1. **Welcome and Roll Call** – Councilmember Tola Marts, Issaquah, Chair
   2 minutes

2. **Public Comment** – Councilmember Tola Marts, Issaquah, Chair
   10 minutes

3. **Approval of minutes – July 12, 2017 meeting**
   Page 5
   2 minutes

4. **Chair’s Report** – Councilmember Tola Marts, Issaquah, Chair
   5 minutes

5. **SCA Staff Report** – Brian Parry, Senior Policy Analyst
   10 minutes

6. **Children & Youth Advisory Board and Solid Waste Advisory Committee Appointments**
   **ACTION ITEM**
   Page 19
   Leanne Guier, PIC Nominating Committee Chair
   (5 minute committee report and action)
   5 minutes

7. **Regional Centers**
   **DISCUSSION ITEM**
   Page 21
   Brian Parry, Senior Policy Analyst
   (5 minute staff report, 10 minute discussion)
   15 minutes

8. **Veterans, Seniors and Human Services Levy**
   **UPDATE**
   Page 27
   Ellie Wilson-Jones, Senior Policy Analyst
   (5 minute staff report, 5 minute Q and A)
   10 minutes

9. **Metro Flat Fare Proposal**
   **UPDATE**
   Page 31
   Cynthia Foley, Policy Analyst
   (5 minute staff report, 5 minute Q and A)
   10 minutes
10. **2017 State Legislative Session Recap**
   
   UPDATE  
   Page 37  
   Ellie Wilson-Jones, Senior Policy Analyst  
   (5 minute staff report, 5 minute Q and A)

11. **Future Levies and Ballot Measures in King County**
   
   UPDATE  
   Page 47  
   Brian Parry, Senior Policy Analyst  
   (2 minute staff report, 3 minute discussion)

12. **Potential Upcoming SCA Issues**
   
   UPDATE  
   Page 49  
   Ellie Wilson-Jones, Senior Policy Analyst  
   (2 minute staff report, 3 minute discussion)

13. **Upcoming Events**
   
   a. SCA Public Issues Committee Meeting – Wednesday, October 11, 2017 – 7:00 PM (6:00 Pre-PIC Workshop) – Renton City Hall

14. **For the Good of the Order**

15. **Adjourn**

**Did You Know?**

In 1888, Leigh S.J. Hunt, owner of the Seattle Post-Intelligencer, bought most of the land known today as Yarrow Point. He built a large estate on the northern shoreline and named it “Yarrow” after a favorite poem titled “Yarrow Revisited” by William Wordsworth. It was from this that the town acquired its name, Yarrow Point. SCA welcomed the Town of Yarrow Point as it’s newest member on August 1, 2017. SCA’s membership now includes 38 cities—all the cities in King County outside of Seattle.
Sound Cities Association

Mission
To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

Vision
To be the most influential advocate for cities, effectively collaborating to create regional solutions.

Values
SCA aspires to create an environment that fosters mutual support, respect, trust, fairness and integrity for the greater good of the association and its membership.

SCA operates in a consistent, inclusive, and transparent manner that respects the diversity of our members and encourages open discussion and risk-taking.
1. Welcome and Roll Call
PIC Vice Chair Councilmember Ed Prince, Renton, called the meeting to order at 7:13 PM. 23 cities had representation (Attachment A). Guests present included Councilmember Carol Simpson, Newcastle; Councilmember John Stilin, Redmond; Michael Huddleston, King County Council staff; Kelly Marquardt, Office of Rep. Suzan DelBene; Briahna Murray, Gordon Thomas Honeywell Governmental Affairs; Councilmember Ryan McIrvin, Renton; Lyman Howard, City of Sammamish staff; Diane Carlson, King County Executive’s Office staff.

2. Public Comment
Vice Chair Prince asked if any member of the public had any public comment. Seeing none, Prince closed the public comment portion of the meeting.

3. Approval of the May 10, 2017 Minutes
Councilmember Ross Loudenback, North Bend, moved, seconded by Council President Hank Margeson, Redmond, to approve the June 14, 2017 PIC minutes. There was no discussion. The motion passed unanimously.

4. Vice Chair’s Report
Vice Chair Prince invited a motion to cancel the August 9, 2017 PIC meeting as had been previously discussed by the PIC in June, but not yet formally acted upon. Council President Hank Margeson, Redmond, moved seconded by Councilmember James McNeal, Bothell, that the August 9, 2017 PIC meeting be cancelled. The motion was approved unanimously.

