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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 the proposed Transportation Impact Fee currently under consideration.

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, while leveraged on construction, eventually becomes a fee paid directly 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 in a way that ensures that housing prices are stabilized while new construction remains feasible and incentivized to lower costs and promote economic activity.

These concerns are particularly timely as Tacoma has steadily 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, it is not sustainable to keep the city's budget balanced on the back of new homes, particularly during a housing crisis and while permitting issues remain unresolved.

Similarly, just one year ago this council repealed the deduction for Contribution in Aid of Construction to the Utilities Gross Earnings Tax, imposing a **new 8% tax** on any permits or related assets that are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 will lead to higher cost projects with lower densities and declining permitting overall. This trend would not only directly contradict the Council's stated goals for housing production, affordability, and economic development, but would ultimately risk the City's fiscal health in the long term.

According to the National Association of Home Builders, for every \$1,000 increase in the cost of a home in our region over 1,100 households are priced out of the marketplace. Subsequently, the decision to simply

implement more fees will only harm residents and disincentive new construction in Tacoma. With this, the Council should seek a more balanced approach that maintains critical infrastructure while keeping housing within reach for current and future residents. If the council decides to move these fees forward, at the very least there should be an exemption added for projects already making off-site improvements.

The MBAPC encourages 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 Kue". The signature is fluid and cursive, with the first name "Sam" and last name "Kue" clearly distinguishable.

Legislative Strategy Committee Chair
Master Builders Association of Pierce County