

N O T I C E

Special Meeting

South Sound Housing Affordability Partners Executive Board

Please be advised that a Special Meeting of the South Sound Housing Affordability Partners (“SSHA³P”) Executive Board will be held on May 30, 2025, at 8:30 a.m.

The meeting will be conducted in a hybrid format and can be attended remotely through Zoom at <https://piercecountywa.zoom.us/j/98374643754> or by dialing 253-215-8782 and entering Meeting ID: 983 7464 3754. The public can view the meeting in-person in the Muckleshoot Conference Room at 3602 Pacific Avenue Tacoma, WA 98418.

The Special Meeting agenda items are:

- Resolution No. 2025-01, adopting the 2025 funding recommendation of the Capital Fund Committee
- Resolution No. 2025-02, recommending a 2026 operating budget
- Presentation: 2025 Legislative Session Review

Agenda and minutes of the SSHA³P Executive Board can be found at <https://southsoundaffordablehousing.org/meetings/>



**South Sound Housing Affordability Partners
Executive Board**

Special Meeting AMENDED 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>

May 30, 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
Councilmember Carla Bowman, 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)
Katrina Knutson (Alternate), Councilmember Mike Brandstetter (Alternate), Councilmember Dave Morell (Alternate), LeighBeth Merrick (Alternate), Jason Wilson (Alternate)
Councilmember Nancy Henderson (Alternate), Councilmember Sandesh Sadalge (Alternate), Councilmember Denise McCluskey (Alternate)

I. CALL TO ORDER

ROLL CALL

INTRODUCTORY QUESTION

Question: The next time the Executive Board meets will be on July 11th, so to prepare for the summer what is one event in your jurisdiction you'd recommend attending before we meet again?

II. REVIEW AGENDA/AGENDA MODIFICATIONS

III. CONSENT AGENDA

ATTACHMENTS: May 2, 2025, Executive Board regular meeting minutes

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 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. A. Resolution No. 2025-01

Purpose: Presentation and Consideration of Resolution No. 2025-01 to adopt a recommendation of the SSHA³P Fund Committee for the use of the SSHA³P Capital Fund.

ATTACHMENTS: [Agenda Memorandum: Resolution No. 2025-01](#)
[Resolution No. 2025-01 Presentation](#)
[Resolution No. 2025-01](#)

B. Resolution No. 2025-02

Purpose: Presentation and Consideration of Resolution No. 2025-02 to recommend a 2026 SSHA³P Operating Budget

ATTACHMENTS: [Agenda Memorandum: Resolution No. 2025-02](#)
 [Resolution No. 2025-02 Presentation](#)
 [Resolution No. 2025-02](#)

C. Presentation: 2025 Legislative Session Review

Purpose: Presentation by Carl Schroeder, Deputy Director of Government Affairs for the Association of Washington Cities, to provide a review of the 2025 Legislative Session.

ATTACHMENTS: [Agenda Memorandum: 2025 Legislative Session Review](#)
 [AWC 2025 Legislative Session Priorities and Outcomes](#)
 [2025 Legislative Session Recap Presentation](#)
 [2025 Legislative Session Bills of Interest Returning in 2026 Memorandum](#)
 [2025 Washington State Legislative Session – Housing and Land Use Bill Review Memorandum](#)

VI. REPORT BY THE SSHA³P MANAGER

- A. CLIHP Grant Update
- B. Program Specialist II Hiring Update
- C. 2026 Work Plan Update
- D. Advisory Board Update
- E. Fund Committee Update
- F. Property Tax Exemption Seminar Update

VII. UPDATES/COMMENTS OF THE EXECUTIVE BOARD

VIII. ADJOURN



**South Sound Housing Affordability Partners
Executive Board Meeting Minutes**

May 2, 2025
8:30 – 9:42 a.m.

Executive Board: Mayor Nancy Backus, City of Auburn – absent
Chair, Councilmember Kevin Ballard, City of DuPont – present
Councilmember John West, City of Edgewood – present
Chair, Mayor Kim Roscoe, City of Fife – present
Councilmember Hunter George, City of Fircrest – present
Mayor Mary Barber, City of Gig Harbor – present
Councilmember Paul Bocchi, City of Lakewood – present
Mayor Shanna Styron Sherrell, City of Milton – present
County Executive Ryan Mello, Pierce County – present
Strategic Advisor LeighBeth Merrick, Pierce County Exec's Office (alternate) – present
Vice Chair Robyn Denson, Pierce County Council – present
Councilmember Ned Witting, City of Puyallup – excused
Mayor Dick Muri, Town of Steilacoom – absent
Councilmember Carla Bowman, City of Sumner – excused
City Administrator Jason Wilson, City of Sumner (alternate) - present
Mayor Victoria Woodards, City of Tacoma – excused
Councilmember Sandesh Sadalge, Tacoma (alternate) – present
Councilmember Stan Flemming, City of University Place – present

Staff: Jason Gauthier, SSHA³P Manager
Becki Foutz, Admin Assistant

Guests: Bryan Schmid, Champagne Lewis, Ryan Windish, Taylor Jones

MINUTES

TOPIC/ WHO	DISCUSSION	ACTION
Call to Order	Chair Ballard called the meeting to order at <u>8:31</u> a.m. Jason Gauthier called roll, per above; a quorum was present.	Wel- come, all!
Consent Agenda	Mayor Roscoe moved to approve the consent agenda. CM Flemming seconded the motion. Vote was taken; none opposed and no abstentions. The motion carried unanimously.	Consent agenda ap- proved.

TOPIC/WHO	DISCUSSION	ACTION
Public Comment	Chair Ballard opened the floor for public comment. None. No written comments have been received.	
2025 SSHA³P Capital Fund Recommendation Overview Jason	<p>Ryan Windish and Taylor Jones, Capital Fund Committee members, were present to answer questions. Jason provided background: the cities of Auburn, Fife, Sumner, and Pierce County contribute to the SSHA³P Capital Fund. The funds may only be used to serve households at or below 60% of AMI, or below 80% AMI if used for development of affordable housing intended for owner occupancy. The Committee met seven times between September 2024 and April 2025, considering funding priorities, and reviewing opportunities to support development of publicly owned land for affordable housing development.</p> <p>The Capital Fund Committee adopted a policy statement to guide decision-making for Fund usage, including three principles: 1) Funder Priority; 2) Government-Owned Properties; and 3) Geographic Funding.</p> <p>Proposed Resolution 2025-01 authorizes pre-commitment of \$966,000 of the Capital Fund as part of an upcoming RFP to be issued by the Pierce County Community Development Corporation (CDC) for transfer of land for affordable housing development in the Frederickson community.</p> <p>The proposed Resolution includes the following requirements for use of the funds:</p> <ul style="list-style-type: none"> • SSHA³P Capital Fund moneys are restricted to funding capital construction and are not eligible for property acquisition. • The project must include the construction of a minimum of 20 affordable housing units • The project must meet the funding guidelines of Pierce County • The Pierce County Community Development Corporation must encourage and prioritize RFP responses that propose the construction of housing units that incorporate universal design principles. • The RFP shall require the awarded RFP respondent to market housing opportunities to residents of the cities of Fife and Sumner. 	Informational
	<p>Bryan Schmid and Champagne Lewis from the CDC provided a detailed overview of the Frederickson project. Background: the CDC was chartered by Pierce County in 1985. It has a Governing Board of eight members, appointed by the Pierce County Executive and confirmed by the Pierce County Council. The CDC has a loan portfolio of \$40M, and its charter allows for the acquisition and disposition of real property for public purposes.</p> <p>The Frederickson South site was acquired from the WA Dept of Natural Resources (DNR). The project aligns with the County's Housing Action Strategy by facilitating the use of public land for affordable housing.</p>	

TOPIC/WHO	DISCUSSION	ACTION
Capital Fund Recom- mendation continued	<p>Frederickson's population has grown from 7000 to over 29,000 but housing supply has not kept pace, especially for households below 80% AML. Thus, the CDC is advancing an AH project designed to expand home ownership opportunities for income-qualified households with a focus on density and long-term housing stability, a mix of single-family residences and/or duplexes, one- to two-story, including driveways and/or garages. The CDC will issue an RFP to select the developer.</p> <p>The site is at 200th St E and Knoble Road. Staff has done due diligence, confirming the site's feasibility for development, zoning, buildability and environmental constraints. The land was acquired in October 2024, for \$998,000. The project is currently in the Site Planning phase, laying groundwork for the RFP for developer. The CDC is requesting \$500,000 from the Legislature to support key site planning activities.</p> <p>Phase 4 – Development Preparation, will begin in August 2025 and continue through November. Goal: Minimum of 20, up to 28 affordable homes, following all County funding rules and priorities, including Universal Design and a plan for community engagement with Fife and Sumner. Future sales of the properties would retain affordability.</p> <p>Phase 5 – Grant & Funding Applications – Fall 2025 – 2026 Phase 6 – Construction – 2026-2027</p> <p>Estimated Total Development Cost: \$17,000,000 Projected Sale Revenue: 9,000,000 Funding Gap/Public Investment Needed: 8,000,000</p>	<p>Informa- tional</p>
	<p>CM Denson noted that density regulations are being explored; is it possible the project could produce more units, based on that? Yes, Bryan's staff is keeping an eye on that. Council staff is also working on expanding the MFTE; it's uncertain whether this affects home ownership or rentals only.</p> <p>CM Flemming asked what happens to the lease after 99 years. Typically, it would either be renewed or transferred. Bryan can run this question by Habitat for Humanity.</p> <p>Mayor Roscoe asked if the \$500,000 ask of legislature has already been made. Yes, it was in the capital budget that passed the legislature.</p> <p>City Administrator Jason Wilson asked if Bryan foresees developer interest in the project. Bryan thinks a couple of developers will be interested: Habitat has expressed interest, and possibly Homeownership Center Northwest. Other non-profits may want to partner with for-profit developers.</p> <p>CM Saldalge asked if the \$17,000,000 includes land acquisition. No, the land has already been acquired through the County's acquisition fund. During development, the property will be transferred to the developer.</p>	<p>Discus- sion</p>

