

## OFFICE OF THE GOVERNOR

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April 19, 2019

To the Honorable Speaker and Members, The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, Engrossed House Bill No. 1219 entitled:

"AN ACT Relating to providing cities and counties authority to use real estate excise taxes to support affordable housing and homelessness projects."

We are indeed facing a severe housing shortage in this state and across our nation, and I strongly support this bill. Some towns have already used this increased flexibility in the use of Real Estate Excises Taxes to provide critical shelters and services for families. Extending the timeline for the use of these funds provides cities and counties one of the tools necessary to plan for, acquire, and construct additional shelters and affordable housing in their communities.

However, I am concerned that the language in Section 1, the intent section, could be construed to imply that the use of the Real Estate Excise Tax is sufficient for every community to develop affordable housing and prevent people from entering homelessness. Much more work needs to be done in the areas of zoning and permitting; infrastructure development fees; tax incentives for affordable housing development; and innovative approaches to increase density, improve efficiency and reduce costs. I will work with interested members of the legislature on developing a comprehensive package of tools to help cities and counties adequately address these housing shortages.

For these reasons I have vetoed Section 1 of Engrossed House Bill No. 1219.

With the exception of Section 1, Engrossed House Bill No. 1219 is approved.

Respectfully submitted,

Jay Inslee

Governor