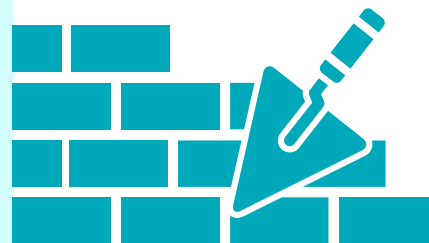
After the project is complete, the developer and jurisdiction may each request a 50% remittance of the total (local and state) sales and use tax collected on qualified purposes.



04

FUTURE USE OF FUNDS

Funds remitted to jurisdictions may be used for certain purposes, including affordable housing and behavioral health services.



Creating affordable housing now and in the future.

JURISDICTION USE OF FUNDS



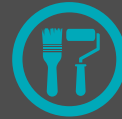
Operation and delivery of behavioral health treatment programs and services.



Reimbursement of a jurisdiction's general fund investment in an affordable housing project.



Acquiring, rehabilitating, or constructing affordable housing.



Funding the operations and maintenance costs of new units of affordable or supportive housing.

EXAMPLE PROJECT | TACOMA, WA | 100 UNITS



Both developer and jurisdiction receive over \$1,500,000!!!



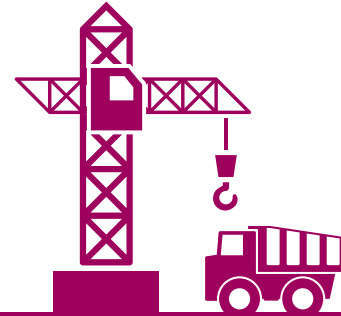
Ordinance is adopted by jurisdiction and developer applies for and finishes a qualified project.



Total Development Cost
\$51,500,000
Total Construction Cost
\$30,800,000
Total Project Cost
\$82,300,000



Total State Sales Tax (6.5%)
\$2,002,000
Total Local Sales Tax (3.8%)
\$1,170,400
Total Combined (10.3%)
\$3,172,400



Developer applies for a sales/tax use remittance.

Developer receives \$1,586,200 in remittance to offset project costs.



Jurisdiction eligible for a sales/tax use remittance.

Jurisdiction receives \$1,586,200 in remittance to support affordable housing activities.

In this example a 50% remittance is 5.15% of total sales/use tax collection (10.3% / 2 = 5.15%).

\$3,172,400 TAX BENEFIT!

HOUSE BILL 1717

State of Washington

69th Legislature

2025 Regular Session

By Representatives Leavitt and Low

1 AN ACT Relating to a sales and use tax remittance program for
2 affordable housing; adding a new section to chapter 82.08 RCW; adding
3 a new section to chapter 82.12 RCW; adding a new chapter to Title 82
4 RCW; creating a new section; providing an effective date; and
5 providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires
9 otherwise.

10 (1) "Affordable housing" means:

11 (a) Homeownership housing intended for owner occupancy by low-
12 income households whose monthly housing costs, including utilities
13 other than telephone, do not exceed 38 percent of the household's
14 monthly income; and

15 (b) Rental housing for low-income households whose monthly
16 housing costs, including utilities other than telephone, do not
17 exceed 30 percent of the household's monthly income.

18 (2) "City" means any city or town, including a code city.

19 (3) "County" means any county of the state.

20 (4) "Eligible organization" means nonprofit developers, for-
21 profit developers, public housing authorities, public development

1 authorities, or other applicants eligible under rules established by
2 the Washington state housing finance commission.

3 (5) "Governing authority" means the local legislative authority
4 of a city or county.

5 (6) (a) "Initiation of construction" means the date that a
6 building permit is issued under the building code adopted under RCW
7 19.27.031 for construction of the qualified building, if the
8 underlying ownership of the building vests exclusively with the
9 person receiving the economic benefit of the exemption.

10 (b) "Initiation of construction" does not include soil testing,
11 site clearing and grading, site preparation, or any other related
12 activities that are initiated before the issuance of a building
13 permit of the construction of the foundation of a building.

14 (c) If the qualifying project is a phased project, "initiation of
15 construction" applies separately to each phase.

16 (7) "Low-income household" means:

17 (a) For nonrural counties, a single person, family, or unrelated
18 persons living together whose adjusted income is at or below 80
19 percent of the median family income adjusted for family size, for the
20 county in which the property is located, as reported by the United
21 States department of housing and urban development; and

22 (b) For rural counties, a single person, family, or unrelated
23 persons living together whose adjusted income is at or below 100
24 percent of the median family income adjusted for family size, for the
25 county in which the property is located, as reported by the United
26 States department of housing and urban development.

27 (8) "Nonprofit developer" means:

28 (a) A nonprofit defined in RCW 84.36.800 that is exempt from
29 income tax under section 501(c)(3) of the federal internal revenue
30 code;

31 (b) A limited partnership or limited liability company,
32 consisting of any of the following:

33 (i) A nonprofit defined in RCW 84.36.800 that is exempt from
34 income tax under section 501(c)(3) of the federal internal revenue
35 code;

36 (ii) A public corporation established under RCW 35.21.660,
37 35.21.670, or 35.21.730;

38 (iii) A housing authority created under RCW 35.82.030 or
39 35.82.300; and

1 (iv) A housing authority that meets the qualifications in RCW
2 35.82.210(2)(a) and is a managing member.

3 (c) A mobile home park cooperative or a manufactured housing
4 cooperative as defined in RCW 59.20.030.

5 (9) "Owner" means the property owner of record.

6 (10) "Qualifying project" means an affordable housing or mixed-
7 use affordable housing development with a minimum of 50 percent of
8 residential units dedicated to housing for low-income households and
9 those units that are affordable to such households for a minimum of
10 40 years. "Qualifying project" includes related facilities such as
11 playgrounds, sidewalks, and project-related infrastructure
12 improvements, as well as facilities used for commercial use for
13 mixed-use development.

14 (11) "Rural county" means a county with a population density of
15 less than 100 persons per square mile or a county smaller than 225
16 square miles as determined by the office of financial management
17 pursuant to RCW 43.62.035.