TOPIC/WHO	DISCUSSION	ACTION
Capital Fund Recommendation continued	<p>The CDC will retain loans, notes, and deeds of trust until development is complete. An entity would own the land, and buyers would each have a 99-year lease. This model has been used for quite some time; it allows buyers at 80% AMI to purchase homes. At market, the homes would go for approximately \$700,000 per unit, which is not affordable for people at that income level.</p> <p>CM John West asked if there are case studies, summaries, or videos he can look at about the model. Yes, Bryan will get those together.</p> <p>CM Bocchi asked, if buyers advance above AMI, what do they get when they sell? The County would not track that; they track owner occupancy and sales. The home would have to be sold to an income-qualified household. If the homebuyer were to make capital improvements, they could recoup some or all of those expenses.</p> <p>Next steps: in Fall 2025, the developer RFP is planned to go out, and the CDC will apply for the CHIP Grant. The Developer Agreement will be finalized in late 2025-2026. The application to the State Housing Trust Fund will be submitted in 2026. Close of Financing & Construction will take place in Fall 2026-2027. Homes will be ready to sell to eligible households in Fall 2027-2028.</p> <p>Chair Ballard asked if equity is a part of any of the required applications; he noticed that the equity language was not included during the presentation. Bryan explained that equity includes resetting generational wealth, and this process is designed to help remedy that. If buyers make payments on time, they won't have to move, supporting household stability. Families tend to stay in these homes longer than traditional buyers. Champagne explained that it was a simple oversight that the word equity was not included in the presentation.</p> <p>Mayor Roscoe expressed appreciation for the work that went into the Capital Fund Committee's work.</p>	<p>Discussion</p> <p>Bryan will send information about the model to CM West.</p>
Draft 2026 SSHA³P Operating Budget Presentation Jason	<p>Jason explained that the budget was drafted with consideration of current and anticipated workflow. The budget includes Step 10 pay class for the new Program Specialist 2. He reminded the group that this year member fees were not increased.</p> <p>Anticipated fund balance on January 1, 2026: \$166,359.53 – this is due to staff hiring delay (2021-22), middle housing grant funding that offset staff costs (2022-23) and underspending of the cost pool allocation.</p> <p>The 2026 budget does not increase member dues. Draft below:</p>	<p>Informational</p>

TOPIC/WHO	DISCUSSION	ACTION
Draft 2026 Budget continued	South Sound Housing Affordability Partners DRAFT Fiscal Year 2026 Operating Budget	
	Estimated Operating Fund Balance - January 1, 2026	\$ 166,359.53
	SSHA³P Fund	0% Increase
	OPERATING REVENUES	
	City of Auburn	\$ 5,601.94
	City of DuPont	\$ 5,601.94
	City of Edgewood	\$ 5,601.94
	City of Fife	\$ 5,601.94
	City of Fircrest	\$ 3,361.16
	City of Gig Harbor	\$ 5,601.94
	City of Lakewood	\$ 22,407.75
	City of Milton	\$ 3,361.16
	Pierce County	\$ 140,725.00
	Puyallup Tribe of Indians	\$ 3,361.16
	City of Puyallup	\$ 13,444.65
	Town of Steilacoom	\$ 3,361.16
	City of Sumner	\$ 5,601.94
	City of Tacoma	\$ 70,362.50
	City of University Place	\$ 13,444.65
	SSHA ³ P Operating Fund Balance	\$ 59,000.00
	TOTAL Revenue	\$ 366,440.83
	EXPENDITURES	
	Salaries and Benefits - Manager	\$ 198,220.00
	Salaries and Benefits - Program Specialist II	\$ 144,098.00
	Travel and Training	\$ 3,500.00
	Phone	\$ 1,300.00
	Communication (Printing, Translation, Advertising, etc.)	\$ 3,800.00
	Supplies, Space Rental and Miscellaneous	\$ 500.00
	Advisory Board Stipends	\$ 4,950.00
	Cost Pool Allocation	\$ 10,000.00
	TOTAL Expenditures	\$ 366,368.00
		Informa- tional

TOPIC/WHO	DISCUSSION	ACTION
Draft 2026 Budget continued	<p>Compared to the 2025 budget, the draft 2026 budget includes a considerably lower cost pool allocation, going back to historical trends. If no fund balance was used to support operating expenses, member fees would have to be increased.</p> <p>Jason seeks input on the draft budget at this meeting, to support moving it forward to ultimately be formally adopted at the December 5 meeting.</p> <p>Mayor Roscoe asked if the budget reflects an across-the-board 2.5% increase. No, increases of hours and wages for the PS2 position are part of the 2.59% increase.</p>	Jason will put together a document comparing the 2025 and Draft 2026 budgets column to column.
SSHA³P Manager Report Jason	<p><u>Program Specialist 2 Hiring Update</u> – A formal contingent offer was made to the primary candidate yesterday, and Jason's hoping that it will be accepted. The panel was excited about this candidate. He thanked Town of Steilacoom and City of Lakewood staff for participating in interviews.</p> <p><u>Budget</u> – Jason submitted a Capital Budget memo to the Exec's Office and the SSHA³P staff workgroup re: County projects. A little over \$14M has been allocated by the State legislature to support Pierce County affordable housing, including rental, homeownership and shelter projects. Kudos to CM George, who, on his own time, supported a successful request for pre-development dollars for a church redevelopment project in Pierce County Council District 7.</p>	Informational
Updates & Comments from Exec Board Members	Chair Ballard announced that the Seattle Sea Wolves, our professional rugby team based out of Tukwila at the Starfire Center, are playing the LA Rugby Football Club tonight. The game starts at 7:30 and it's a great, affordable family activity. Mayor Roscoe shared that she was recently at Iron Springs Resort on the coast, and they were flying the Sea Wolves flag!	Informational
Adjournment.	There being no further business, CM Flemming moved to adjourn. Mayor Roscoe seconded the motion. The meeting adjourned at 9:42 a.m.	Meeting adjourned.

The next SSHA³P Executive Board meeting is scheduled for Friday, June 6, at 8:30 a.m. via Zoom.

Respectfully submitted,

Becki Foutz, Administrative Assistant

SSHA³P Executive Board

AGENDA MEMORANDUM

May 30, 2025

AGENDA CATEGORY Resolution No. 2025-01

SUBJECT: Adopting a recommendation of the SSHA³P Housing Capital Fund Committee

PRESENTED BY: Jason Gauthier

FISCAL IMPACT
(Operating): N/A

ESTIMATED COST: \$966,000 – Housing Capital Fund

SUMMARY/BACKGROUND:

Resolution No. 2025-01 would adopt the recommendation of the SSHA³P Housing Capital Fund Committee (the Committee).

At the March 28, 202 meeting of the Committee, it unanimously adopted a recommendation for the Executive Board to adopt Proposed Resolution No. 2025-01 to authorize the pre-commitment of up to \$966,000 of the 2025 SSHA³P Housing Capital Fund as part of the Pierce County Community Development Corporation's land transfer and affordable housing development request-for-proposal (RFP) in the Frederickson community of unincorporated Pierce County.

The proposed resolution includes the following requirements for use of the funds:

1. SSHA³P Capital Fund moneys are restricted to funding capital construction and are not eligible for property acquisition.
2. The project must include the construction of a minimum of 20 affordable housing units
3. The project must meet the funding guidelines of Pierce County
4. The Pierce County Community Development Corporation must encourage and prioritize RFP responses that propose the construction of housing units that incorporate universal design principles.
5. The RFP shall require the awarded RFP respondent to market housing opportunities to residents of the cities of Fife and Sumner.

Background:

Resolution No. 2023-08 created the SSHA³P Housing Capital Fund account (the Fund) and Rules and Procedures for the Fund. The Rules and Procedures created a committee (the Committee) of contributing parties to the Fund and provided the committee the authority to "create priorities for the expenditure of moneys from the Fund and provide recommendations to the Executive Board for expenditures from the Fund." Award and expenditures from the Fund must be authorized by action of the Executive Board.

The contributing parties to the Fund are the Cities of Auburn, Fife, and Sumner, and Pierce County. The parties agreed to contribute the funding amounts listed in Table 1 that were collected under RCW 82.14.540 in fiscal years 2024 and 2025. The funds collected under RCW 82.14.540 may be used for:

- Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW [71.24.385](#);
- Funding the operations and maintenance costs of new units of affordable or supportive housing; or
- For providing rental assistance to tenants.