Prince introduced new SCA Policy Analyst Cynthia Foley. PIC members welcomed Foley. Prince noted that the PIC will meet have a December PIC meeting, to recommend 2018 SCA appointments for regional boards and committees. The meeting will be held on December 13, 2017. Members with questions about the appointment process and anticipated vacancies are encouraged to contact SCA Executive Director Deanna Dawson promptly as she will be on parental leave beginning in August.

5. Executive Director’s Report
Deanna Dawson, SCA Executive Director reported that SCA 2018 appointments are taking place in December this year because of the late date of the general election, November 7, 2017.
Council President Hank Margeson, Redmond, encouraged members to speak with their councils about upcoming committee opportunities and suggested that potential applicants attend a meeting of the regional board or committee for which they are interested in this year to get a better sense of the committee. Dawson noted that the PIC Nominating Committee often takes note of such advance interest when recommending appointments. Dawson highlighted that a large number of vacancies are anticipated for 2018, due to retirements, and reiterated that members should contact her soon should they have any questions about opportunities to serve on regional boards and committees.

Dawson shared the news that Yarrow Point has decided to join SCA. Dawson thanked SCA President and Kenmore Mayor David Baker for his leadership in expanding SCA’s membership to a full 38 cities. With the addition of Yarrow Point, Dawson noted that the quorum requirement for future PIC meetings will increase to 20.

Dawson encouraged members to attend the next SCA networking event, to be held July 19, 2017 at 5:30 p.m. This will be a joint meeting with the National League of Cities (NLC) First Tier Suburbs Council. Dawson noted that Auburn Councilmember John Holman is a vice chair of the NLC First Tier Suburbs Council and has been assisting in preparations for the event. Attendees from the NLC First Tier Suburbs Council have asked to hear more about SCA and how it works and are excited to meet SCA members. The program will also feature a federal update from NLC staff and a legislative update from Association of Washington Cities CEO Peter King. New councilmembers and candidates for city office are particularly encouraged to attend as the event will provide an opportunity to learn more about SCA and regional governance.

There will also be an SCA networking event September 6, 2017 featuring a panel of legislators and recap of the 2017 legislative session. The SCA annual meeting will be November 29, 2017, and caucus meetings will be held December 6, 2017 for the South and South Valley caucuses and December 7, 2017 for the North and Snoqualmie Valley caucuses. During these meetings, caucuses will elect their representatives to the SCA Board and discuss policy priorities for the coming year. Members are encouraged to talk with Dawson if they are interested in running for the Board.

Dawson reported that the SCA Board decided June 28, 2017 to retain the existing process for setting membership dues (population times an assessment rate that is adjusted by CPI-W June to June for Seattle/Tacoma/Bremerton with a floor of 0% and a cap of 3%). This will enable SCA to notify member cities of proposed dues during the summer.

Dawson reported on an effort (led by former Governor Chris Gregoire and Challenge Seattle, and businesses including Microsoft and Boeing) to improve the regional economic development system. A working group from Pierce, Snohomish, and King County is working to put together ideas, and Dawson represents SCA in the effort.

Dawson concluded by noting that this may be her final PIC meeting of the year as she will be leaving in the coming weeks for parental leave. During this leave, SCA Senior Policy Analyst Brian Parry will be assisting with administration of the organization, and SCA Administrative Services Manager Caitlin Magee will continue to be available to assist from the SCA office.
6. Regional Affordable Housing Task Force

Brian Parry, SCA Senior Policy Analyst, reported that a kickoff meeting of the King County Regional Affordable Housing Task Force was scheduled for Friday, July 14 at the Renton Community Center. The Task Force was established by King County Council Motion 14873, approved by the Council in May. Per Motion 14873, the Task Force membership includes twelve voting members and one ex officio (non-voting) member. SCA was asked to recommend four voting members representing North King County, East King County, South King County, and cities in the rural area. SCA held a call for nominations beginning in April. Four nominees were recommended by PIC on May 10 and approved by the SCA Board on May 17.

The SCA representatives on the Task Force are Mayor David Baker, Kenmore, representing North King County; Mayor John Stokes, Bellevue, representing East King County; Mayor Ken Hearing, North Bend, representing cities in rural areas; and, Councilmember Ryan McIrvin, Renton, representing South King County.

