

November 8, 2023

Thurston Regional Housing Council Legislative Priorities – 2024

Top Three Legislative Priorities

1. Increase funding to meet the continued need for rent assistance for low-income renters in Thurston County.
2. Provide long-term operational funds for programs established and paid for by the Governor's Rights of Way Initiative.
3. Increase capital funding through the Housing Trust Fund for the development and preservation of affordable housing.

Complete List of Legislative Priorities

I. Support for Renters

1. **Increase funding to meet the continued need for rent assistance for low-income renters in Thurston County. Ranked #1 priority.**

Thurston County awarded approximately \$53.5 million in rent assistance from late 2020 through mid-2023 primarily with COVID-related funding under the CARES and American Rescue Plan Acts. These programs have exhausted the funding and permanently closed. Just over 70% of 541 respondents to a survey of Thurston County households who received rent assistance from this program indicated that they are currently in need of additional rent assistance. The Eviction Prevent Rent Assistance program currently funded by document recording fees at less than \$1.5 million for Thurston County in 2023-2024 is woefully inadequate to meet the current demand. Thurston Regional Housing Council recommends that the Legislature provide increased funding for rent assistance programs.

2. **Pass legislation to prevent unfair and extreme rent increases.**

According to a 2020 report by the U.S. Government Accountability Office, every \$100 increase in median rent is associated with a 9% increase in the estimated homelessness rate. About 55% of all Thurston County renters spend over 30% of their income on housing costs and 75% of extremely low-income renter households spend over half of their income on housing costs. Working at minimum wage of \$15.74/hour, you would have to work 77 hours each week to afford a modest 1-bedroom rental home at Fair Market Rent in Thurston County. Thurston Regional Housing Council recommends that the Legislature enact reasonable rent stabilization measures to address rising housing costs.

Regional Housing Council Members

Carolyn Cox, Chair
City of Lacey
Councilmember

Carolina Mejia, Vice-Chair
Thurston County
Commissioner

Dani Madrone
City of Olympia
Councilmember

Michael Althausen
City of Tumwater
Councilmember

Brian Hess
City of Yelm
Councilmember

3. Pass legislation to eliminate unreasonable or “junk” fees in leases.

While tenant payments must be applied first towards rent, additional fees can add up on a tenant’s ledger preventing them from catching up on the balance owed. Some fees are incurred not just once but accrue daily. These can include late fees, legal fees, renewal fees, notice posting fees, annual administrative fees, lease violation fees, garbage valet services, and more. These fees can later end up on a judgment, reported to credit agencies, and reflected on a tenant’s rental history, which can impact their ability to access housing in the future. In Oregon, fees are clearly defined and limited under state law [ORS 90.140](#), preventing landlords from creating new fees. Thurston Regional Housing Council recommends that the Legislature take similar action to protect tenants from these types of fees.

II. Funding for Operations

4. Provide long-term operational funds for programs established and paid for by the Governor’s Rights of Way Initiative. Ranked #2 priority.

In Thurston County, Rights of Way Initiative funds have supported operations at an existing continuous stay shelter, a new enhanced shelter, a tiny home village, and hoteling and rent assistance for those fleeing domestic violence and for families. Current funding is only secured through June 30, 2025. Securing operational funding after this date is critical to ensure that residents of temporary housing are not displaced when funding ends. Thurston Regional Housing Council recommends that the Legislature identify long-term funding to continue Rights of Way-supported projects.

5. Fully fund the Housing and Essential Needs (HEN) Pilot Bridge funding program for Supplemental Security Income (SSI) recipients.

The Housing and Essential Needs program provides basic needs and rental assistance for low-income individuals who are unable to work for at least 90 days due to a physical and/or mental incapacity. Because it was created as bridge to federal support, when people qualify for Supplemental Security Income/Social Security Disability Income (SSI/SSDI) benefits, HEN benefits end, and people abruptly lose their rental assistance. A pilot program has been in place for several years to allow some HEN recipients to continue receiving rental assistance when they qualify for SSI or SSDI. This Pilot Program is at risk of ending. Thurston Regional Housing Council supports the Legislature extending and expanding the pilot program to allow HEN recipients to continue receiving rental assistance after they qualify for SSI/SSDI to prevent homelessness.

III. Funding for Affordable Housing Capital Projects

6. Increase capital funding through the Housing Trust Fund for the development and preservation of affordable housing. Ranked #3 priority.

There is a substantial need and demand for affordable housing in Thurston County. Under the analysis of affordable housing needs developed under HB 1220-Housing Amendments to the Growth Management Act, Thurston County needs to develop over 51,000 units of net new housing between 2020-2045. This affordable housing will not be created by the private sector on its own. Thurston Regional Housing Council recommends that the Legislature identify substantial and sustainable state resources to develop significant number of new affordable housing units.

7. Provide capital funding for the following specific projects located in Thurston County.

- a. Provide funding to convert the Maple Court enhanced shelter into Permanent Supportive Housing.

Maple Court enhanced shelter is funded under the Rights of Way Initiative (ROW Initiative). To create permanent housing for the shelter residents, it is necessary and intended to convert the property into Permanent Supportive Housing (PSH). To do so, substantial renovations of the property are needed to add kitchens to the current rooms and other appropriate renovations. Funding from the State earmarked for this project will speed the conversion of this property to PSH and reduce the amount of operational funding needed under the ROW Initiative for the enhanced shelter. Thurston Regional Housing Council recommends the Legislature earmark in Housing Trust Fund resources for this project.

- b. Provide gap funding for the 228 Olympia program, if funding is not provided under the Rights of Way Initiative.

Together We Grow (TWG) Development and Interfaith Works are partnering to construct the project known as 228 Olympia at 228 Olympia Ave and 303 Franklin Street in downtown Olympia. The project will construct 83 units of studio and 1-bedroom housing. TWG will be seeking both Housing Trust Fund (HTF) and Low-Income Housing Tax Credit funding. Although the HTF per project cap is \$5 million, TWG received a waiver from the Washington State Department of Commerce and a support letter from the City of Olympia to submit a request exceeding that amount. The HTF request is for roughly \$9.8 million. Thurston Regional Housing Council recommends the Legislature earmark \$9.8 million in Housing Trust Fund resources for this project.

8. Create a permanent fund source for the Housing Trust Fund.

During the 2023 Legislative Session, HB 1628 was introduced to enact a new state level Real Estate Excise Tax (REET) on very high value properties and also authorizes a new REET for affordable housing and operations. Thurston Regional Housing Council supports this type of legislation to create new permanent funding sources for affordable housing development.

IV. Support to Implement Housing Action Plans

9. Provide resources to increase capacity of local jurisdictions to implement Housing Action Plans.

In 2019, the Washington State Legislature passed HB 1923, aimed at encouraging cities planning under the state Growth Management Act to take actions to increase residential building capacity and has subsequently passed a number of bills supporting more affordable housing. In 2022 and 2023, the Cities of Lacey, Olympia, Tumwater and Yelm adopted Housing Action Plans in response to this legislation. Under the Regional Housing Council, jurisdictions are identifying cross-cutting actions that can be taken or supported on a regional basis to expedite efforts and ensure greater consistency between jurisdictional policies. However, implementation of much of the Housing Action Plans is limited by jurisdictional staff capacity. Thurston Regional Housing Council recommends that the Legislature provide resources directed at creating greater staff capacity to implement Housing Action Plans to support more effective and timely progress in achieving these Plans.