Housing and services may only be provided to persons whose income is at or below 60 percent of the median income of the county or city imposing the tax, or at or below 80 percent of the median income of the county or city imposing the tax if used for the development of affordable housing intended for owner occupancy, as defined in RCW [84.14.010](#).

Table 1: SSHA³P Capital Fund Account - Funding Assumptions

	City of Auburn	City of Fife	City of Sumner	Pierce County	Total
2024	\$ 15,000	\$ 153,000	\$ 125,000	\$ 293,000	\$ 586,000
2025	\$ 15,000	\$ 110,000	\$ 65,000	\$ 190,000	\$ 357,000
Total FY 24-25	\$ 30,000	\$ 263,000	\$ 190,000	\$ 483,000	\$ 966,000*

*Up to 10% of these funds are eligible to be used for administrative costs by Pierce County, the Fund's administering agency.

ATTACHMENTS:

- Resolution No. 2025-01 Presentation
- Resolution No. 2025-01

STAFF RECOMMENDATION:

Adopt Resolution No. 2025-01

ALTERNATIVES:

1. Adopt Resolution No. 2025-01 with amendments.
2. Motion to reschedule consideration of Resolution No. 2025-01 for a future Executive Board meeting

RECOMMENDED MOTION:

"Motion to adopt Resolution No. 2025-01."



RESOLUTION NO. 2025-01

SSHA³P EXECUTIVE BOARD SPECIAL MEETING
MAY 30, 2025

RECOMMENDATION

- The Fund Committee adopted a recommendation at its March 28, 2025, meeting for the Executive Board to adopt proposed Resolution No. 2025-01
- Resolution No. 2025-01 would authorize the pre-commitment of up to \$966,000 of the 2025 SSHA³P Housing Capital Fund as part of an upcoming RFP to be issued by the Pierce County Community Development Corporation (PCCDC) for the transfer of land for affordable housing development in the Frederickson community.
- The proposed Resolution includes the following requirements for use of the funds:
 - SSHA³P Capital Fund moneys are restricted to funding capital construction and are not eligible for property acquisition.
 - The project must include the construction of a minimum of 20 affordable housing units
 - The project must meet the funding guidelines of Pierce County
 - The Pierce County Community Development Corporation must encourage and prioritize RFP responses that propose the construction of housing units that incorporate universal design principles.
 - The RFP shall require the awarded RFP respondent to market housing opportunities to residents of the cities of Fife and Sumner.

COMMITTEE PROCESS

- The Fund Committee met 7 times between September 2024 and April 2025
- Consideration of funding priorities
- Catalyst funding vs “last money in”
- Consideration of process for funding (NOFA vs Request-for-Proposal)
- Review of opportunities to support development of publicly owned land for affordable housing development
- Discussion and review of example of RFP including surplus property and funding precommitment
- Adoption of Funding Usage Statement and Principles

SSHA³P CAPITAL FUND BACKGROUND

- Resolution No. 2023-08, Creating the SSHA³P Capital Fund Account
- Funders: cities of Auburn, Fife, Sumner and Pierce County
- Funding Source: Affordable and Supportive Housing Sales and Use Tax Credit
- 2024 SSHA³P Capital Fund Notice-of-Funding Availability (NOFA)

MEMBER GOVERNMENT CONTRIBUTIONS

The Fund's Rules and Procedures allow for member governments to allocate funds on an annual or biannual basis. Below are contributing members' allocations in 2024 and 2025.

Table 1: SSHA ³ P Capital Fund Account - Funding Assumptions					
	City of Auburn	City of Fife	City of Sumner	Pierce County	Total
2024*	\$ 15,000	\$ 153,000	\$ 125,000	\$ 293,000	\$ 586,000
2025	\$ 15,000	\$ 110,000	\$ 65,000	\$ 190,000	\$ 357,000
Total FY 24-25	\$ 30,000	\$ 263,000	\$ 190,000	\$ 483,000	\$ 966,000**

* No awards were recommended in the 2024 SSHA³P Housing Capital Fund NOFA due to insufficient scores.

** Under RCW 82.14.540, a maximum of 10% of these funds may be used for administrative purposes by the administering agency, Pierce County.

FUND SOURCE

- All fund allocated to the SSHA³P Capital Fund are generated via the Affordable and Supportive Housing Sales and Use Tax Credit under RCW 82.14.540 (aka 1406 Funds)
- Funds can only be used to serve households whose income is at or below 60% of the area median income (AMI) or at or below 80% AMI if used for the development of affordable housing intended for owner occupancy
- Funds are can used for the following activities:
 - Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services
 - Funding the operations and maintenance costs of new units of affordable or supportive housing; or
 - For providing rental assistance to tenants.

Frederickson South Property



Acquisitions: Purchased by Pierce County from the Department of Natural Resources in October 2024

Address: 5804 200th St. E Spanaway, WA 98387

Site Area: 4+ acres

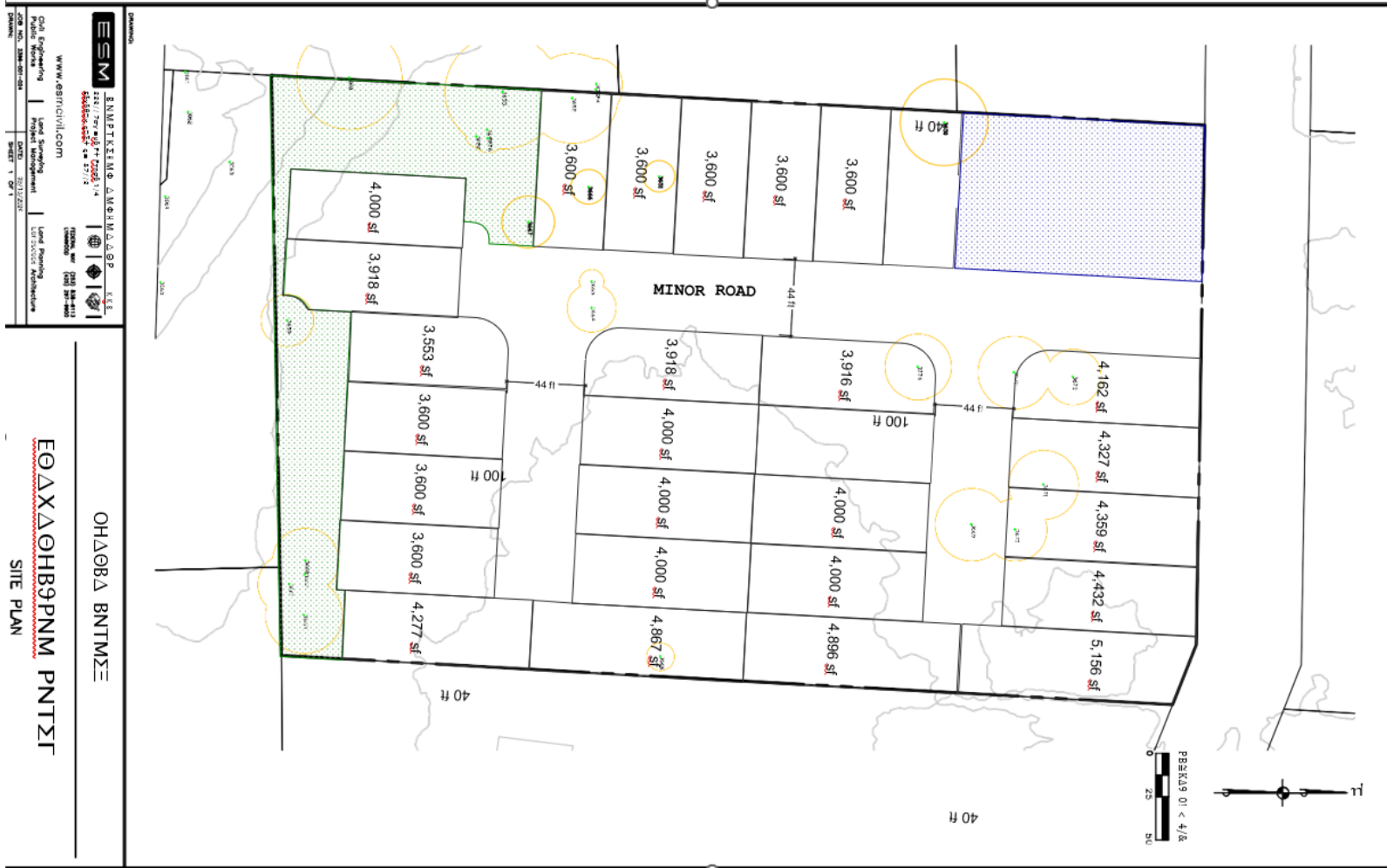
Zoning: Moderate Density Single-Family

Residential Capacity: 28 units

Project Type: Homeownership

Affordability Target: Households earning less than 80% of Area Median Income

Frederickson South Property



The current site plan reflects a preliminary concept, developed to explore density potential and feasibility within the site's physical constraints. It is not the final design.