18 NEW SECTION. **Sec. 2.** (1) For the purpose of creating a sales
19 and use tax remittance program for the development of affordable
20 housing under this chapter, the governing authority must adopt a
21 resolution of intention to create the remittance program generally
22 described in the resolution. The resolution must state the time and
23 place of a hearing to be held by the governing authority to consider
24 the creation of the tax remittance program and may include such other
25 as the governing authority deems appropriate to apprise the public of
26 the action intended. However, the resolution must provide information
27 pertaining to:

28 (a) The application process;

29 (b) The approval process;

30 (c) The appeals process for applications denied approval; and

31 (d) Additional requirements, conditions, and obligations that
32 must be followed after the approval of an application.

33 (2) The governing authority must give notice of a hearing held
34 under this chapter by publication of the notice once each week for
35 two consecutive weeks, not less than seven days, nor more than 30
36 days, before the date of the hearing in a paper having a general
37 circulation in the city or county. The notice must state the time,
38 date, place, and purpose of the hearing.

1 (3) Following the hearing or a continuance of the hearing, the
2 governing authority may authorize the creation of the program.

3 (4) A county may not adopt the remittance program authorized
4 under this section within the limits of a city that adopts such a
5 program.

6 (5) The remittance authorized under this chapter applies to taxes
7 imposed by the city or county that has adopted a resolution as
8 provided in subsection (1) of this section.

9 NEW SECTION. **Sec. 3.** An eligible organization seeking a sales
10 and use tax remittance for a qualifying project under this chapter
11 must complete the following procedures:

12 (1) The eligible organization must apply to the city or county on
13 forms adopted by the governing authority. The application must
14 contain the following:

15 (a) Information setting forth the grounds supporting the
16 requested exemption including information indicated on the
17 application form or in the guidelines;

18 (b) A description of the qualifying project and site plan, and
19 other information requested;

20 (c) A statement of the expected total number of housing units and
21 affordable housing units to be created;

22 (d) A statement that the applicant is aware of the potential tax
23 liability involved if the qualifying project ceases to be used for
24 eligible uses under this chapter;

25 (e) A statement that the applicant is aware the qualifying
26 project must be completed within three years from the date of
27 approval of the application; and

28 (f) A statement that the applicant is aware that the governing
29 authority of the city or county official authorized by the governing
30 authority may extend the deadline for completion of construction for
31 a period not to exceed 24 consecutive months;

32 (2) The applicant must verify the application by oath or
33 affirmation; and

34 (3) The application must be accompanied by the application fee,
35 if any, required under this chapter. The duly authorized
36 administrative official or committee of the city or county may permit
37 the applicant to revise an application before final action by the
38 duly authorized administrative official or committee of the city or
39 county.

1 NEW SECTION. **Sec. 4.** The duly authorized administrative
2 official or committee of the city or county may approve the
3 application and grant a conditional certificate for program approval
4 if it finds that:

5 (1) The qualifying project is set aside primarily for affordable
6 housing or mixed-use affordable housing development and the applicant
7 commits to renting or selling at least 50 percent of the residential
8 units to low-income households for a minimum of 40 years;

9 (2) The applicant commits to any additional affordability
10 conditions adopted by the local government under this chapter not
11 otherwise inconsistent with this chapter;

12 (3) The qualifying project is, or will be, at the time of
13 completion, in conformance with all local plans and regulations that
14 apply at the time the application is approved;

15 (4) The area where the qualifying project will occur is located
16 within an area zoned for residential or mixed uses;

17 (5) The terms and conditions of the implementation of the
18 qualifying project meets the requirements of this chapter and any
19 requirements of the city or county that are not otherwise
20 inconsistent with this chapter; and

21 (6) All other requirements of this chapter have been satisfied as
22 well as any other requirements of the city or county that are not
23 otherwise inconsistent with this chapter.

24 NEW SECTION. **Sec. 5.** (1) The duly authorized administrative
25 official or committee of the city or county must rule on an
26 application filed under this chapter within 90 days after receipt of
27 the application.

28 (2) If the application is approved, the city or county must issue
29 the applicant a conditional certificate of program approval. The
30 certificate must contain a statement by a duly authorized
31 administrative official of the governing authority that the
32 qualifying project as described in the application will comply with
33 the required criteria of this chapter.

34 (3) If the application is denied by the city or county, the city
35 or county must state in writing the reasons for denial and send the
36 notice to the applicant at the applicant's last known address within
37 10 days of the denial.

38 (4) Upon denial by the city or county, an applicant may appeal
39 the denial to the city's or county's governing authority, or a city

1 or county official designated by the city or county to hear such
2 appeals, within 30 days after receipt of the denial. The appeal
3 before the city's or county's governing authority or designated city
4 or county official must be based upon the record made before the city
5 or county with the burden of proof on the applicant to show that
6 there was no substantial evidence to support the city's or county's
7 decision. The decision of the city or county on the appeal is final.

8 NEW SECTION. **Sec. 6.** The governing authority may establish an
9 application fee. This fee may not exceed an amount required to cover
10 the cost to be incurred by the governing authority in administering
11 the program under this chapter. The application fee must be paid at
12 the time the application for program approval is filed.

13 NEW SECTION. **Sec. 7.** (1) Within 30 days of the issuance of a
14 certificate of occupancy for a qualifying project, the eligible
15 organization must file with the governing authority the following:

16 (a) A description of the work that has been completed and a
17 statement that the qualifying project qualifies the property for a
18 sales and use tax remittance under this chapter;

19 (b) A statement of the new affordable housing to be offered; and

20 (c) A statement that the work has been completed within three
21 years of the issuance of the conditional certificate of program
22 approval.

23 (2) Within 30 days after receipt of the statements required under
24 subsection (1) of this section, the governing authority must
25 determine and notify the eligible organization as to whether the work
26 completed and the affordable housing to be offered are consistent
27 with the application and the contract approved by the governing
28 authority, and the project qualifies for a remittance under this
29 chapter.

30 (3) The governing authority must issue a certificate of
31 completion of the qualifying project to the eligible organization if
32 the project has complied with the required criteria of this chapter.

33 (4) The governing authority must notify the eligible organization
34 within 30 days that a project does not qualify for a remittance under
35 this chapter if it determines that:

36 (a) The work was not completed within three years of the
37 application date;

1 (b) The work was not constructed consistent with the application
2 or other applicable requirements;

3 (c) The affordable housing units to be offered are not consistent
4 with the application and criteria of this chapter; or

5 (d) The owner's property is otherwise not qualified for a
6 remittance under this chapter.