The Task Force is scheduled to recommend a final Regional Affordable Housing Strategy to the County Executive and Council no later than December 2018. Per Motion 14873, the Task Force work will include: assessing the current state of regional housing affordability in King County, including ongoing efforts by jurisdictions; developing a recommended statement of intent to address the regional affordable housing crisis in King County; identifying collective tools and actions that can be taken at the regional level to create more affordable options where needed and preserve affordable housing where it exists today, which could include a recommended plan for new partnerships, local strategies, regulatory reform, and funding approaches that could include, but is not limited to, evaluating a countywide sales tax levy under RCW 82.14.530; develop and recommend a state legislative strategy to address issues relating to affordable housing and homelessness; and developing a dashboard to display regional progress in achieving the affordability goals of the Countywide Planning Policies.

Parry said the Task Force will be developing its work plan, beginning with the kickoff meeting on July 14 and that PIC members were encouraged to provide input on their affordable housing priorities to help inform the four SCA members appointed to the Task Force.

Councilmember Barre Seibert, Clyde Hill, stated that Clyde Hill lacks affordable places for some people who work in the city to live. He is interested in working as part of a regional effort to address affordable housing needs. He said that Clyde Hill currently participates regionally in efforts to address affordable housing through its participation in A Regional Coalition for Housing (ARCH) with other eastside cities and also rents a city-owned home at a below market rate to people in need of assistance.

Councilmember Sheree Wen, Medina, said that Medina has been contributing funding to ARCH to help address affordable housing regionally. She said she was interested in the Task Force helping identify where funding is spent and that she would like to see more affordable housing nearer to her community.

Councilmember Austin Bell, Burien, noted that his comments would reflect his personal opinions as the full city council has not discussed the Task Force. He said that he hears two
primary areas of concern from members of his community. The first is residents being forced to move out of their homes and the community because they can no longer afford to live there. The second is concerns from people who are seeing the character of their neighborhoods change with infill development and higher densities. He encouraged the Task Force members to look at an array of options, including low-impact infill development.

Mayor Jonathan Chicquette, Normandy Park, said that he is concerned about his city’s growing senior population and their ability to continue to afford to live in their homes. He said he would like the Task Force to look at options to create affordable housing for seniors.

Councilmember Erin Weaver, Maple Valley, said that in contrast to some other cities in the region, Maple Valley is where people are moving to find affordable market rate housing. She said her concern is that people are looking very far away from their workplace to find housing they can afford. She said her priority is transportation and transit access to move people from their homes to work.

Mayor Chris Roberts, Shoreline, said that he agreed with the comments from previous speakers.

Councilmember Toby Nixon, Kirkland, highlighted several efforts under way at the City of Kirkland to address affordable housing. The city recently launched an affordable housing task force that was developing recommendations for the city council. He said the city also recently identified a location for a women and families shelter and is working to secure the remaining funding. The city has also implemented an inclusionary zoning ordinance that requires 10% of units in multifamily projects to be affordable. A demolition fee to support affordable housing projects has also been discussed, but there are concerns about that tool. He said he hoped to have the recommendations of the city’s task force in time to help inform the regional effort.

Dawson asked whether Kirkland might share the work plan of the Kirkland task force. Nixon agreed to look into providing that information.

Councilmember Lydia Assefa-Dawson, Federal Way, noted that her comments would reflect her personal thoughts and not the full city council. She said that many residents in Federal Way feel like there is already enough affordable housing and some associate crime and other negative community impacts with housing assistance for low income residents. She spoke also to the difficulties those with Section 8 vouchers have in securing housing in the current market. Some recipients are unable to use their vouchers, because they cannot find available units. She suggested that the Task Force look to ways to better help the community understand the many different affordable housing needs in our region.

Councilmember Benson Wong, Mercer Island, noted that he had not yet had the opportunity to discuss the issue with his council, but shared his personal observations. He said that 20% of Mercer Island’s population is 65 and over, and that many would like to be able to downsize their homes without moving out of the community. He said the city is looking at a variety of changes to the residential development code to encourage more housing diversity. He said he would like the Task Force to provide information on tools other jurisdictions are using to
address these concerns. He noted that Mercer Island has an existing Accessory Dwelling Unit (ADU) program and contributes to ARCH.

