SEATTLE CITY COUNCIL

February 10, 2020

Representative Nicole Macri
PO Box 40600
Olympia, WA
98504-0600
Nicole.Macri@leg.wa.gov

Senator Karen Keiser
PO Box 40433
Olympia, WA
98504-0433
Karen.Keiser@leg.wa.gov

Re: Support for New Revenue in HB 2907, Concerns with Preemption

Honorable Representative Macri and Senator Karen Keiser,

Thank you for your work on HB 2907 and companion SB 6669. We, the undersigned members of Seattle City Council, agree with this regional approach and strongly the support the bill as written. Our city and region have been in the midst of affordable housing and homelessness crises for decades, with the City of Seattle in a homelessness state of emergency since 2015. Seattle residents from every walk of life and across the income spectrum are impacted by these crises and all but the wealthy few are struggling with a growing shortage of affordable housing.

Our city enjoys low unemployment rates and economic stability, and our state and region are experiencing unprecedented economic growth. Yet Washington state maintains the most regressive tax structure and code in the nation, resulting in revenue and funding challenges that hit the hardest at the local level.

Thank you for your continuous work on looking to identify funding solutions and state-level policies to address these challenges. The City of Seattle continues to be a partner developing solutions our housing and homelessness crises. From the Regional Homelessness Authority to private philanthropic partnerships, be creative about the solutions, and invite all stakeholders to the table.

We applaud the legislature for your work to create a countywide revenue tool with HB 2907 and we support the bill in principle. We understand that conversations about including preemption continue and we oppose any such additions to the legislation at this time. We look forward to working with state legislators on any and all enhanced revenue options for municipalities, such as in HB 2907, and specifically ask that the Seattle City Council be included in the conversation as you consider changes to the bill.

We support regional solutions using progressive revenue sources to solve our crises and we desire a comprehensive solution that does not rely on staggered steps to solve these enormous problems—but we cannot currently support attempts that preempt us or strip us of our limited resources and make our city's tax code even more regressive. The City's taxation power is already extremely limited and, as it relates to this taxation tool, in many ways underutilized. To allow preemption in that context, sets up municipalities like Seattle to be on a slippery slope to further limiting our already narrow taxation powers. In the long-term, this would be a mistake. Instead, we support legislative efforts in the State Legislature to provide additional progressive taxation options to municipalities.

We urge you to work with the Seattle City Council and the many direct service providers, labor unions, and those with lived experience to build funding solutions that work for all of us. In our conversations with local stakeholders, our collective principles include:

- Increase the total revenue authority in HB 2907 to more closely align with the substantial needs across our region, as outlined by the Regional Affordable Housing Task Force or in the most recent McKinsey report;
- Do not pass legislation that preempts the City of Seattle from using the limited revenue streams we currently have. If preemption were added, the legislation as drafted would allow the majority of cities across the state to retain a revenue source, while putting Seattle and other cities in King County at a disadvantage;
- Specifically allocate the spending thresholds for various avenues to address the crisis (at least 50% for housing, with the remaining funding allocated for mental and behavioral health, enhanced shelter services & other evidenced-based supports); and
- Clarify the share of revenues to be allocated to the Regional Homelessness Authority to provide certainty as to the approximate balance of revenue available to the City and County.

We were elected to address the needs of our constituents and respond to pressing challenges facing our communities. Thus far, the State has offered limited tools to do so at the local level, and cities must retain every tool available to us, as we have a duty to our constituents to promote safe and healthy communities and provide services and care for our most vulnerable residents. We are deeply concerned about conversations that may limit those scarce tools and resources.

We stand ready to work with you on creative policy and funding solutions. Thank you again for your hard work and dedication to ensuring Washington and its cities remain a safe, thriving, and healthy place for all.

SEATTLE CITY COUNCIL

Sincerely,

J. Mosqueda	Budget Chair, Position 8
Lisa A. Herbold	Public Safety/Human Services Chair, District 1
Dan Strauss	Land Use and Neighborhoods chair, District 6
[illegible]	Community Economic Development Chair, District 2
Alex Pedersen	TRANSPORTATION AND UTILITIES COMMITTEE CHAIR, DISTRICT 4
Andrew J. Lewis	Homelessness and Neighborhoods Chair, DISTRICT 7
[illegible]	SUSTAINABILITY & RENTERS RIGHTS DISTRICT 3
[illegible]	Council President, Po. 9

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600 Fourth Avenue, Floor 2 | PO Box 34025, Seattle | Washington 98124-4025
Phone (206) 684-8888 **Email** council@seattle.gov