7 (5) If the governing authority finds that the work was not
8 completed within the required time period due to circumstances beyond
9 the control of the eligible organization and that the eligible
10 organization has been acting and could reasonably be expected to act
11 in good faith and with due diligence, the governing authority may
12 extend the deadline for completion of the work for a period not to
13 exceed 24 consecutive months, and must notify the department of the
14 extension.

15 (6) The governing authority may enact an ordinance to provide a
16 process for an eligible organization to appeal a decision by the
17 governing authority that the eligible organization is not entitled to
18 a remittance of sales and use taxes. The eligible organization may
19 appeal a decision by the governing authority to deny a remittance of
20 sales and use taxes in superior court under
21 RCW 34.05.510 through 34.05.598, if the appeal is filed within 30
22 days of notification by the governing authority to the eligible
23 organization.

24 (7) A governing authority denying an eligible organization a
25 sales and use tax remittance under section 3 of this act must notify
26 the department within 15 days of the denial.

27 NEW SECTION. **Sec. 8.** (1) An eligible organization must apply to
28 the department before initiation of the construction of the
29 qualifying project. In the case of a qualifying project involving
30 multiple qualifying buildings, applications must be made for, and
31 before the initiation of construction of, each qualifying building.
32 The application must be made to the department in a form and manner
33 prescribed by the department. The application must include a copy of
34 the conditional certificate of program approval issued by the city or
35 county, estimated construction costs, time schedules for completion
36 and operation, and any other information required by the department.
37 The department must rule on the application within 90 days except
38 that the department may extend the time of processing such

1 application upon notice to the eligible organization that ruling on
2 the application cannot be completed within such time.

3 (2) The department must provide information to the eligible
4 organization regarding documentation that must be retained by the
5 eligible organization to substantiate the amount of sales and use tax
6 exempted under this chapter.

7 (3) The application must include a waiver by the eligible
8 organization of the four-year limitation under RCW 82.32.100.

9 (4) To qualify for the exemption in this chapter, the eligible
10 organization must be registered with the department under RCW
11 82.32.030.

12 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.08
13 RCW to read as follows:

14 (1) Subject to the requirements of this section, the tax levied
15 by RCW 82.08.020 does not apply to sales of materials incorporated
16 into, and labor and services rendered in respect to, a qualifying
17 project. An eligible organization claiming a remittance under this
18 section must pay the state and local sales and use tax on such sales
19 and apply to the department for a remittance of the tax paid.

20 (2) Beginning January 1, 2026, the exemption under this section
21 is for taxes collected on a qualifying project under the program
22 established in section 2 of this act. The remittance is allocated to
23 the eligible organization and the city or county as follows:

24 (a) 50 percent of state and local sales and use taxes paid must
25 be remitted to the eligible organization. The remittance of local
26 sales and use taxes is limited to taxes imposed by the city or county
27 that has authorized the remittance program under section 2 of this
28 act;

29 (b) 50 percent of state sales and use taxes paid must be
30 distributed to the city or county that has authorized the remittance
31 program under section 2 of this act.

32 (3) To receive a remittance under this section, the eligible
33 organization must submit the following to the department:

34 (a) A remittance application in a form and manner as required by
35 the department;

36 (b) A certificate of occupancy from the permitting authority of
37 the city or county where the project is located;

38 (c) A certificate of completion from the city or county affirming
39 that the project meets the requirements of section 4 of this act;

1 (d) An information sheet, in a form and manner as required by the
2 department, specifying the amount of exempted tax claimed and the
3 qualifying purchases or acquisitions for which the remittance is
4 claimed;

5 (e) A signed affidavit from an authorized representative of the
6 city or county requesting or declining a remittance under this
7 chapter; and

8 (f) Any other documentation supporting the remittance
9 application.

10 (4) The department must rule on the application within 90 days,
11 except that the department may extend the time of processing such
12 application upon notice to the eligible organization that ruling on
13 the application cannot be completed within such time.

14 (5) This section applies to eligible organizations receiving a
15 certificate of completion on or before December 31, 2035.

16 (6) The definitions in section 1 of this act apply to this
17 section.

18 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.12
19 RCW to read as follows:

20 (1) The provisions of this chapter do not apply with respect to
21 the use of materials incorporated into, and labor and services
22 rendered in respect to, a qualifying project. An eligible
23 organization claiming a remittance under this section must pay the
24 state and local use tax on such uses and apply to the department for
25 a remittance of the tax paid.

26 (2) The definitions, conditions, and requirements of section 9 of
27 this act apply to this section.

28 (3) This section applies to eligible projects receiving a
29 certificate of completion on or before December 31, 2035.

30 NEW SECTION. **Sec. 11.** (1) Beginning January 1, 2026, a city or
31 county which has enacted a remittance program created under section 2
32 of this act must use the remittance moneys for the following
33 purposes:

34 (a) Acquiring, rehabilitating, or constructing affordable
35 housing, which may include new units of affordable housing within an
36 existing structure or facilities providing supported housing services
37 under RCW 71.24.385;

1 (b) Acquiring real property for future affordable housing
2 development;

3 (c) Funding the operation and maintenance costs of new units of
4 affordable or permanent supportive housing;

5 (d) The operation and delivery of behavioral health treatment
6 programs and services;

7 (e) If the city or county utilized general fund moneys to support
8 a qualifying project under a remittance program established under
9 section 2 of this act, the city or county may recompense itself.

10 (2) Eligible cities and counties may enter into interlocal
11 agreements to combine funds from remittance programs created under
12 section 2 of this act.

13 (3) This section expires December 31, 2035.

14 NEW SECTION. **Sec. 12.** (1) Thirty days after the anniversary of
15 the date of issuance of the certificate of occupancy and each year
16 thereafter for 40 years, the eligible organization must file with a
17 designated authorized representative of the city an annual report
18 indicating the following:

19 (a) A statement of the affordable housing units constructed on
20 the property as of the anniversary date;

21 (b) A certification by the eligible organization that the
22 property has not changed use; and

23 (c) Any additional information requested by the city or county.

