

December 20, 2021

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504

Dear Governor Inslee:

We are writing today for two purposes. First, to thank you for addressing the need for significant and sustainable investments to provide more diverse and affordable housing, as well as the much-needed investments to address homelessness. Cities applaud and appreciate the urgency and boldness of most of this proposal. We agree that the scale of investment you are proposing is what is needed to start to turn the corner on this crisis.

Secondly, we have significant concerns with your proposed legislation on missing middle housing. We urge you and your office to engage directly with cities and our Association on how best to achieve housing diversity, access, and affordability. While we share your goals, solving our housing challenges is more complicated than what a blanket zoning policy can fix. Cities also want more diverse and more affordable housing to be built. Merely creating new development authority through statewide rezones does not mean that the market will deliver that needed housing. And it certainly does not ensure any degree of affordability.

We believe the proposed one-size-fits-all approach to residential zoning in the state is misguided and will not achieve greater housing access or affordability in our communities. Worse, it will divert attention and resources from what will: locally-tailored solutions and greater investment to build more housing.

To cite one example, approaches that may work in the scorching real estate market in one land-constrained city within the Central Puget Sound, for instance, will not necessarily be the right approach in a similarly sized city in Central Washington – or even in a neighboring city. The housing market in the state is so varied that the UW Washington Center for Real Estate Research describes it as three states, due to the differing challenges across urban, micro-urban, rural communities; with further market distinctions depending on location within the state.

There is no doubt that we have a housing crisis; and that swift and effective action is necessary. In partnership with your administration, cities have been working with their communities and diving deep into their specific circumstances and developing local housing action plans. At least 148 cities now allow missing middle housing types in their single-family zones, with many allowing it across the entire residential area. What is “missing” is the market response. If zoning changes were the magic cure, we would expect to see middle housing types proliferating in those cities, but that has not been the case. Data from other states acknowledge this. For instance, statewide zoning changes in Oregon contained a provision restricting cities from projecting more than a three percent supply change. A University of California Berkeley Turner Center for Housing Innovation estimate was that only about one percent of lots would become financially feasible to see any new homebuilding as a result of California’s zoning mandate.

Zoned capacity is not the key driver in the housing market crisis. This proposal fails to recognize or attempt to address any of the significant factors contributing to this crisis. Increasing housing construction requires more than merely authorizing it. Private developers need to be able to make a profit building and selling housing units. With a tight real estate market, there is little incentive to build innovative housing types, and no incentive to sell or rent for below market value—which is not affordable for most Washingtonians. The current reality is that if we want more diverse and more affordable housing types, we need to invest in constructing or acquiring them with public funds. Cities welcome new financing options that would allow us to more directly engage in securing funding to get the right type of housing built for our communities—a key missing component of this proposal.

Statewide mandates that fail to respect the constitutional authority of locally elected decision makers and the intent of the Growth Management Act are not a solution. Cities have responded positively to legislative incentives to develop locally supported approaches to increase housing options and affordability. These are complex processes that involve community participation and evaluation of local circumstances and needs. We should be building more community engagement into the solution, not disenfranchising local residents altogether and moving decision-making to the halls of the Capitol.

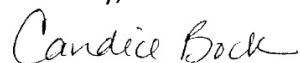
Let these recent state investments continue to pay dividends rather than derail the progress that is occurring. This approach is working, proving so promising that it was incorporated into President Biden’s housing agenda. Let’s build on and improve the work we have accomplished together, not toss it out.

Furthermore, we are concerned about a plethora of unintended consequences from a statewide-blanket approach. Without careful consideration at the local level, a policy like this could exacerbate affordability, displacement, and equity concerns. Additionally, through the cities who have led on this issue, we have learned that there are unique circumstances that cannot be accounted for at the state level – sewer systems at capacity, wetland areas, aquifer recharge areas where impervious surface must be protected, and transportation pinch points. Public health, the environment, and infrastructure are equally as important as affordability and must be an integral part of the solution—not set aside in favor of a simplistic approach.

Cities look forward to partnering on the funding investment proposals for affordable housing and homelessness response and hope to partner with you in helping shape this policy proposal into one that will yield results. We want to see housing units being built rather than just authorized, and we want to see affordability created, not just hoped for.

We look forward to working with you and your team, as these conversations unfold, on how best to achieve our shared goals.

Sincerely,



Candice Bock
Government Relations Director
Association of Washington Cities

cc: Drew Shirk, Executive Director of Legislative Affairs
John Flanagan, Senior Policy Advisor
Scott Merriman, Legislative Liaison, Office of Financial Management