Key Points:

- This is a preliminary site plan, not a final or approved design.
- The layout was created to maximize density using County affordable housing incentives.
- Site constraints such as tree retention and open space have shaped the configuration.
- Developers have confirmed that viable housing products exist for this type of layout.
- The focus here is on demonstrating potential, not on final design details.
- The final site layout will be refined with the selected developer.

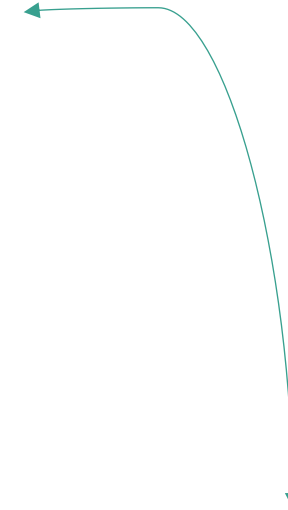
Completed Project Timeline

Phase 1: Due Diligence - August 2024 ✓

This foundational phase confirmed the site's feasibility for residential development, incorporating density incentives and critical site assessments. The work addressed zoning, buildability, and environmental constraints.

Phase 2: Acquisition - October 2024 ✓

The Pierce County Community Development Corporation finalized a public-to-public sale with the Department of Natural Resources for \$998,000.



Preliminary feasibility completed: ✓

- Critical areas
- Utilities (water/sewer/power)
- Title
- Wetlands/Soils
- Arborist
- Cultural Resources
- Appraisal

In Progress Project Timeline

Phase 3: Site Planning - Late 2024 – present

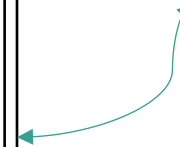
Site planning, including civil engineering design is being completed to lay the groundwork for the upcoming Request for Proposals (RFP). To complete this phase, the project was allocated \$515,000 from the Legislature to support key planning activities.

Phase 4: Development Preparation - Fall 2025

An RFP will be released to select a developer for the site. Internal coordination is underway to confirm and finalize RFP materials and scoring criteria.

Key Objectives:

- Finalize RFP language, submission requirements, scoring criteria
- Coordinate SSHA3P Fund committee + PCCDC review panel for transparent selection
- Align RFP design guidelines with site feasibility
- Clarify post-selection steps: contracting, permitting, and funding drawdown



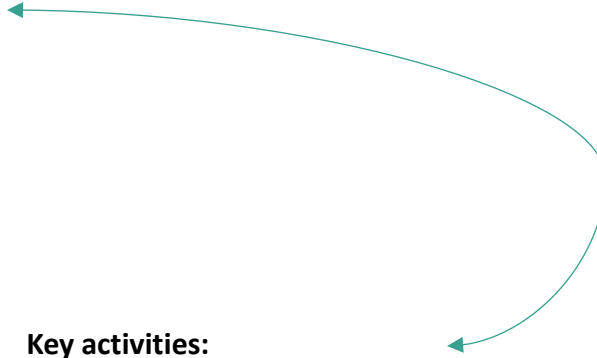
Upcoming Project Timeline

Phase 5: Grant & Funding Applications - Fall 2025 - 2026 🕒

This phase focuses on securing layered public funding to support site development and construction. This includes aligning sources with infrastructure needs and homeownership outcomes.

Phase 6: Construction – 2026 – 2028 🕒

This phase marks the start of construction, beginning with infrastructure installation followed by vertical home construction.



Key activities:

- Apply for CHIP infrastructure grant
- Application to State Housing Trust Fund for homeownership development funds
- Coordinate development contract execution and fund disbursement planning

Financing Structure (Estimates)

Project Budget Overview:

- **Total Development Cost: \$17,000,000**
 - Predevelopment costs
 - Infrastructure – Off site and onsite
 - Construction
 - Sales costs
 - Development fees
- **Projected Sale Revenue: \$9,000,000**
 - Based on 28 homes sold at around \$320,000 - through a community land trust or land lease model
- **Funding Gap: \$8,000,000**
 - State Legislature Predevelopment: \$500,000
 - SSHA³P Capital Fund: \$900,000
 - Connecting Housing to Infrastructure Program (CHIP): \$2,000,000
 - Washington State Housing Trust (HTF): \$3,000,000
 - Pierce County: \$1,600,000

Next Steps

- I. **Release Developer RFP (Fall 2025):** Including the pre-committed funding from the SSHA³P Capital Fund for capital construction to attract strong proposals aligned with affordability goals.
- II. **Apply for CHIP Grant (Fall 2025):** Pierce County will submit an application to the Connecting Housing to Infrastructure Program to fund sewer and utility installation.
- III. **Finalize Developer Agreement (Late 2025–Early 2026):** Structure the agreement to reflect funding conditions, delivery schedule, and affordability requirements.
- IV. **Application to the State Housing Trust Fund/Pierce County (2026):** The selected developer will apply for public funding to support vertical construction of the project.
- V. **Close of Financing and Construction Start (Fall 2026 – 2027):** Close on financing and construction start.
- VI. **Home Sales (Fall 2027 – 2029):** Sale of home to eligible homebuyers.



RESOLUTION NO. 2025-01

SSHA³P EXECUTIVE BOARD SPECIAL MEETING

MAY 30, 2025



RESOLUTION NO. 2025-01

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH SOUND HOUSING AFFORDABILITY PARTNERS (SSHA³P) ADOPTING THE 2025 FUNDING RECOMMENDATION OF THE SSHA³P CAPITAL FUND COMMITTEE.

WHEREAS, the SSHA³P Executive Board adopted Resolution No. 2023-08, creating the SSHA³P Housing Capital Fund account (the Fund); and

WHEREAS, the Rules and Procedures of the SSHA³P Capital Fund established the SSHA³P Housing Capital Fund Committee (the Fund Committee) to “create priorities for expenditures of moneys from the Fund and provide recommendations to the Executive Board for expenditures from the Fund”; and

WHEREAS, the Cities of Auburn, Fife, and Sumner and Pierce County have allocated a total of \$966,000 collected via RCW 82.14.540 to the Fund; and

WHEREAS, the Fund Committee met five times between September 27, 2024 and March 28, 2025 to review priorities and options for the Fund’s usage; and

WHEREAS, on March 14, 2025, the Fund Committee adopted a Housing Capital Fund Usage Prioritization Policy that established three principles to guide Fund usage; and

WHEREAS, the first principle establishes that the Fund shall be prioritized for award within the boundaries of the governments that contributed to the Fund; and

WHEREAS, the second principle prioritizes projects on properties owned by contributing members and secondarily prioritizes projects that leverage other publicly owned lands to encourage the use of publicly owned assets for affordable housing



development; and

WHEREAS, the third priority seeks an equitable distribution of projects across contributing members over the 20-year Comprehensive Planning horizon; and

WHEREAS, the Fund Committee met on March 28, 2025 and recommended adoption of Proposed Resolution No. 2025-01.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The Executive Board authorizes the pre-commitment of up to \$966,000 of the SSHA³P Housing Capital Fund as part of the Pierce County Community Development Corporation's land transfer and affordable housing development request-for-proposal (RFP) in the Frederickson community of unincorporated Pierce County. Additional information about this pre-commitment can be found in Exhibit A.

Section 2. This pre-commitment requires the following project eligibility conditions be met:

- a. SSHA³P Capital Fund moneys shall be restricted to funding capital construction and shall not be used for property acquisition.
- b. The project shall include of a minimum of 20 affordable housing units.
- c. The awarded RFP respondent shall meet the affordable housing funding guidelines of Pierce County.
- d. The RFP shall encourage and prioritize responses that propose the construction of housing units that incorporate universal design principles.
- e. The RFP shall require the awarded RFP respondent to market housing opportunities to residents of the cities of Fife and Sumner.

Section 3. This Resolution will take effect and be in full force upon passage and signature.

Adopted this _____ day of _____, 2025.



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SOUTH SOUND HOUSING AFFORDABILITY PARTNERS

Kevin Ballard, CHAIR

ATTEST:



2025 South Sound Housing Affordability Partners (SSHA³P) Housing Capital Fund Summary of 2025 Fund Committee Recommendation

Background

Resolution No. 2023-08, adopted by the SSHA³P Executive Board on December 1, 2023, created the SSHA³P Housing Capital Fund account (the Fund) and Rules and Procedures for the Fund. The Rules and Procedures created a committee (the Committee) of representatives of contributing parties to the Fund and provided the Committee the authority to “*create priorities for the expenditure of moneys from the Fund and provide recommendations to the Executive Board for expenditures from the Fund.*”

At the March 28, 2025, meeting of the Committee, it recommended the Executive Board adopt Proposed Resolution No. 2025-01. Proposed Resolution No. 2025-01 would authorize the pre-commitment of up to \$966,000 of the 2025 SSHA³P Housing Capital Fund to the Pierce County Community Development Corporation’s land transfer and affordable housing development request-for-proposal (RFP) in the Frederickson community of unincorporated Pierce County. This attachment to the resolution provides additional background on the Committee’s recommendation.