24 (2) A city or county that has issued a certificate of completion
25 under this chapter must report annually by December 31st of each
26 year, beginning in 2026, to the department. The report must include
27 the following information:

28 (a) Identifying information for each qualifying project that has
29 received a certificate of completion; and

30 (b)(i) Confirmation that the qualifying project continues to
31 qualify for the remittance; or

32 (ii) Notification that the qualifying project no longer meets the
33 qualifications for a remittance.

34 NEW SECTION. **Sec. 13.** (1) The taxes exempted under this chapter
35 are immediately due and payable if:

36 (a) An eligible organization notifies the city or county and the
37 department that they voluntarily opt to discontinue compliance with
38 the requirements of this chapter; or

1 (b) A city or county finds that a portion of a qualifying project
2 is changed or will be changed to disqualify the recipient for
3 remittance eligibility under this chapter.

4 (2) The department must assess interest at the rate provided for
5 delinquent taxes, but not penalties, retroactively to the date of
6 remittance. A debt for remitted taxes is not extinguished by
7 insolvency or other failure of the recipient.

8 (3) This section does not apply after 40 years from the date of
9 the certificate of completion.

10 NEW SECTION. **Sec. 14.** (1) Transfer of qualifying project
11 ownership does not terminate the exemption. The exemption is subject
12 to the successor meeting the eligibility requirements under this
13 chapter.

14 (2) The transferor of a qualifying project must notify the
15 governing authority and the department of such transfer. The
16 governing authority must certify to the department that the successor
17 meets the requirements of the exemption. The transferor must provide
18 the information necessary for the department to transfer the
19 exemption. If the transferor fails to notify the city or county and
20 the department, all exempted sales and use taxes are immediately due
21 and payable. The department must assess interest at the rate provided
22 for delinquent taxes, but not penalties, retroactively to the date of
23 exemption.

24 NEW SECTION. **Sec. 15.** This section is the tax preference
25 performance statement for the tax preference contained in sections 9
26 and 10, chapter . . . , Laws of 2025 (sections 9 and 10 of this act).
27 This performance statement is only intended to be used for subsequent
28 evaluation of the tax preference. It is not intended to create a
29 private right of action by any party or be used to determine
30 eligibility for preferential tax treatment.

31 (1) The legislature categorizes the tax preferences as those
32 intended to induce certain designated behavior by taxpayers, as
33 indicated in RCW 82.32.808(2) (a).

34 (2) It is the legislature's specific public policy objective to
35 expand affordable housing options for low-income households.

36 (3) (a) To measure the effectiveness of the tax preferences in
37 this act, the joint legislative audit and review committee must
38 evaluate the number of housing units and affordable housing units

1 created by qualifying projects receiving the exemptions under this
2 act and the number of housing units and affordable housing units
3 created in projects funded by remittance funds under this act. If a
4 review finds that the number of affordable housing units produced has
5 not increased, then the legislature intends to repeal this tax
6 preference.

7 (b) The review must be provided to the fiscal committees of the
8 legislature by December 31, 2033.

9 (4) In order to obtain the data necessary to perform the review
10 in subsection (3) of this section, the joint legislative audit and
11 review committee may refer any other data collected by the state, any
12 data source, and any data collected by the department under RCW
13 82.59.080.

14 NEW SECTION. **Sec. 16.** Sections 1 through 8, 11 through 14, and
15 16 of this act constitute a new chapter in Title 82 RCW.

16 NEW SECTION. **Sec. 17.** This act takes effect January 1, 2026.

--- END ---

SENATE BILL 5591

State of Washington 69th Legislature 2025 Regular Session

By Senators Bateman, Alvarado, Lovelett, Nobles, and Trudeau

Read first time 01/30/25. Referred to Committee on Housing.

1 AN ACT Relating to a sales and use tax remittance program for
2 affordable housing; adding a new section to chapter 82.08 RCW; adding
3 a new section to chapter 82.12 RCW; adding a new chapter to Title 82
4 RCW; creating a new section; providing an effective date; and
5 providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires
9 otherwise.

10 (1) "Affordable housing" means:

11 (a) Homeownership housing intended for owner occupancy by low-
12 income households whose monthly housing costs, including utilities
13 other than telephone, do not exceed 38 percent of the household's
14 monthly income; and

15 (b) Rental housing for low-income households whose monthly
16 housing costs, including utilities other than telephone, do not
17 exceed 30 percent of the household's monthly income.

18 (2) "City" means any city or town, including a code city.

19 (3) "County" means any county of the state.

20 (4) "Eligible organization" means nonprofit developers, for-
21 profit developers, public housing authorities, public development

1 authorities, or other applicants eligible under rules established by
2 the Washington state housing finance commission.

3 (5) "Governing authority" means the local legislative authority
4 of a city or county.

5 (6) (a) "Initiation of construction" means the date that a
6 building permit is issued under the building code adopted under RCW
7 19.27.031 for construction of the qualified building, if the
8 underlying ownership of the building vests exclusively with the
9 person receiving the economic benefit of the exemption.

10 (b) "Initiation of construction" does not include soil testing,
11 site clearing and grading, site preparation, or any other related
12 activities that are initiated before the issuance of a building
13 permit of the construction of the foundation of a building.

14 (c) If the qualifying project is a phased project, "initiation of
15 construction" applies separately to each phase.

16 (7) "Low-income household" means:

17 (a) For nonrural counties, a single person, family, or unrelated
18 persons living together whose adjusted income is at or below 80
19 percent of the median family income adjusted for family size, for the
20 county in which the property is located, as reported by the United
21 States department of housing and urban development; and

22 (b) For rural counties, a single person, family, or unrelated
23 persons living together whose adjusted income is at or below 100
24 percent of the median family income adjusted for family size, for the
25 county in which the property is located, as reported by the United
26 States department of housing and urban development.

27 (8) "Nonprofit developer" means:

28 (a) A nonprofit defined in RCW 84.36.800 that is exempt from
29 income tax under section 501(c)(3) of the federal internal revenue
30 code;

31 (b) A limited partnership or limited liability company,
32 consisting of any of the following:

33 (i) A nonprofit defined in RCW 84.36.800 that is exempt from
34 income tax under section 501(c)(3) of the federal internal revenue
35 code;

36 (ii) A public corporation established under RCW 35.21.660,
37 35.21.670, or 35.21.730;

38 (iii) A housing authority created under RCW 35.82.030 or
39 35.82.300; and

1 (iv) A housing authority that meets the qualifications in RCW
2 35.82.210(2)(a) and is a managing member.

