SSHĀ³P

South Sound Housing Affordability Partners
Executive Board Meeting Minutes

February 7, 2025
8:30 – 9:47 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) – excused
Councilmember John West, City of Edgewood – present
Mayor Dave Olson, City of Edgewood – (alternate) present
Chair, Mayor Kim Roscoe, City of Fife – excused
Councilmember Lew Wolfrom, City of Fife (alternate) –
Councilmember Hunter George, City of Fircrest – present
Councilmember Brett Wittner, City of Fircrest (alternate) –
Mayor Mary Barber, City of Gig Harbor – excused
Councilmember Katrina Knutson, City of Gig Harbor (alternate) - present
Councilmember Paul Bocchi, City of Lakewood – present
Councilmember Mike Brandstetter, (alternate) City of Lakewood – present
Mayor Shanna Styron Sherrell, City of Milton – excused
County Executive Ryan Mello, Pierce County – present
Strategic Advisor LeighBeth Merrick, Pierce County Exec's Office (alternate) - present
Councilmember Ryan Mello, Pierce County – excused
Vice Chair Robyn Denson, Pierce County Council – present
Councilmember Dave Morell, Pierce County Council (alternate) - excused
Councilmember Ned Witting, City of Puyallup – present
Mayor Dick Muri, Town of Steilacoom – present
Councilmember Nancy Henderson, Town of Steilacoom, (alternate) – excused
Mayor Kathy Hayden, City of Sumner – present
Mayor Victoria Woodards, City of Tacoma – present
Councilmember Sandesh Sadalge, Tacoma (alternate) - present
Councilmember Stan Flemming, City of University Place – present
Councilmember Denise McCluskey, City of University Place (alternate) – excused

Staff:
Mary Connolly, Program Specialist 2
Becki Foutz, Admin Assistant

Guests:
Erika Rhett Hunt, Kathleen Hosfeld, Ryan Windish, Sherrana Kildun, Trish Crocker

MINUTES

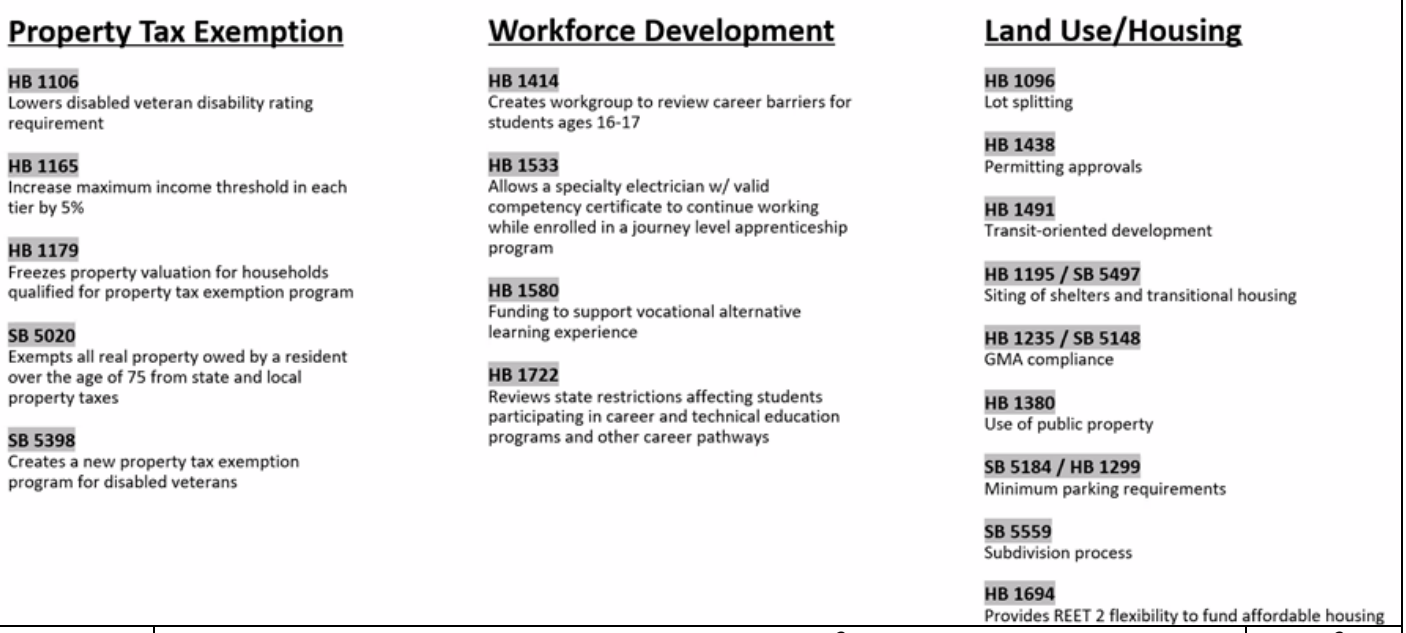
TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Chair Ballard called the meeting to order. Mary Connolly called roll, per above; a quorum was present.	Wel-come, all!