Fund Committee Review Process

In 2024, the Committee issued a Notice of Funding Availability (NOFA) for the Fund. No awards were made due to insufficient scores. After this process, the Committee met regularly to consider how to use funds in the future. The Committee adopted a policy statement to guide its decision making. In addition to considering the release of another NOFA with updates to release timeline, eligibility requirements, and funding priorities, the Committee reviewed opportunities for the development of affordable housing using publicly owned real estate and the pre-commitment of SSHA³P Capital Fund moneys to serve as a project catalyst and leverage for future public and private investment.

Through this review, the Committee focused discussion on properties owned by public entities inside the boundaries of funding members, including the property in the Frederickson community of unincorporated Pierce County acquired by the Pierce County Community Development Corporation (PCCDC).

Policy Statement for Fund Usage

At their March 14, 2025, meeting, the Committee adopted a policy statement for Fund usage to guide future decision making. The policy statement included three principles in alignment with the shared regional goal of expanding affordable housing opportunities while maintaining local flexibility and ensuring that each contributing government benefits from its investment in the Fund.

Principle 1

Funder Priority

In effort to ensure each contributor to the Fund realizes progress toward local housing targets, the Fund shall be prioritized for award within the boundaries of the governments that contributed to the Fund. The Fund Committee may choose to limit eligible projects to those within boundaries of contributing members.

Principle 2

Government Owned Properties

The Fund shall prioritize the funding of projects on properties owned by contributing members, and secondarily prioritize projects that leverage other publicly owned lands (example: Sound Transit, Department of Transportation, etc.). Through this priority, the Fund encourages the use of publicly owned assets for affordable housing development.

Principle 3

Geographic Funding

Over the 20-year Comprehensive Planning horizon, the Fund shall seek to fund an equitable distribution of projects across contributing members.

Member Government Contributions

The Fund's Rules and Procedures allow for member governments to allocate funds on an annual or biannual basis. Below are contributing members' allocations in 2024 and 2025.

Table 1: SSHA ³ P Capital Fund Account - Funding Assumptions					
	City of Auburn	City of Fife	City of Sumner	Pierce County	Total
2024*	\$ 15,000	\$ 153,000	\$ 125,000	\$ 293,000	\$ 586,000
2025	\$ 15,000	\$ 110,000	\$ 65,000	\$ 190,000	\$ 357,000
Total FY 24-25	\$ 30,000	\$ 263,000	\$ 190,000	\$ 483,000	\$ 966,000**

* No awards were recommended in the 2024 SSHA³P Housing Capital Fund NOFA due to insufficient scores.

** Under RCW 82.14.540, a maximum of 10% of these funds may be used for administrative purposes by the administering agency, Pierce County.

Affordable and Supportive Housing Sales and Use Tax Credit

All funds allocated by member governments were generated via the Affordable and Supportive Housing Sales and Use Tax Credit, authorized under RCW 82.14.540. The housing and services collected under this statute may only serve persons whose income is at or below 60 percent of the median income of the county or city imposing the tax, or at or below 80 percent of the median income of the county or city imposing the tax if used for the development of affordable housing intended for owner occupancy, as defined in RCW 84.14.010.

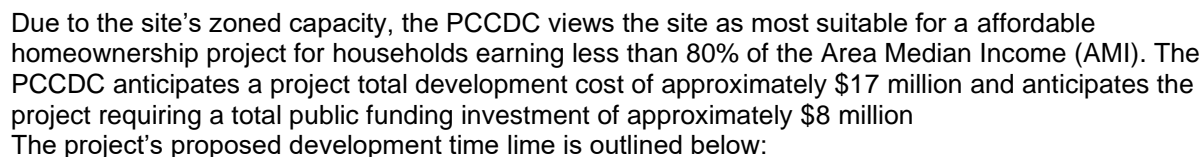
Funds collected under RCW 82.14.540 are eligible to be used for the following:

- Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385;
- Funding the operations and maintenance costs of new units of affordable or supportive housing; or
- For providing rental assistance to tenants.

Frederickson Property

The Pierce County Community Development Corporation (PCCDC), a public nonprofit entity, plans to develop a 4.22-acre site located at 200th Street East and Knoble Road East in unincorporated Pierce County. This site is zoned for moderate density single-family (MSF). By utilizing affordable housing bonus densities allowed under Pierce County Code 18A.65, the site has the potential to accommodate up to 28 units of housing, with a mixture of single-family homes and duplexes.

PCCDC acquired the property from the Department of Natural Resources (DNR) for \$998,000 using funds from Pierce County's rapid acquisition fund for affordable housing, established under the 2024-2025 Biennial Budget. The project aligns with the Frederickson Community Plan and Pierce County's Comprehensive Plan to meet local housing needs.



- Conducted critical analyses, including cultural resources, environmental evaluations, and property appraisal, to ensure feasibility.

- Secured the property from the Department of Natural Resources for \$998,000.

- Ongoing planning activities include site evaluation, preliminary design, and tree retention and open space design.

- Environmental studies, engineering designs, site development permits, submission of plan/PDD and critical infrastructure preparation.

- Apply for a Connecting Housing to Infrastructure grant from the Washington Department of Commerce to connect the existing sewer line to the property. Application will be submitted in Fall 2025 and award announcements are expected in January 2026.

Phase 6: RFP and Developer Selection (Fall 2025)

- Issue a Request for Proposal to seek a qualified development partner for site construction, select developer, begin property transfer.

Phase 7: Funding and Construction (2026 – 2027)

- It is expected that the selected developer would apply for construction capital funding in 2026 from the Pierce County affordable housing fund and the Washington Housing Trust Fund, with construction starting in 2027.

Recommendation

At the March 28, 2025, Committee meeting, it recommended the Executive Board adopt Proposed Resolution No. 2025-01 to authorize the pre-commitment of up to \$966,000 of the 2025 SSHA³P Housing Capital Fund as part of the Pierce County Community Development Corporation's land transfer and affordable housing development request-for-proposal (RFP) in the Frederickson community of unincorporated Pierce County.

The proposed resolution includes the following requirements for use of the funds:

1. SSHA³P Capital Fund moneys are restricted to funding capital construction and are not eligible for property acquisition.
2. The project must include the construction of a minimum of 20 affordable housing units
3. The project must meet the funding guidelines of Pierce County
4. The Pierce County Community Development Corporation must encourage and prioritize RFP responses that propose the construction of housing units that incorporate universal design principles.
5. The RFP shall require the awarded RFP respondent to market housing opportunities to residents of the cities of Fife and Sumner.

AGENDA MEMORANDUM

May 30, 2025

AGENDA CATEGORY Resolution No. 2025-02

SUBJECT: Resolution No. 2025-02

PRESENTED BY: Jason Gauthier

FISCAL IMPACT: N/A

ESTIMATED COST: \$366,440.83

SUMMARY/BACKGROUND:

The SSHA³P Intergovernmental Agreement (IGA) requires the Executive Board to adopt a recommended operating budget for the following fiscal year on or before July 1st of each year. Following adoption of the recommended operating budget, the resolution and budget are required to be transmitted to member governments for their budget consideration.

ATTACHMENTS:

- Resolution No. 2025-02
- Resolution No. 2025-02 Presentation

STAFF RECOMMENDATION:

Adopt Resolution No. 2025-02

ALTERNATIVES:

1. Adopt Resolution No. 2025-02 with amendments.
2. Motion to reschedule consideration of Resolution No. 2025-02 for a future Executive Board meeting

RECOMMENDED MOTION:

“Motion to adopt Resolution No. 2025-02.”



RESOLUTION NO. 2025-02

SSHA³P EXECUTIVE BOARD SPECIAL MEETING
MAY 30, 2025

BUDGET CONSIDERATIONS

- Alignment current and anticipated workflow
- Direction on Fund Balance Usage Strategy
- Member Government Feedback
- Local Government Revenue Concerns
- Program Specialist II (PS2) staffing change
- Advisory Board input

FUND BALANCE

- Anticipated Fund Balance on January 1, 2026: **\$166,359.53**
- Why is our Fund Balance so large?
 - Delay in staff hiring in 2021 and 2022
 - Middle Housing grant funding (2022-2023) to offset staff costs
 - Cost pool allocation underspent

FY26 Operating Budget

- Budget increase for salary and benefits for Program Specialist II (36 to 40 hours per week)
- Communication budget increase to due to web hosting change and translation needs
- Lower cost pool allocation to reflect historical trends

South Sound Housing Affordability Partners	
Fiscal Year 2026 Operating Budget	
Estimated Operating Fund Balance - January 1, 2026	\$ 166,359.53
SSHA3P Fund	
OPERATING REVENUES	
City of Auburn	\$ 5,601.94
City of DuPont	\$ 5,601.94
City of Edgewood	\$ 5,601.94
City of Fife	\$ 5,601.94
City of Fircrest	\$ 3,361.16
City of Gig Harbor	\$ 5,601.94
City of Lakewood	\$ 22,407.75
City of Milton	\$ 3,361.16
Pierce County	\$ 140,725.00
Puyallup Tribe of Indians	\$ 3,361.16
City of Puyallup	\$ 13,444.65
Town of Steilacoom	\$ 3,361.16
City of Sumner	\$ 5,601.94
City of Tacoma	\$ 70,362.50
City of University Place	\$ 13,444.65
SSHA3P Operating Fund Balance	\$ 59,000.00
TOTAL Revenue	\$ 366,440.83
EXPENDITURES	
Salaries and Benefits - Manager	\$ 198,220.00
Salaries and Benefits - Program Specialist II	\$ 144,098.00
Travel and Training	\$ 3,500.00
Phone	\$ 1,300.00
Communication (Printing, Translation, Advertising, etc.)	\$ 3,800.00
Supplies, Space Rental and Miscellaneous	\$ 500.00
Advisory Board Stipends	\$ 4,950.00
Cost Pool Allocation	\$ 10,000.00
TOTAL Expenditures	\$ 366,368.00