3 (c) A mobile home park cooperative or a manufactured housing
4 cooperative as defined in RCW 59.20.030.

5 (9) "Owner" means the property owner of record.

6 (10) "Qualifying project" means an affordable housing or mixed-
7 use affordable housing development with a minimum of 50 percent of
8 residential units dedicated to housing for low-income households and
9 those units that are affordable to such households for a minimum of
10 40 years. "Qualifying project" includes related facilities such as
11 playgrounds, sidewalks, and project-related infrastructure
12 improvements, as well as facilities used for commercial use for
13 mixed-use development.

14 (11) "Rural county" means a county with a population density of
15 less than 100 persons per square mile or a county smaller than 225
16 square miles as determined by the office of financial management
17 pursuant to RCW 43.62.035.

18 NEW SECTION. **Sec. 2.** (1) For the purpose of creating a sales
19 and use tax remittance program for the development of affordable
20 housing under this chapter, the governing authority must adopt a
21 resolution of intention to create the remittance program generally
22 described in the resolution. The resolution must state the time and
23 place of a hearing to be held by the governing authority to consider
24 the creation of the tax remittance program and may include such other
25 as the governing authority deems appropriate to apprise the public of
26 the action intended. However, the resolution must provide information
27 pertaining to:

28 (a) The application process;

29 (b) The approval process;

30 (c) The appeals process for applications denied approval; and

31 (d) Additional requirements, conditions, and obligations that
32 must be followed after the approval of an application.

33 (2) The governing authority must give notice of a hearing held
34 under this chapter by publication of the notice once each week for
35 two consecutive weeks, not less than seven days, nor more than 30
36 days, before the date of the hearing in a paper having a general
37 circulation in the city or county. The notice must state the time,
38 date, place, and purpose of the hearing.

1 (3) Following the hearing or a continuance of the hearing, the
2 governing authority may authorize the creation of the program.

3 (4) A county may not adopt the remittance program authorized
4 under this section within the limits of a city that adopts such a
5 program.

6 (5) The remittance authorized under this chapter applies to taxes
7 imposed by the city or county that has adopted a resolution as
8 provided in subsection (1) of this section.

9 NEW SECTION. **Sec. 3.** An eligible organization seeking a sales
10 and use tax remittance for a qualifying project under this chapter
11 must complete the following procedures:

12 (1) The eligible organization must apply to the city or county on
13 forms adopted by the governing authority. The application must
14 contain the following:

15 (a) Information setting forth the grounds supporting the
16 requested exemption including information indicated on the
17 application form or in the guidelines;

18 (b) A description of the qualifying project and site plan, and
19 other information requested;

20 (c) A statement of the expected total number of housing units and
21 affordable housing units to be created;

22 (d) A statement that the applicant is aware of the potential tax
23 liability involved if the qualifying project ceases to be used for
24 eligible uses under this chapter;

25 (e) A statement that the applicant is aware the qualifying
26 project must be completed within three years from the date of
27 approval of the application; and

28 (f) A statement that the applicant is aware that the governing
29 authority of the city or county official authorized by the governing
30 authority may extend the deadline for completion of construction for
31 a period not to exceed 24 consecutive months;

32 (2) The applicant must verify the application by oath or
33 affirmation; and

34 (3) The application must be accompanied by the application fee,
35 if any, required under this chapter. The duly authorized
36 administrative official or committee of the city or county may permit
37 the applicant to revise an application before final action by the
38 duly authorized administrative official or committee of the city or
39 county.

1 NEW SECTION. **Sec. 4.** The duly authorized administrative
2 official or committee of the city or county may approve the
3 application and grant a conditional certificate for program approval
4 if it finds that:

5 (1) The qualifying project is set aside primarily for affordable
6 housing or mixed-use affordable housing development and the applicant
7 commits to renting or selling at least 50 percent of the residential
8 units to low-income households for a minimum of 40 years;

9 (2) The applicant commits to any additional affordability
10 conditions adopted by the local government under this chapter not
11 otherwise inconsistent with this chapter;

12 (3) The qualifying project is, or will be, at the time of
13 completion, in conformance with all local plans and regulations that
14 apply at the time the application is approved;

15 (4) The area where the qualifying project will occur is located
16 within an area zoned for residential or mixed uses;

17 (5) The terms and conditions of the implementation of the
18 qualifying project meets the requirements of this chapter and any
19 requirements of the city or county that are not otherwise
20 inconsistent with this chapter; and

21 (6) All other requirements of this chapter have been satisfied as
22 well as any other requirements of the city or county that are not
23 otherwise inconsistent with this chapter.

24 NEW SECTION. **Sec. 5.** (1) The duly authorized administrative
25 official or committee of the city or county must rule on an
26 application filed under this chapter within 90 days after receipt of
27 the application.

28 (2) If the application is approved, the city or county must issue
29 the applicant a conditional certificate of program approval. The
30 certificate must contain a statement by a duly authorized
31 administrative official of the governing authority that the
32 qualifying project as described in the application will comply with
33 the required criteria of this chapter.

34 (3) If the application is denied by the city or county, the city
35 or county must state in writing the reasons for denial and send the
36 notice to the applicant at the applicant's last known address within
37 10 days of the denial.

38 (4) Upon denial by the city or county, an applicant may appeal
39 the denial to the city's or county's governing authority, or a city

1 or county official designated by the city or county to hear such
2 appeals, within 30 days after receipt of the denial. The appeal
3 before the city's or county's governing authority or designated city
4 or county official must be based upon the record made before the city
5 or county with the burden of proof on the applicant to show that
6 there was no substantial evidence to support the city's or county's
7 decision. The decision of the city or county on the appeal is final.

8 NEW SECTION. **Sec. 6.** The governing authority may establish an
9 application fee. This fee may not exceed an amount required to cover
10 the cost to be incurred by the governing authority in administering
11 the program under this chapter. The application fee must be paid at
12 the time the application for program approval is filed.