Councilmember Rich Crispo, Newcastle, noted that the city has requirements in place for affordable units in multifamily projects and also participates regionally as part of ARCH. He said he is concerned about residents who have lived in the city for many years who are at risk of being priced out of their homes, including by increases in federal, state, and local taxes. He said more attention should be paid to unintended consequences of policies that could increase costs for homeowners and force them out of their homes.

Councilmember Mariah Bettise, Issaquah, said the city is currently working on an affordable housing strategy. She said the city has a moratorium in place and is exploring options to increase the supply of affordable housing. She said she would like the Task Force to help identify tools that jurisdictions could use to help address the problem.

Mayor Dave Hill, Algona, said that compared to most other cities in King County, Algona is where the region’s affordable housing is located and his concern is maintaining their existing affordable housing stock. He said the biggest challenge for south county is transportation and getting people from where they can afford to live and where job centers are located.

Councilmember Ross Loudenback, North Bend, said the city’s greatest need is workforce housing. He said he would like to see more jobs in the Snoqualmie Valley so that people don’t have to travel as far for work, and improvements to the transportation system. He said the city will soon be adding 400 new units of multifamily housing with 10% required to be affordable, and that adding housing stock was important.

Mayor David Baker, Kenmore, highlighted several efforts under way at the city to promote affordable housing, including the upcoming opening of a Mary’s Place shelter and transit oriented development with density bonuses granted if a developer provides affordable units. He said a big concern is the lack of housing for people earning 30% of area median income. He said he is also concerned about the percentage of older adults increasing in the homeless population because they cannot afford to stay in their homes on the amount of money they saved for retirement.

Deputy Mayor Christie Malchow, Sammamish, highlighted efforts to require affordable housing in their town center plans. She said she was also concerned about the city’s aging population being forced out of their homes by rising costs. She also suggested looking at impacts from foreign investors purchasing homes with cash offers as investment properties. She said transit and bus service are important pieces that need to be considered by the Task Force.

Councilmember Fran Hollums, Covington, said the biggest concern in her community is infrastructure, and getting people through the city from homes where they can afford to live to their workplace. She said new housing is in the pipeline that may help address affordability, but transportation will still be a major concern.
Councilmember Amy Ockerlander, Duvall, noted that her Council has not reached agreement on tools to address affordable housing, but offered comments reflecting her personal position. She said she is concerned new homes being built in the city are not affordable. She said new houses were starting at $750,000, and that older apartments in the city are charging rents of $1,600 and more. She said the city is looking for tools to bring about more workforce housing, but that they have limited options because much of the planned development is already vested and wouldn’t be impacted by new regulations requiring affordable units. She said that she too is concerned about transportation and access to transit as people are forced to move farther from work to find homes they can afford.

Councilmember John Holman, Auburn, said he concurred with many of the concerns raised by others.

Council President Hank Margeson, Redmond, highlighted some efforts under way in Redmond to promote affordable housing. He said that Redmond has a shelter for young adults, a recent project opened with more than 70 units of affordable senior housing and on-site medical care on property owned by the city, and the city participates in ARCH. He noted that the city has an inclusionary zoning program that provides for homes affordable to those earning up to 80% of area median income, and that next week the city would be considering an ordinance to implement a multifamily tax exemption to stimulate construction of affordable multifamily housing in targeted areas of the city. He said the city is concerned about seniors being able to downsize their homes while staying in the community. He said many seniors find they can’t afford to downsize in the current market, and that this is having downstream impacts on the availability of housing for first time homebuyers and others looking for market rate housing they can afford. He said transit oriented development and tools that can reduce multifamily rents are a priority, and that he is interested in reducing barriers for people in the community to use existing tools that could increase the stock of affordable housing such as Accessory Dwelling Units.

Council President Bill Boyce, Kent, said the city has been a strong proponent of affordable housing. He said his concerns are how long new affordable units are maintained as affordable, and also that affordable units be kept in good condition.

Councilmember James McNeal, Bothell, said the city is also a participant in ARCH. He said that new homes being built in the city are starting at more than $900,000. He said he shared the concern voiced by others that seniors be able to stay in their homes or in their community if they wanted to downsize. He said he would like the Task Force to provide resources and education on successful efforts so that cities could learn from each other what strategies work best or pitfalls that should be avoided.