FY 2025 vs FY 2026

- 2.59% increase in expenses over 2025 budget
- Increase in fund balance allocation of \$9,000
- 0% change in member government fees

South Sound Housing Affordability Partners		
FY 2025 vs FY 2026 Operating Budget		
SSHA3P Fund	2025 BUDGET	2026 BUDGET
OPERATING REVENUES		
City of Auburn	\$ 5,601.94	\$ 5,601.94
City of DuPont	\$ 5,601.94	\$ 5,601.94
City of Edgewood	\$ 5,601.94	\$ 5,601.94
City of Fife	\$ 5,601.94	\$ 5,601.94
City of Fircrest	\$ 3,361.16	\$ 3,361.16
City of Gig Harbor	\$ 5,601.94	\$ 5,601.94
City of Lakewood	\$ 22,407.75	\$ 22,407.75
City of Milton	\$ 3,361.16	\$ 3,361.16
Pierce County	\$ 140,725.00	\$ 140,725.00
Puyallup Tribe of Indians	\$ 3,361.16	\$ 3,361.16
City of Puyallup	\$ 13,444.65	\$ 13,444.65
Town of Steilacoom	\$ 3,361.16	\$ 3,361.16
City of Sumner	\$ 5,601.94	\$ 5,601.94
City of Tacoma	\$ 70,362.50	\$ 70,362.50
City of University Place	\$ 13,444.65	\$ 13,444.65
SSHA3P Operating Fund Balance	\$ 50,000.00	\$ 59,000.00
TOTAL Revenue	\$ 357,440.83	\$ 366,440.83
EXPENDITURES		
Salaries and Benefits - Manager	\$ 192,490.00	\$ 198,220.00
Salaries and Benefits - Program Specialist II	\$ 122,170.00	\$ 144,098.00
Travel and Training	\$ 3,000.00	\$ 3,500.00
Phone	\$ 1,320.00	\$ 1,300.00
Communication (Printing, Translation, Advertising, etc.)	\$ 1,000.00	\$ 3,800.00
Supplies, Space Rental and Miscellaneous	\$ 500.00	\$ 500.00
Advisory Board Stipends	\$ 4,950.00	\$ 4,950.00
Cost Pool Allocation	\$ 31,580.00	\$ 10,000.00
TOTAL Expenditures	\$ 357,010.00	\$ 366,368.00

BUDGET BACKGROUND

The SSHA³P Intergovernmental Agreement (the IGA) provides the Executive Board with the power to develop and recommend an annual budget.

- Section 13 of the ILA outlines the following pertinent items:
 1. *“...on or before July 1st of each year, a recommended operating budget for SSHA³P for the following budget year will be prepared, reviewed and recommended by the Executive Board and transmitted to each Party.”*
 2. *“No recommended budget will become effective until approved by the legislative body of each Party and adopted by the Executive Board.”*
 3. *“If a Party does not approve the budget in a timely manner, the Executive Board may adopt the annual budget and work plan with a two-thirds majority vote.”*

BUDGET NEXT STEPS

May 30	Consideration of Resolution 2025-02 to recommend a 2026 Operating Budget to member governments
June 30	Deadline for Parties of the IGA to issue written notice to withdraw from the IGA prior to next fiscal year
July – November	Legislative body of each Party approves its contribution to SSHA³P either separately or through its budget process <i>SSHA³P staff available for 2026 Budget and Work Plan presentation(s) to member government Councils and/or committees</i>
December 5	Executive Board Resolution to adopt FY 2026 Operating Budget <i>The Executive Board may adopt the annual Budget with a two-thirds majority vote</i>



RESOLUTION NO. 2025-02

SSHA³P EXECUTIVE BOARD SPECIAL MEETING
MAY 30, 2025



RESOLUTION NO. 2025-02

A RESOLUTION OF THE EXECUTIVE BOARD OF THE
SOUTH SOUND HOUSING AFFORDABILITY PARTNERS
("SSHA³P") RECOMMENDING THE 2026 SSHA³P
OPERATING BUDGET

WHEREAS, the SSHA³P Intergovernmental Agreement ("IGA") requires the
SSHA³P Executive Board to prepare, review, recommend, and transmit an annual
operating budget to each Party of the IGA on or before July 1; and

WHEREAS, pursuant to the IGA, the annual budget must include an itemization of
all categories of budgeted expenses and an itemization of each Party's contribution; and

WHEREAS, upon recommendation by the Executive Board, the annual budget will
be transmitted to each Party of the IGA for approval by their legislative body; and

WHEREAS, the 2026 operating budget will not become effective until approved by
the legislative body of each jurisdiction and adopted by the SSHA³P Executive Board;
and

WHEREAS, if a Party does not approve the budget in a timely manner, the
Executive Board may adopt the budget and work plan with a two-thirds majority vote; and

WHEREAS, the purpose of the annual operating budget is to support SSHA³P's
mission to create and preserve affordable, attainable, and accessible housing through
regional coordination and collaboration between Parties of the IGA and aligned
organizations.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

Section 1. The Executive Board recommends the 2026 SSHA³P Operating
Budget in Exhibit A.



Section 2. This Resolution will take effect and be in full force upon passage and signature.

Adopted this _____ day of _____, 2025.

SOUTH SOUND HOUSING AFFORDABILITY PARTNERS

KEVIN BALLARD, CHAIR

ATTEST:



Exhibit A

South Sound Housing Affordability Partners	
Fiscal Year 2026 Operating Budget	
Estimated Operating Fund Balance - January 1, 2026	\$ 166,359.53
SSHA3P Fund	
OPERATING REVENUES	
City of Auburn	\$ 5,601.94
City of DuPont	\$ 5,601.94
City of Edgewood	\$ 5,601.94
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City of Tacoma	\$ 70,362.50
City of University Place	\$ 13,444.65
SSHA3P Operating Fund Balance	\$ 59,000.00
TOTAL Revenue	\$ 366,440.83
EXPENDITURES	
Salaries and Benefits - Manager	\$ 198,220.00
Salaries and Benefits - Program Specialist II	\$ 144,098.00
Travel and Training	\$ 3,500.00
Phone	\$ 1,300.00
Communication (Printing, Translation, Advertising, etc.)	\$ 3,800.00
Supplies, Space Rental and Miscellaneous	\$ 500.00
Advisory Board Stipends	\$ 4,950.00
Cost Pool Allocation	\$ 10,000.00
TOTAL Expenditures	\$ 366,368.00

AGENDA BILL

May 30, 2025

AGENDA CATEGORY External Presentation

SUBJECT: 2025 Legislative Session Review

PRESENTED BY: Carl Schroeder, Deputy Director of Government Affairs
Association of Washington Cities

SUMMARY/BACKGROUND:

This presentation will provide an overview of land use and housing related legislation considered during the 2025 State Legislative Session by Carl Schroeder of the Association of Washington Cities.

ATTACHMENTS:

- AWC 2025 Legislative Session Priorities and Outcomes

STAFF RECOMMENDATION:

N/A

ALTERNATIVES:

N/A

RECOMMENDED MOTION:

N/A

2025 Legislative Session

City legislative priorities & outcomes

The 2025 legislative session addressed many of AWC's priorities. Here are some selected pros and cons for cities.



Public safety

Provide more resources and tools to cities and towns to address public safety and criminal justice challenges.

Pro: Passed **HB 2015** creating a new state grant program and new councilmanic local sales tax option for funding public safety programs. Legislature budgeted \$100 million to fund grants.

Pro: Increased funding to cities for public defense by \$2.7 million in Office of Public Defense (OPD) grants in addition to \$900,000 in existing grants.

Con: Maintained 25% cost shift to local governments for the cost of the Basic Law Enforcement Academy.

Con: Did not pass **HB 1428**, which would have increased direct Municipal Criminal Justice Assistance Account distributions by \$25 million per biennium.



Fiscal sustainability

Revise the property tax cap to tie it to inflation, up to 3%, so local elected officials can adjust the property tax rate to better serve their communities. Maintain state-shared revenues and provide additional funding tools.

Pro: Maintained state-shared revenues for cities in the final budget.

Con: Did not revise the outdated property tax cap.



Infrastructure investment

Protect and expand direct and meaningful investments in traditional local infrastructure for needed expansion and ongoing operations and maintenance of aging systems, including reliable funding for the crucial Public Works Assistance Account. Support sustainable state transportation revenue that includes funding for local preservation, maintenance, and operations.

Pro: Maintained the Public Works Assistance Account's dedicated funding streams into the future.

Pro: Dedicated 2.5% of the 6-cent gas tax increase to cities; the 6-cent add-on will grow by 2% annually to account for inflation.