13 NEW SECTION. **Sec. 7.** (1) Within 30 days of the issuance of a
14 certificate of occupancy for a qualifying project, the eligible
15 organization must file with the governing authority the following:

16 (a) A description of the work that has been completed and a
17 statement that the qualifying project qualifies the property for a
18 sales and use tax remittance under this chapter;

19 (b) A statement of the new affordable housing to be offered; and

20 (c) A statement that the work has been completed within three
21 years of the issuance of the conditional certificate of program
22 approval.

23 (2) Within 30 days after receipt of the statements required under
24 subsection (1) of this section, the governing authority must
25 determine and notify the eligible organization as to whether the work
26 completed and the affordable housing to be offered are consistent
27 with the application and the contract approved by the governing
28 authority, and the project qualifies for a remittance under this
29 chapter.

30 (3) The governing authority must issue a certificate of
31 completion of the qualifying project to the eligible organization if
32 the project has complied with the required criteria of this chapter.

33 (4) The governing authority must notify the eligible organization
34 within 30 days that a project does not qualify for a remittance under
35 this chapter if it determines that:

36 (a) The work was not completed within three years of the
37 application date;

1 (b) The work was not constructed consistent with the application
2 or other applicable requirements;

3 (c) The affordable housing units to be offered are not consistent
4 with the application and criteria of this chapter; or

5 (d) The owner's property is otherwise not qualified for a
6 remittance under this chapter.

7 (5) If the governing authority finds that the work was not
8 completed within the required time period due to circumstances beyond
9 the control of the eligible organization and that the eligible
10 organization has been acting and could reasonably be expected to act
11 in good faith and with due diligence, the governing authority may
12 extend the deadline for completion of the work for a period not to
13 exceed 24 consecutive months, and must notify the department of the
14 extension.

15 (6) The governing authority may enact an ordinance to provide a
16 process for an eligible organization to appeal a decision by the
17 governing authority that the eligible organization is not entitled to
18 a remittance of sales and use taxes. The eligible organization may
19 appeal a decision by the governing authority to deny a remittance of
20 sales and use taxes in superior court under
21 RCW 34.05.510 through 34.05.598, if the appeal is filed within 30
22 days of notification by the governing authority to the eligible
23 organization.

24 (7) A governing authority denying an eligible organization a
25 sales and use tax remittance under section 3 of this act must notify
26 the department within 15 days of the denial.

27 NEW SECTION. **Sec. 8.** (1) An eligible organization must apply to
28 the department before initiation of the construction of the
29 qualifying project. In the case of a qualifying project involving
30 multiple qualifying buildings, applications must be made for, and
31 before the initiation of construction of, each qualifying building.
32 The application must be made to the department in a form and manner
33 prescribed by the department. The application must include a copy of
34 the conditional certificate of program approval issued by the city or
35 county, estimated construction costs, time schedules for completion
36 and operation, and any other information required by the department.
37 The department must rule on the application within 90 days except
38 that the department may extend the time of processing such

1 application upon notice to the eligible organization that ruling on
2 the application cannot be completed within such time.

3 (2) The department must provide information to the eligible
4 organization regarding documentation that must be retained by the
5 eligible organization to substantiate the amount of sales and use tax
6 exempted under this chapter.

7 (3) The application must include a waiver by the eligible
8 organization of the four-year limitation under RCW 82.32.100.

9 (4) To qualify for the exemption in this chapter, the eligible
10 organization must be registered with the department under RCW
11 82.32.030.

12 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.08
13 RCW to read as follows:

14 (1) Subject to the requirements of this section, the tax levied
15 by RCW 82.08.020 does not apply to sales of materials incorporated
16 into, and labor and services rendered in respect to, a qualifying
17 project. An eligible organization claiming a remittance under this
18 section must pay the state and local sales and use tax on such sales
19 and apply to the department for a remittance of the tax paid.

20 (2) Beginning January 1, 2026, the exemption under this section
21 is for taxes collected on a qualifying project under the program
22 established in section 2 of this act. The remittance is allocated to
23 the eligible organization and the city or county as follows:

24 (a) 50 percent of state and local sales and use taxes paid must
25 be remitted to the eligible organization. The remittance of local
26 sales and use taxes is limited to taxes imposed by the city or county
27 that has authorized the remittance program under section 2 of this
28 act;

29 (b) 50 percent of state sales and use taxes paid must be
30 distributed to the city or county that has authorized the remittance
31 program under section 2 of this act.

32 (3) To receive a remittance under this section, the eligible
33 organization must submit the following to the department:

34 (a) A remittance application in a form and manner as required by
35 the department;

36 (b) A certificate of occupancy from the permitting authority of
37 the city or county where the project is located;

38 (c) A certificate of completion from the city or county affirming
39 that the project meets the requirements of section 4 of this act;

1 (d) An information sheet, in a form and manner as required by the
2 department, specifying the amount of exempted tax claimed and the
3 qualifying purchases or acquisitions for which the remittance is
4 claimed;

5 (e) A signed affidavit from an authorized representative of the
6 city or county requesting or declining a remittance under this
7 chapter; and

8 (f) Any other documentation supporting the remittance
9 application.

10 (4) The department must rule on the application within 90 days,
11 except that the department may extend the time of processing such
12 application upon notice to the eligible organization that ruling on
13 the application cannot be completed within such time.

14 (5) This section applies to eligible organizations receiving a
15 certificate of completion on or before December 31, 2035.

16 (6) The definitions in section 1 of this act apply to this
17 section.

18 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.12
19 RCW to read as follows:

20 (1) The provisions of this chapter do not apply with respect to
21 the use of materials incorporated into, and labor and services
22 rendered in respect to, a qualifying project. An eligible
23 organization claiming a remittance under this section must pay the
24 state and local use tax on such uses and apply to the department for
25 a remittance of the tax paid.

26 (2) The definitions, conditions, and requirements of section 9 of
27 this act apply to this section.

28 (3) This section applies to eligible projects receiving a
29 certificate of completion on or before December 31, 2035.