TOPIC/WHO	DISCUSSION	ACTION
Consent Agenda	CM Flemming moved to approve the consent agenda. CM George seconded the motion. Vote was taken; none opposed and no abstentions. The motion carried unanimously.	Consent agenda approved.
Public Comment	Chair Ballard opened the floor for public comment. None. No written comments have been received.	
Overview of Affordable Homeownership Kathleen Hosfeld, Homestead Community Land Trust	Kathleen announced that Homestead Community Land Trust has purchased property in Pierce County, in partnership with Aya Community Land Trust, a local coalition in Pierce County with representation of people affected by displacement seeking affordable homeownership. The purchased property was formerly owned by Forterra, in Tacoma's Hilltop. Kathleen thanked Mayor Woodards and Executive Mello for their support. A nine-month community engagement process is being conducted to confirm that the community wants home ownership at that location. About 6000 sq ft of commercial space will need to be built along Martin Luther King Jr Way. Aya Community Land Trust was established thanks to the work of Pierce County staff, including LeighBeth Merrick and Executive Mello. Homestead has been helping Aya become incorporated and develop a strategic plan. Homestead Community Land Trust has a history of creating home ownership opportunities for income-qualified households in Renton, Tukwila, Phinney, Rainier Valley, Skyway, Central District, and Seattle, including townhomes, cottage homes, condos, and single-family detached scattered sites. Homestead's Closed Doors report lists ways that cities can help facilitate more affordable homeownership. They fundraise anywhere from $150,000 to $350,000 per home to bring their costs down to be affordable. Local funding is needed as well. There's a bill in the leg that would help allow local governments to have their own REIT tax. Kathleen encouraged the group to ensure that the allowable uses of the funding go up to 80% AMI.	Informational
Sherrana Kildun, Chief Philanthropy Officer, Tacoma-Pierce County Habitat for Humanity	Tacoma-Pierce County Habitat for Humanity has been around since 1985. Sherrana encouraged folks to reach out to visit/volunteer at one of their building sites around Pierce County, if they haven't yet done so. Habitat has sold over 336 homes over the past 40 years. They have about 1000 volunteers on site each year. In 2020, a program was launched with Pierce County Aging & Disability Resources, to help seniors get critical home repairs made – they have served over 213 clients. They currently have 23 permanent affordable home ownership houses, and they're building up that resource.	

TOPIC/WHO	DISCUSSION	ACTION
Habitat for Humanity continued	Habitat currently is the busiest they've been, with homes in South Tacoma, East Tacoma, North Tacoma, Puyallup, Parkland, and Spanaway. They worked with Tacoma Public Utilities to receive a property down the street from Silas High School. They're in the process of purchasing 80 single-family homes from Pierce County Housing Authority, as they're divesting their single-family portfolio. The lovely Lakeview Homes project is dedicated to the memory of Dr. Claudia Thomas. There will be 16 townhomes available. Habitat typically uses HOME funds, which are federal – future status unknown. Sherrana will join her peers to advocate in Washington, DC for housing funding. If HB1717 goes through, Habitat could save about $200,000, which would subsidize one house. They're working to co-develop a low-income rental project with Mercy Housing of up to 40 cottage units. Habitat typically works with individuals with an income bracket of about 50 to 80% of AMI, essentially people in Pierce County making between $5000 and $7000 a month. They only qualify for about $180,000 for a first mortgage. The cost of building is expected to increase. Help is needed to build more affordable housing. Mayor Backus asked why there are fewer issues around condominiums. Kathleen explained that economic realities for for-profit entities are different than for Homestead. Insurance requirements are less expensive. Her for-profit colleagues pay about $100,000 for condo defects liability insurance, while Homestead pays $15,000 at most. The legislature is talking about how to reduce non-profit expenses even more. Executive Mello thanked Kathy and Sherrana for their efforts; these projects don't happen without significant subsidies. One of the major benefits of the Maureen Howard Affordable Housing Act is that the funding generated can be dedicated to keeping people housed, and rental projects, which allows federal HOME funds to be dedicated as much as possible to home ownership. He asked Kathleen, with Aya Community Land Trust being so new, how can their business relationship with Homestead help them to be successful? Homestead uses a concept, sometimes called the hub and spoke model. It involves a technical expert, foundation partner with a healthy balance sheet to help support locally based organizations. Homestead will come alongside with Aya, per their Memorandum of Understanding, and other accountability structures. The MOU is on the Aya website, establishing groundwork for the foreseeable future. Aya will build its capacity over time and may elect to become a housing developer themselves once they have built up their balance sheet and ability to do so. This is a proven model, nationally. CM Witting asked Sherrana about the Puyallup property for which Habitat is negotiating; what type of funding will be needed to get that moving? Sherrana noted that1406 has just increased to 80% AMI, so maybe they can talk and use some City of Puyallup 1406 funding.	Informa-tional CM Witting and Sherrana will talk further offline. Thank you, Kathy and Sher-rana!