Con: Diverted \$288 million from the Public Works Assistance Account to the state general fund, with \$100 million in bond backfill for infrastructure investment.

Con: Did not adopt a sustainable transportation revenue source with funding for local preservation, maintenance, and operations.

more on back

Contact:

Candice Bock
Government Relations Director
candiceb@awcnet.org



Behavioral health treatment capacity

Expand funding for grants to establish and support ongoing funding for local behavioral health crisis co-responder programs. Support continued expansion of continuum of treatment capacity, from crisis stabilization to inpatient to outpatient and continued expansion of forensic behavioral health treatment capacity.

Pro: Provided \$4 million in grants to fund start-up costs for city co-response programs.

Pro: Passed **HB 1811** to develop training for co-response training academy and provide supports for co-responders.



Housing supply

Dedicate current funding and explore new funding options to address needs across the housing continuum, including home ownership, senior, workforce, affordable, and permanent supportive housing.

Pro: Significant capital budget investments in housing and homelessness, including continued funding of Connecting Housing to Infrastructure Program (CHIP) and investments in manufactured home park acquisition and preservation.

Con: Did not pass local option short-term rental tax (**SB 5576**) or dedicate revenues from closing the storage tax loophole to housing (**HB 1907/ SB 5711**).

Other significant issues:

Cities identified several other significant policies to work on during the 2025 session.

Pro: Passed an implementable version of the lot-splitting bill (**HB 1096**) and unit lot subdivision bill (**SB 5559**).

Pro: Addressed condominium insurance issues (**HB 1403**).

Pro: Harmonized uses of local real estate excises taxes (REET), and extended authority for operations and maintenance and housing (**HB 1791**).

Pro: Adopted the Recycling Reform Act, creating extended producer responsibility for packaging (**SB 5284**).

Pro: Dedicated \$32.5 million to the Brian Abbott Fish Barrier Removal Board for local culvert corrections.

Pro: Created expanded alcohol service areas allowing cities and towns to establish 'Libation Zones' in their communities (**HB 1515**).

Pro: Extended clean energy retrofit dollars dedicated to grants for energy audits of city-owned Tier 1 and 2 buildings into FY 2026.

Pro: Stopped proposal to introduce new vague requirements on city ordinances dealing with camping in public (**HB 1380**).

Con: Restricted city authority to regulate parking (**SB 5184**).

Con: Adopted unemployment benefits for striking workers without addressing impacts for public employers (**SB 5041**).

Contact:

Candice Bock
Government Relations Director
candiceb@awcnet.org

2025 Legislative Session Recap

South Sound Housing
Affordability Partners

Executive Board

May 30, 2025

Carl Schroeder

Deputy Director of Government
Relations

Association of Washington Cities



2025 Legislative Session

105-day Session: January - April

New legislators, new committees, new chairs, 43 legislators with city/county background

Democrats expand majorities: 30-19 Senate, 59-39 House

Economic environment: Budget shortfall, negative revenue forecasts, high interest rates, inflationary pressure; federal funding uncertainty

Biennial budgets: Operating, Capital, Transportation

Policy focus: Revenue, housing, education



Fiscal sustainability

Revise the arbitrary 1% property tax cap that has been in place for more than 20 years. Adopt a new cap tied to inflation and population growth factors, with a limit not to exceed 3%.



Public safety

Provide more resources and tools to cities and towns to address public safety and criminal justice challenges.



Infrastructure investment

Protect and expand direct and meaningful investments in traditional local infrastructure for needed expansion and ongoing operations and maintenance of aging systems, included expanded and reliable funding for the Public Works Assistance Account.



Housing supply

Dedicate current funding and explore new funding options, such as real estate transfer tax, to address needs across the housing continuum, including home ownership, senior, workforce, affordable, and permanent supportive housing.



Behavioral health treatment capacity

Expand funding for grants to establish and support ongoing funding for local behavioral health crisis co-responder programs.

2025-27 biennial budget outcomes



Operating

- \$288 million sweep from the Public Works Assistance Account
- \$100 million for law enforcement grants in **HB 2015**
- \$62 million to address housing and services for those who are unhoused
- \$1.2 billion for homelessness and affordable housing.
- \$45 million for GMA planning grants
- \$6.8 million for MRSC
- \$4 million in grants to fund city alternative response teams
- \$3.6 million for city public defense grants



Transportation

- Estimated \$36.2 million additional distribution (over six years) from \$0.06/gal increase in gas tax
- \$310 million for the Transportation Improvement Board, including funding for Small City Pavement and Sidewalks, Complete Streets, and preservation funding
- \$83.3 million for Safe Routes to School
- \$81.7 million for pedestrian and bike safety
- \$9.2 million to address homeless encampments in state rights of way



Capital

- \$365 million for Public Works Board, including \$100 million in additional construction bond authority to make up for PWAA sweep – \$100 million available for applications for FY26
- \$605 million for Housing Trust Fund + \$157 million for other housing programs
- \$32.5 million for Brian Abbott Fish Barrier Removal Board for local culverts
- \$81 million for CERB capital construction projects
- \$125 million for grants funding local clean energy and climate resilience/mitigation projects

Housing bills

Passed

HB 1183 – Development regulations to promote Passivhaus, façade modulation and parking restrictions.

HB 1353 – Authorize cities to voluntarily adopt an ADU self-certification program

HB 1494 – Minor Multifamily Property Tax Exemption reform

HB 1757 – Follow-on bill regulating conversion of existing buildings to residential

HB 1791 – Harmonizing uses of local REET funds and additional flexibility for housing

HB 5148 – State compliance audit of Housing Element and development regulations

SB 5184 – Significant preemption on on-site parking requirements for cities over 30,000

SB 5559 – Providing standards for unit lot subdivisions

Housing bills

Passed

HB 1096 – Requiring cities to provide process for lot splitting

HB 1491 – New requirements for zoning around transit

SB 5571 – Restrictions on city regulation of exterior cladding of buildings

Did not pass

HB 1195 – State compliance review of emergency shelter and housing ordinances

HB 1443 / SB 5332 – Requiring cities to allow RVs as permanent housing

SB 5613 – Challenging new standard for “Clear & objective” development regulations

Land Use & Building Codes bills

Passed

HB 1061 – Authorizes cities to allow parking across end of driveway

HB 1135 – Updating process for coming into compliance with GMA after a finding of non-compliance

HB 1688 – Authorizes electric security fences in cities that don't have codes on the topic, but allows cities to choose later to ban or regulate

SB 5509 – Childcare centers zoning mandate

SB 5558 – GMA comp plan & implementation timelines extension for jurisdictions required to update in 2026

SB 5655 – Changes to calculations regarding childcare occupancy in existing buildings

Land Use & Building Codes bills

Passed

HB 1039 – Authorizes City & tribe contracting for urban services outside UGA

HB 1562 – Requiring greater access to diaper changing stations in public restrooms

HB 1576 – Historic landmark designation – prohibit designation without property owner consent in most cases.

Did not pass

HB 1175 – Requiring cities to allow neighborhood cafes and businesses in residential areas

HB 1254 – Wildland Urban Interface Code reforms

SB 5719 – Requiring all but the smallest cities to use hearings examiners

Questions?

Always feel free to reach out:

Carls@awcnet.org

360-485-7604

TO: SSHA³P Staff Work Group
CC: Alyssa Torrez, SSHA³P Program Specialist II
FROM: Jason Gauthier, SSHA³P Manager
SUBJECT: 2025 Legislative Session Bills of Interest Returning in 2026
DATE: May 27, 2025

PURPOSE

Bill introduced during the 2025 state legislative session that did not pass will automatically be reintroduced and reconsidered during the 2026 session. The bills of housing and land use interest listed in this memorandum did not pass but are expected to continue to generate discussion and consideration during the 2026 session.

HB 1195 – Concerning compliance with siting, development permit processes and standards, and requirements for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters

Under House Bill 1195 counties and cities must approve permit applications for supportive housing, transitional housing, and indoor emergency housing or shelters through administrative processes, prohibiting local comprehensive plans or regulations from precluding such developments in residential or commercial zones within urban growth areas contiguous with cities. The Department of Commerce would be empowered to resolve disputes, enforce compliance, and withhold certain revenues from local governments that do not comply.

HB 1380 – Allowing objectively reasonable regulation of the utilization of public property

House Bill 1380 would establish a framework for regulating the use of public property by individuals experiencing homelessness, requiring such regulations to be "objectively reasonable" and would allow individuals to challenge unreasonable laws in court.

HB 1443 – Concerning mobile dwellings

House Bill 1443 would require cities and counties in to allow at least two mobile dwelling unit on residential lots meeting specific conditions, such as existing housing and adequate utility capacity. This bill defines a "mobile dwelling unit" as a vehicular-type unit primarily designed for recreational camping or travel use that has its own motive power or is mounted on or towed by another vehicle, including travel trailers, fifth-wheel trailers, folding camping trailers, truck campers, and motor homes, or a tiny house with wheels.