30 NEW SECTION. **Sec. 11.** (1) Beginning January 1, 2026, a city or
31 county which has enacted a remittance program created under section 2
32 of this act must use the remittance moneys for the following
33 purposes:

34 (a) Acquiring, rehabilitating, or constructing affordable
35 housing, which may include new units of affordable housing within an
36 existing structure or facilities providing supported housing services
37 under RCW 71.24.385;

1 (b) Acquiring real property for future affordable housing
2 development;

3 (c) Funding the operation and maintenance costs of new units of
4 affordable or permanent supportive housing;

5 (d) The operation and delivery of behavioral health treatment
6 programs and services;

7 (e) If the city or county utilized general fund moneys to support
8 a qualifying project under a remittance program established under
9 section 2 of this act, the city or county may recompense itself.

10 (2) Eligible cities and counties may enter into interlocal
11 agreements to combine funds from remittance programs created under
12 section 2 of this act.

13 (3) This section expires December 31, 2035.

14 NEW SECTION. **Sec. 12.** (1) Thirty days after the anniversary of
15 the date of issuance of the certificate of occupancy and each year
16 thereafter for 40 years, the eligible organization must file with a
17 designated authorized representative of the city an annual report
18 indicating the following:

19 (a) A statement of the affordable housing units constructed on
20 the property as of the anniversary date;

21 (b) A certification by the eligible organization that the
22 property has not changed use; and

23 (c) Any additional information requested by the city or county.

24 (2) A city or county that has issued a certificate of completion
25 under this chapter must report annually by December 31st of each
26 year, beginning in 2026, to the department. The report must include
27 the following information:

28 (a) Identifying information for each qualifying project that has
29 received a certificate of completion; and

30 (b)(i) Confirmation that the qualifying project continues to
31 qualify for the remittance; or

32 (ii) Notification that the qualifying project no longer meets the
33 qualifications for a remittance.

34 NEW SECTION. **Sec. 13.** (1) The taxes exempted under this chapter
35 are immediately due and payable if:

36 (a) An eligible organization notifies the city or county and the
37 department that they voluntarily opt to discontinue compliance with
38 the requirements of this chapter; or

1 (b) A city or county finds that a portion of a qualifying project
2 is changed or will be changed to disqualify the recipient for
3 remittance eligibility under this chapter.

4 (2) The department must assess interest at the rate provided for
5 delinquent taxes, but not penalties, retroactively to the date of
6 remittance. A debt for remitted taxes is not extinguished by
7 insolvency or other failure of the recipient.

8 (3) This section does not apply after 40 years from the date of
9 the certificate of completion.

10 NEW SECTION. **Sec. 14.** (1) Transfer of qualifying project
11 ownership does not terminate the exemption. The exemption is subject
12 to the successor meeting the eligibility requirements under this
13 chapter.

14 (2) The transferor of a qualifying project must notify the
15 governing authority and the department of such transfer. The
16 governing authority must certify to the department that the successor
17 meets the requirements of the exemption. The transferor must provide
18 the information necessary for the department to transfer the
19 exemption. If the transferor fails to notify the city or county and
20 the department, all exempted sales and use taxes are immediately due
21 and payable. The department must assess interest at the rate provided
22 for delinquent taxes, but not penalties, retroactively to the date of
23 exemption.

24 NEW SECTION. **Sec. 15.** This section is the tax preference
25 performance statement for the tax preference contained in sections 9
26 and 10, chapter . . . , Laws of 2025 (sections 9 and 10 of this act).
27 This performance statement is only intended to be used for subsequent
28 evaluation of the tax preference. It is not intended to create a
29 private right of action by any party or be used to determine
30 eligibility for preferential tax treatment.

31 (1) The legislature categorizes the tax preferences as those
32 intended to induce certain designated behavior by taxpayers, as
33 indicated in RCW 82.32.808(2) (a).

34 (2) It is the legislature's specific public policy objective to
35 expand affordable housing options for low-income households.

36 (3) (a) To measure the effectiveness of the tax preferences in
37 this act, the joint legislative audit and review committee must
38 evaluate the number of housing units and affordable housing units

1 created by qualifying projects receiving the exemptions under this
2 act and the number of housing units and affordable housing units
3 created in projects funded by remittance funds under this act. If a
4 review finds that the number of affordable housing units produced has
5 not increased, then the legislature intends to repeal this tax
6 preference.

7 (b) The review must be provided to the fiscal committees of the
8 legislature by December 31, 2033.

9 (4) In order to obtain the data necessary to perform the review
10 in subsection (3) of this section, the joint legislative audit and
11 review committee may refer any other data collected by the state, any
12 data source, and any data collected by the department under RCW
13 82.59.080.

14 NEW SECTION. **Sec. 16.** Sections 1 through 8, 11 through 14, and
15 16 of this act constitute a new chapter in Title 82 RCW.

16 NEW SECTION. **Sec. 17.** This act takes effect January 1, 2026.

--- END ---

TO: SSHA³P Executive Board

FROM: Jason Gauthier, SSHA³P Manager

SUBJECT: January 2025 Manager Report

DATE: February 7, 2025

Focus Area 1: Affordable Housing Development and Preservation

Coordinate public resources and private resources to create and/or preserve affordable housing in the SSHA³P service area.

SSHA³P Housing Capital Fund

The Housing Capital Fund Committee's next meet is on February 14th. The agenda will focus on the finalization of a usage policy to guide funding commitments, discussion of opportunities for Fund investments on municipal owned properties, and a decision on whether to move forward in 2025 with a general Notice of Funding Availability or commit the funds via an Request for Proposal to a specific municipal owned property for affordable housing development.

Philanthropy Roundtable

Staff met in January with the Greater Tacoma Community Foundation to begin planning 2025 Philanthropy Roundtable event(s).

Affordable Housing Preservation Report

Staff met with the Pierce County Community Development Corporation (CDC) to discuss collaboration on this report. The CDC will be performing work to identify all title-restricted affordable housing in Pierce County in Q2-Q3 2025. SSHA³P staff will use this as a significant portion of the final report due in December 2025.

Focus Area 2: Program, Policy and Grant Support

Support member governments in their development of locally appropriate policies and programs to meet their housing goals.

Coordinating Low-Income Housing Planning (CLIHP) Grant

SSHA³P, in partnership with nine member jurisdictions, was awarded the Washington State Department of Commerce's [Low-Income Housing Planning \(CLIHP\) Grant](#) to support implementation of [HB 1998](#) (2024) regarding co-living housing. Makers Architecture and Urban Design is coordinating with SSHA³P staff and staff workgroup members to complete a model ordinance for participating jurisdictions, due February 28, 2025.