Councilmember Kate Kruller, Tukwila, highlighted ongoing efforts in the city to maintain its affordable housing supply, noting that median home prices in Tukwila are lower than many other areas in the county. She said the city is looking at areas with future development potential in the city that could help address the need for more affordable housing in the city. She said that some residents, especially in the immigrant community, were being forced to move to other parts of the county where they could afford to find homes that are affordable in
proximity to each other. Tukwila also has a rental housing inspection program to help maintain quality affordable housing units.

Vice Chair Ed Prince, Renton, said that 40% of households in the city are cost burdened and the Renton Housing Authority has more than 1,600 people on its waitlist for housing vouchers. He said concerns about affordable housing include not only vulnerable populations, but the ability of middle income families to afford to buy and stay in their homes. He said the city was dedicating a staff person to work with the Task Force and that he hoped the Task Force would work to develop a menu of options for developing new affordable housing and reducing the cost of existing tools like Accessory Dwelling Units.

Councilmember Ryan McIrvin, Renton, was asked by Vice Chair Prince to address the PIC as a member of the Task Force. McIrvin thanked PIC members for their input and encouraged members to continue to share their thoughts with him as the Task Force goes about its work. He said one recurring theme he heard from members is the need to address the region’s changing demographics and housing needs at all ends of the spectrum from seniors looking to downsize to millennials looking for a starter home. He said condominiums should be included as part of the solution and that they are not being built right now because of current state law. He also said that wages and other factors that help people achieve affordability should be considered by the Task Force.

7. Regional Centers

Brian Parry, SCA Senior Policy Analyst, provided an update on regional centers policy changes under consideration by the Puget Sound Regional Council (PSRC) Growth Management Policy Board (GMPB). In July, the GMPB worked to narrow the scope of alternatives provided in a stakeholder working group report for modifying current regional centers policies. Members of the SCA GMPB caucus provided feedback to PSRC staff on the options under consideration and are seeking ongoing input from the PIC before any final recommendations are made.

Parry reported that the GMPB is working to develop recommendations for public comment, potentially in September or October of 2017. Final recommendations are currently anticipated to be sent to the PSRC Executive Board for final approval as early as November or December of 2017.

In July, the GMPB focused on three primary policy areas concerning regional centers: how large military installations should be incorporated into planning for centers; minimum eligibility criteria for Manufacturing/Industrial Centers; and reviewing and standardizing Regional Growth Center designation criteria. Parry noted some jurisdictions are looking to broaden the areas eligible for federal funds allocated through PSRC. Specifically, by expanding criteria to compete for regional funds to include areas with large military facilities on par with Regional Growth Centers, and to industrial areas that do not meet the current minimum job thresholds identified by the region.

While recognizing the important role military facilities play in our region’s economy, SCA members on GMPB observed that military facilities are fundamentally different from the types of centers cities are investing in and planning for. Members noted that jurisdictions make
difficult decisions to accommodate growth and its impacts, and that federal funds allocated through PSRC are critical to mitigating those impacts. SCA members also recognized the importance of preserving limited industrial lands, but encouraged maintaining a minimum job thresholds or other evidence of economic activity to prevent allocating resources that may not ultimately help preserve or promote industrial job growth. Members also expressed support for continuing to prioritize regional funding to areas with high levels of existing employment. For Regional Growth Centers, members encouraged flexibility for currently designated Regional Growth Centers that may fall short of the new planning targets, especially when a jurisdiction has demonstrated a commitment to plan for and encourage growth in centers; and, that identifying different capacity and roles for centers may be of value, but that much more information is needed about how creating any new categories of centers would be incorporated into future funding competitions.

Parry reported that the next meeting of the GMPB is scheduled for September 7, and encouraged PIC members to provide feedback at PIC or directly to SCA staff.

8. Veterans, Seniors and Human Services Levy
Ellie Wilson-Jones, SCA Senior Policy Analyst, reported on work underway by the Regional Policy Committee (RPC) and King County Council on legislation to place a Veterans, Seniors and Human Services Levy (VSHSL) on the November ballot to replace the expiring Veterans and Human Services Levy. In June, PIC members were invited to provide input into the levy legislation. That feedback was discussed by the SCA Board on June 28 and comments from both the PIC and the SCA Board were carried forward to the SCA RPC members.

As previously reported to the PIC, the King County Executive transmitted a proposal to place a VSHSL on the ballot at a rate of $0.12 cents per $1,000 in assessed value, but the levy was amended by RPC to a revised rate of $0.10 per $1,000 in assessed value. There was a recognition at that time that more work was needed on the ordinance and that further amendment would take place at the King County Council before it was returned to the RPC.