TOPIC/WHO	DISCUSSION	ACTION
Select Legislative Item Updates Mary Connolly	In Pierce County there are 160 manufactured home communities, with over 8000 homes. ROCs are Resident-Owned Communities – there are 28 in WA, representing over 1400 households. There are five in Pierce County, representing over 210 households. Existing ROCs need critical infrastructure repairs and upgrades. The WA State Housing Finance Committee (WSHFC) has acknowledged this need and may administer a new low-interest revolving loan financing for these improvements. SSHA^{3}P and ROC Northwest are requesting that the Legislature allocate $15M to the revolving loan fund for infrastructure improvements to ROCs in WA. The Governor's proposed capital budget allocates $5M to ROC Northwest for infrastructure repairs, so SSHA^{3}P and ROC Northwest are requesting that $5M be reallocated to the new program. In October, Rep. Leavitt contacted staff from both SSHA^{3}P and the Tacoma Housing Authority to convene to develop a tax proposal to lower the cost of building affordable housing and fund the production of it. Participating parties include non-profit and for-profit affordable housing developers, the Association of Washington Cities, city members, WA State Association of Counties, the State Department of Revenue, and Governor Ferguson's office. They came up with a proposal to create a sales and use tax remittance program for affordable housing, for both the local and state portions. A qualified project would have at least 50% of units affordable, for those less than 80% AMI, and rent-restricted for at least 40 years. At the end of the project, the jurisdiction and the project developer would each be eligible for a remittance of half of the use tax. Funds would be used for acquiring, rehabilitating, or constructing affordable housing, operation and delivery of Behavioral Health treatment programs and services, funding operations and maintenance of new units of affordable or supportive housing, and reimbursement of a jurisdiction's general fund investment. The legislation was officially introduced last week – would the Executive Board like SSHA^{3}P staff to support, monitor, or oppose this effort? Mary also shared the below legislative items of interest, giving a brief explanation of each.	Please watch for the weekly legisla-tive hot-sheets provi-ded by SSHA^{3}P staff.

TOPIC/WHO	DISCUSSION	ACTION



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 owed 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

Legislative Update continued	Chair Ballard asked the group if they'd like SSHA³P staff to support Rep. Leavitt's bill as described by Mary. A good number of members favor support of the bill. CM Denson asked if all of the legislation in the box above seem to be moving forward. No, not all. For example, SB 5020 probably doesn't have legs. CM Bocchi noted that on February 3, John Caulfield, Lakewood City Manager, forwarded a list of concerns about HB 1717 to SSHA³P Manager Gauthier – they are not prepared to support that bill until those questions are answered. Their many questions include: it's an additional program to monitor for 40 years; if they don't meet guidelines, how would they get the money back; what's the interest rate; how would it be recovered; and more. CM George shared that he has some questions on the Bill as well, including what the impact on junior taxing districts are and exempting sales tax. Mary explained that re: the junior taxing districts – this issue may require interlocal cooperation and legal counsel. SSHA³P has reached out to appropriate reps from Transit and Parks Associations to discuss the impact. CM Brandstetter expressed concern about the 40-year monitoring period and more. Many affordable housing projects are built by developers who would reap the benefits of the return of their sales and use tax. Owners who inherit the property are not the people who received the funding, further complicating matters. In absence of the bill outlining a process, it seems unworkable.	SSHA³P Manager Gauthier will follow up with CM Denson.

TOPIC/WHO	DISCUSSION	ACTION
SSHA³P Manager Report Mary	CLIHP Grant Update – SSHA³P staff continue to work with Makers on CLIHP grant deliverables. The first deliverable will be a model ordinance of implementing HB 1998, due February 28. Advisory Board Update – Jay Worley was elected Chair; Zach Baker and Rosie Zhou were elected Vice Chairs. At the next meeting, Mary will present about outreach on universal design. Property Tax Exemption Seminar Update – Upcoming seminars include February 24 in Puyallup; March 11 in Sumner; and one will be scheduled in Key Peninsula in June. PRO Housing Grant Update – SSHA³P staff were notified a few weeks ago that they were not awarded the grant. This year an affordable housing preservation report is included on the workplan. SSHA³P staff are also working with ARCH to see how their monitoring and compliance program works. Over the next couple of weeks, they will also meet with staff from member jurisdictions who have adopted the multifamily tax exemption programs, to see how those are going.	If your jurisdiction is interested in having a property tax exemption seminar, please reach out to Mary.
Updates & Comments from Exec Board Members	CM George reported that there's a project in progress at the Mason United Methodist Church and he serves on its steering committee. They have signed an MOU with Mercy Housing NW, who has requested funding from the legislature to help with pre-development. The project will get underway in 2026. CM George thanked Jason for his help behind the scenes. CM George also noted that HB 1110 implementation takes place this year. It was a divisive issue on the Fircrest Council to apply for the extension. They participated in meetings with the State Department of Commerce. They're developing the process for how they'll handle applications for extensions – Fircrest was the first to ask, and they seemed skeptical of Fircrest's application. Fircrest was making the argument that infrastructure is full and can't handle any more development. There's no moratorium; they haven't stopped any development – the only thing they're required to do is duplexes.	Informational
Adjournment.	There being no further business, CM Denson moved to adjourn. The motion was seconded. Vote was taken; the motion passed unanimously. The meeting adjourned at 9:47 a.m.	Meeting adjourned.

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

Respectfully submitted, Becki Foutz, Administrative Assistant