Pathways to Removing to Obstacles (PRO Housing) Grant

SSHA³P, as a co-applicant, and Pierce County submitted a PRO Housing grant application to the U.S. Department of Housing and Urban Development on October 15, 2024. On January 14, 2025, we were notified that our application was not selected to receive funding.

Affordable Housing Monitoring Program

Staff from SSHA³P and the South King County Housing and Homelessness Partners (SKHHP) met on January 30th with staff from A Regional Coalition for Housing (ARCH) to review how a regional agency can best perform monitoring, compliance, and audit work for affordable housing programs. Staff expect to have a preliminary proposal developed by May for Executive Board review and direction.

Pierce County Collaborative Planners Meetings

In 2025, SSHA³P staff will continue supporting staff workgroup members in hosting bi-monthly meetings for planners in Pierce County to collaborate and share ideas on housing-related topics. The next meeting will be on March 14th.

Focus Area 3: Information & Engagement

Provide information and engagement to support the development of housing and access to housing support programs.

Property Tax Exemption Seminars

There are two upcoming property tax exemption seminars scheduled:

- City of Puyallup: Monday, February 24 at 10 AM
- City of Sumner: Tuesday, March 11 at 9 AM

Staff are working to schedule an event on the Key Peninsula. If your jurisdiction is interested in hosting an event, please contact Mary Connolly at mary.connolly@piercecounywa.gov.

Joint Planners & Developers Meeting on Universal Design

SSHA³P is collaborating with SKHHP to host a Joint Planners & Developers Meeting on February 26 that will explore the application and challenges of developing affordable housing that incorporates Universal Design principles.

Focus Area 4: Advocacy

Utilize a variety of communications at the state and federal level in support of affordable housing development in SSHA³P communities.

2025 Legislative Session

Capital Budget Priorities

Staff have continued meeting with stakeholders and legislators to advance a proposal to fund a new revolving loan program to support infrastructure funding for resident-owned manufactured home communities (ROCs). The proposal would direct the Washington State Housing Finance Commission, via a capital budget proviso, to establish the program. Staff have engaged Representative Leavitt (28-University Place) and Senator Frame (36-Seattle) as respective budget committee champions. Staff have also been working to support a variety of capital budget allocation requests to support affordable housing development. Staff have received a positive response from budget leaders and members of the 2nd legislative district delegation on a Pierce County budget request for \$500,000 for predevelopment on a site recently acquired from the Department of Natural Resources in Frederickson.

Disabled Veteran Property Tax Exemption

On the veteran property tax exemption priority, we are working with the Washington Veteran Legislative Committee to support and advance proposals seeking to expand eligibility for this program. Staff have met with Representative Barnard, Representative Shavers, Senator Schoesler, and Senator Fortunato to discuss their various property tax exemption proposals and potential amendments to expand eligibility for the disabled veteran property tax exemption. Both HB 1106 and HB 1165 will be heard in the Finance Committee on February 4.

SSHA³P staff continue to develop and disseminate a weekly legislative hot sheet, which is regularly distributed on Friday afternoons.

Focus Area 5: Administration

Ensure operational commitments are met and the interlocal collaboration is well governed and administered.

SSHA³P Advisory Board

At the Advisory Board meeting on January 21:

- The Board will elect Jay Worley as chair and Rosey Zhou and Zac Baker as vice chairs in 2025.
- SSHA³P staff presented preliminary results from outreach conducted on the need for accessible housing in Pierce County. SSHA³P will use feedback from the Board to produce a report summarizing outreach.

At the Advisory Board meeting on February 18:

- Staff from Pierce County Planning and Public Works will provide an educational presentation on the permitting process for multifamily housing in unincorporated Pierce County.
- SSHAP³ staff will a final report and findings from accessible housing outreach conducted in support of the Advisory Board's work on Universal Design.



Pierce County



SSHAP³

Learn how to save money on property taxes at a

Property Tax Exemption Seminar

Monday, February 24 | 10 a.m.

Puyallup Public Library
324 S. Meridian in Puyallup



Event Information

Join us for a property tax exemption seminar on February 24, 2025 at 10 a.m. at the Puyallup Public Library. The Pierce County Assessor's Office will be here to answer your questions and provide valuable information at this free event. Topics include income categories, appeal of denials and effects of death or retirement.

You may qualify for this exemption if you:

- Are over 61 years old or fully disabled (80% VA) and
- Have gross household income at or below \$64,000



Application Overview

Learn how to accurately complete and return your application. Find out what defines your 'residence' and other occupancy requirements.



Taxable Income and Veterans

Learn the differences between taxable and non-taxable income. SS5256 will be explained for veterans. If you're receiving certain military benefits, find out if they will be deducted from your disposable income.



Allowable Deductions

Learn what you, your spouse, co-tenant, or domestic partner can and cannot deduct.

RSVP BY CONTACTING:

Mary.Connolly@piercecountywa.gov | 253-625-4153

Additional information about programs like Energy Assistance, Home Repair, Aging and Disability Resources, and Veterans services will be available at this event.

Learn how to save money on property taxes at a

Property Tax Exemption Seminar

Tuesday, March 11 | 9 a.m.
Sumner Senior Center
15506 62nd St Ct E in Sumner



Event Information

Join us for a property tax exemption seminar on March 11, 2025 at 9 a.m. at the Sumner Senior Center. The Pierce County Assessor's Office will be here to answer your questions and provide valuable information at this free event. Topics include income categories, appeal of denials and effects of death or retirement.

You may qualify for this exemption if you:

- Are over 61 years old or fully disabled (80% VA) and
- Have gross household income at or below \$64,000

→ Application Overview

Learn how to accurately complete and return your application. Find out what defines your 'residence' and other occupancy requirements.

→ Taxable Income and Veterans

Learn the differences between taxable and non-taxable income. SS5256 will be explained for veterans. If you're receiving certain military benefits, find out if they will be deducted from your disposable income.

→ Allowable Deductions

Learn what you, your spouse, co-tenant, or domestic partner can and cannot deduct.

RSVP BY CONTACTING:

Mary.Connolly@piercecountywa.gov | 253-625-4153

Additional information about programs like Energy Assistance, Home Repair, Aging and Disability Resources, and Veterans services will be available at this event.