



1211 South Pearl St. | Tacoma, WA 98465
253.272.2112 | www.masterbuilderspierce.com

December 2, 2025

Tacoma City Council
747 Market Street, 1st Floor
Tacoma, WA 98402

Dear Tacoma City Council Members,

On behalf of the Master Builders Association of Pierce County (MBAPC), thank you for the opportunity to share some comments and concerns regarding O29082 and O29086.

Our message today is the same as it has been all year: **Tacoma cannot make housing more affordable by continuing to make it more expensive to build.** It is reasonable to expect that new residents will contribute to public infrastructure improvements that benefit the broader community. However, those costs must be balanced with the very real challenges of housing affordability, particularly in Tacoma, where the median home price now stands at \$485,000.

Unfortunately, each additional fee increase, including those proposed in **Ordinance 29082**, is eventually paid by residents seeking stable and attainable housing. As a result, the city should carefully evaluate which improvements are essential, and which might be deferred or scaled to ensure that housing prices are stabilized, and new construction remains feasible. National studies show that for every \$1 increase in fees tied to building permits, the selling price is increased by \$1.20. If the council decides to move these fees forward, the most effective way of balancing housing costs with civil improvements would be a codified exemption for projects already making off-site improvements to avoid added costs that are redundant and cost multiplying.

Additionally, to continue the discussion on today's topics, the MBAPC supports the proposed changes to the Landlord Fairness Code Initiative (**Ordinance 29086**). We believe these are necessary adjustments which benefit the broader housing market in Tacoma and the South Puget Sound. What occurs in one sector of the housing market has ramifications across all other sectors. As a result, Tacoma must ensure the preservation of available units to avoid worsening the housing crisis. Both tenant and landlord protections are imperative, though it is important to strike a balance that guarantees the rental system functions in the long term.

These concerns are particularly timely as Tacoma has gradually become a more difficult place for homebuilders year after year with an **increasingly complex and burdensome regulatory landscape, increased taxes/fees, and persistent permitting delays.** While we understand the city is facing budget

challenges, these unpredictable regulatory fluctuations have already prevented many new homes and rental units from ever materializing by surging the cost of construction and maintenance.

A prime illustration is how this council recently repealed the deduction for Contribution in Aid of Construction to the Utilities Gross Earnings Tax, imposing a **new 8% tax** on any permits or related assets that are **gifted** to the utility. While each of these actions may not appear consequential on their own, the combined effects of these decisions lead to higher cost projects with lower densities and declining permitting overall.

If these trends continue, the council risks contradicting the spirit of Home in Tacoma, which was passed with the intention of boosting housing production and affordability. With this, we urge you to **vote no Ordinance 29082** or amend the ordinance to exempt projects that are contributing off-site improvements.

The MBAPC requests the Tacoma City Council to work collaboratively with housing advocates to ensure critical city infrastructure is adequately funded without jeopardizing housing affordability and economic development in Tacoma.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Kuo", is positioned above the typed name and title.

Legislative Strategy Committee Chair
Master Builders Association of Pierce County