SB 5576 – Providing a local government option for the funding of essential affordable housing programs

Engrossed Substitute Senate Bill 5576 would authorize counties, cities, and towns in Washington State to impose a new local excise tax on short-term rental lodging transactions facilitated through short-term rental platforms. Local governments would be able to impose the tax at a rate not exceeding 4%, with proceeds deposited into the, "essential affordable housing local assistance account" to fund affordable housing projects and programs. Local governments would be able to retain up to 15% of the revenue for administrative costs and are required to publish annual reports on expenditures.

SB 5613 – Concerning the development of clear and objective standards, conditions, and procedures for residential development

Senate Bill 5613 would amend the Growth Management Act (GMA) to require cities and counties to adopt clear and objective development regulations and design standards for residential development. The bill would also expand the jurisdiction of the Growth Management Hearings Board to address noncompliance and allows alternative approval processes for aesthetic considerations if they do not reduce density below comprehensive plan levels.

SB 5719 – Concerning local government hearing examiners

Senate Bill 5719 would mandate changes regarding the use of hearing examiners for land use and development decisions by counties and cities. Counties planning under the GMA and cities with populations over 2,000 would be required to adopt hearing examiner systems for quasi-judicial land use decisions, such as plat approvals, planned unit developments, variances, and conditional uses. Hearing examiner decisions would be final and appealable only through the courts.

SB 5729 – Encouraging construction of affordable housing by streamlining the permitting process

Senate Bill 5729 would seek to streamline the permitting process for affordable housing construction by deeming professionally prepared applications complete upon submission and limiting local governments' ability to impose substantial modifications. Applications consistent with development regulations and infrastructure capacity are deemed approved after six reviews unless violations are demonstrated, and certain types of projects would be excluded from site plan review. The bill would also create professional liability insurance requirements for engineers and architects and compliance restrictions to ensure adherence to development regulations and housing affordability standards.

TO: SSHA³P Staff Work Group

CC: Alyssa Torrez, SSHA³P Program Specialist II

FROM: Jason Gauthier, SSHA³P Manager

SUBJECT: 2025 Washington State Legislative Session – Housing and Land Use Bill Review

DATE: May 27, 2025

PURPOSE

The 2025 Washington State Legislative Session resulted in several significant land use and housing bills impacting comprehensive planning, permitting, and development standards. This memo summarizes eight key bills, their implementation deadlines, and applicability to SSHA³P member governments.

HB 1096 – Lot Splitting Reform

Summary: Streamlines the process for subdividing lots to increase housing supply.

Key Provisions:

- Allows administrative approval of lot splits creating up to four lots.
- Prohibits lot splits that would require demolition of certain existing housing.
- Requires cities to approve lot splits if they meet objective standards.
- Exempts implementing ordinances from State Environmental Policy Act (SEPA) appeals.
- Provides immunity to cities for damages related to lot splits.
- Mandates the Department of Commerce to develop implementation guidance and provide grants.

Implementation Deadline: July 27, 2027

SSHA³P Member Applicability: All cities and towns.

HB 1183 – Concerning building code and development regulation reform

Summary: Enacts broad development regulation reforms to support retrofitting and new construction of affordable and sustainable housing.

Key Provisions:

- **Retrofit and Passive House Flexibility:**
Cities and counties must allow insulation in retrofits and passive house projects to extend up to 8 inches into setbacks and 8 inches above height limits. Floor area is measured from the interior wall face for these projects, which encourages deep energy retrofits without penalizing bulk restrictions.
- **Roof-Mounted Solar Accommodation:**
Jurisdictions must allow rooftop solar installations to exceed height limits by up to 48 inches. This applies to any project, including affordable and market-rate housing, provided minimum state building code and fire access standards are met.
- **Limits on Regulation of Adaptive Reuse:**
Cities may not prohibit the addition of up to 50% more residential units in existing buildings (3+ years old) in multifamily zones if the expansion stays within the existing envelope and meets health and safety codes. No additional parking, design standards, or concurrency/environmental studies may be required solely due to added units.
- **Parking Requirement Prohibitions:**
Off-street parking cannot be required for:
 - Affordable housing
 - Passive house-compliant projects (new or retrofit)

- Modular or mass timber construction
- **Design Standard Exemptions:**
Local governments may not require façade modulation or upper-level setbacks for certain residential project types, including affordable housing, passive house, modular, mass timber, and adaptive reuse projects—unless necessary for safety or historic preservation.
- **Affordable Unit Size Caps:**
Jurisdictions may not require minimum sizes above the following for affordable units:
 - Studio: 400 sq ft
 - 1BDR: 550 sq ft
 - 2BDR: 750 sq ft
 - 3BDR: 1,000 sq ft

Implementation Deadline: June 30, 2030

SSHA³P Member Applicability: All cities and towns.

HB 1491 – Transit-Oriented Development

Summary: Establishes statewide minimum development standards for station areas (rail and bus rapid transit zones). The bill sets specific floor area ratio (FAR) thresholds, mandates affordability provisions, and preempts local regulations that conflict with these standards.

Key Provisions:

- **Mandatory Density Requirements Near Transit Station Areas:**
 - Cities must allow:
 - A minimum 3.5 FAR (on average) in rail station areas, and
 - A 2.5–3.0 FAR (on average) in bus station areas, depending on exemptions.
 - Cities cannot impose maximum residential unit densities per acre or lower FARs unless permitted exemptions apply.
 - Mixed-use development must also be allowed under these density thresholds.
- **Affordability Requirements for New Buildings:**
 - Buildings in station areas must reserve:
 - 10% of units as affordable ($\leq 60\%$ AMI) for at least 50 years, or
 - 10% workforce housing ($\leq 80\%$ AMI) if units include large, family-sized dwellings, or
 - 20% workforce housing, unless otherwise exempted by prior programs or regulations.
 - Bonus: Projects exclusively providing affordable or workforce housing get an additional 1.5 FAR.
- **Parking Restrictions:**
 - Cities may not require off-street parking in station areas, except for ADA or short-term delivery parking.
 - Cities may not trigger SEPA review based on absence of parking.
 - Exceptions may be approved by Commerce based on documented safety risks or proximity to major airports.
- **Model Ordinance:**
 - Commerce will release a model ordinance by June 30, 2027.

Implementation Deadline: December 31, 2029

SSHA³P Member Applicability: Auburn, DuPont, Fircrest, Fife, Lakewood, Puyallup, Sumner Tacoma and University Place

SB 5184 – Minimum Parking Requirements

Summary: Limits local authority to impose minimum parking requirements.

Key Provisions:

- Caps residential parking requirements at 0.5 spaces per dwelling unit.
- Caps commercial parking requirements at one space per 1,000 square feet.
- Prohibits minimum parking requirements for certain building types and uses, including existing buildings undergoing change of use, small residences, affordable housing, and childcare facilities.
- Exempts accessible parking spaces required under the ADA.
- Repeals previous minimum parking requirements under the GMA.
- Allows cities to impose higher requirements in areas with documented parking shortages.

Implementation Deadline: January 27, 2027

SSHA³P Member Applicability: Auburn, Lakewood, Puyallup, Tacoma, University Place, and Pierce County

SB 5509 – Childcare Center Siting

Summary: Requires cities to allow childcare centers in most zones.

Key Provisions:

- Mandates childcare centers as permitted uses in all zones except industrial, light industrial, and open space zones.
- Prohibits conditional use permits for childcare centers in permitted zones.
- Allows reasonable regulations related to pickup and drop-off areas.
- Requires cities to amend development regulations accordingly.

Implementation Deadline: July 27, 2027

SSHA³P Member Applicability: Applies to all cities and towns.

SB 5559 – Unit Lot Subdivision Streamlining

Summary: Simplifies the subdivision process.

Key Provisions:

- Requires cities to adopt procedures for unit lot subdivisions.

Implementation Deadline: July 27, 2027

SSHA³P Member Applicability: Applies to all cities and towns.

SB 5571 – Regulating exterior cladding materials

Summary: Prohibits a city or county from requiring or excluding exterior cladding materials that are in compliance with the state building code.

Key Provisions:

- Clarifies timelines for aligning comprehensive plan updates with RHNA targets.
- Enhances interjurisdictional coordination during the allocation process.
- Adds transparency and appeal pathways for local governments.
- Requires improved documentation of allocations.
- Supports equitable distribution of housing needs across regions.
- Aims to ensure consistency with GMA planning requirements.

Implementation Deadline: Effective July 27, 2027

SSHA³P Member Applicability: All cities and towns and Pierce County.

SB 5611 – Streamlining and clarifying local governments' land use permitting workloads

Summary: Provides additional clarifies for local government permitting requirements.

Key Provisions:

- Local government is prohibited from extending a deadline for issuing a decision for a specific project permit application for any reasonable and certain period of time specified and mutually agreed upon in writing by the applicant and the local government. Requires infrastructure capacity assessments as part of comprehensive planning.
- Local government may not require or request an extension of an applicable deadline for issuance of a decision for a specific project permit application as a condition or an option at the initial submission of a project permit application.
- Local regulations must not impose a requirement upon a common interest community that would not be imposed on a physically identical development under a different form of ownership, includes, without limitation, any permitting process such as a binding site plan or a hearing examiner proceeding.

Implementation Deadline: January 28, 2028

SSHA³P Member Applicability: All cities and towns and Pierce County.