From RPC, the legislation next moved to the King County Council’s Budget and Fiscal Management Committee, which on June 28, returned the rate to $0.12 as originally proposed by the Executive and made a number of other changes summarized in the PIC Packet on page 29. Subsequently, on July 5, the full King County Council lowered the rate back to $0.10 and adjusted the levy structure. As originally proposed by the Executive, generally one-third of levy proceeds would go to each of three buckets: veterans, military service members, and their families; seniors; and vulnerable populations—a more general human services category. With a 5-4 vote, the Council amended this structure to effectively direct half of levy funding to services for veterans and half to others. Specifically, the new service category for seniors would be split so that half of the funding would be required to be used for seniors who are also veterans, military service members, or their respective families and caregivers. This is the version of the ordinance that returned to RPC for action on July 12.

On July 12, prior to the PIC meeting, RPC amended the legislation further. The rate remains at $0.10 per $1,000 in assessed value, but under a striking amendment offered by Kent Mayor Suzette Cooke and approved with a 9-3 vote, the structure now goes back to what had
originally been proposed by the Executive and discussed here with the PIC: one third of funding will go to services for each of three populations. The striking amendment also spoke to streamlining county processes for the review and approval of housing facilities and the need to recognize geographic differences, such as housing costs, when assessing the need for housing investments. SCA RPC members also offered two additional amendments, which were approved unanimously: First, to cap county planning, administrative, and evaluation expenses at 5 percent, and second, to more explicitly require forthcoming implementation and governance plans called for under the levy ordinance be mandatorily referred to the RPC.

The next step will be for the legislation to move back to the King County Council. If the King County Council approves it, as currently drafted on July 17, it will be placed on the November ballot. If the King County Council changes the legislation further, it will go back to the RPC during a special meeting July 19 and then would need to go back to the King County Council for action by August 1. Additional scenarios are also possible, but would require six votes by the King County Council.

Deputy Mayor Christie Malchow, Sammamish, reported that her City Council discussed the levy proposal recently and were generally supportive but were also concerned about scope-creep with the proposed replacement levy and expanded rate. Deanna Dawson, SCA Executive Director, noted that SCA RPC members shared concerns about voter tax fatigue heard from other SCA Members and have a primary consideration of getting a levy placed before voters and having it win their support. Dawson reiterated that the King County Council is anticipated to act on the levy ordinance July 17 and encouraged members to provide feedback to their King County Councilmembers.

Mayor Dave Hill, Algona, who serves as an alternate to the RPC, noted that the levy could help to address some of the housing affordability concerns discussed under the prior agenda item because the levy proposal would direct funding to housing, including housing specifically for seniors. Wilson-Jones added that in the first year, at least half of the funding from each of the three population categories would go to investments in housing stability and at least a quarter in future years.

Deputy Mayor Sheree Wen, Medina, expressed concerns about potential cuts to federal funding for U.S. Department of Housing and Urban Development housing programs and whether local funding would be sufficient to cover the gap.

Mayor Rich Crispo, Newcastle, highlighted the need to consider the cumulative impact of various taxes on residents. With recent tax increases related to Sound Transit 3 and state funding for schools, voters may not be supportive of this levy.

9. 2017 State Legislative Session
Ellie Wilson-Jones, SCA Senior Policy Analyst, reported that the 2017-19 state biennial operating budget was signed by Governor Jay Inslee late on June 30, one day before the state government was due to partially shut down. The $43.7 billion biennial operating budget is coupled with a school funding deal that will add $7.3 billion in state funding for schools over the next four years. To fund this, legislators increased the statewide property tax for education
while limiting local school districts’ levy authority. Taxpayers in King County area school districts are the hardest hit while most other parts of the state would see decreases in property taxes. The impacts for each school district are available here.

The operating budget maintains the bulk of revenues shared with cities and will provide some new revenues—including collection of sales tax from out-of-state internet retailers and tax on bottled water and extracted fuels. AWC has prepared a detailed chart of the impacts of the operating budget on cities, including reductions to marijuana mitigation revenues.

The Senate proposal to eliminate the state’s contribution to LEOFF 2 pension obligations was not included in the final budget. Advocacy by cities—and especially Redmond Mayor John Marchione and nearly 30 SCA mayors who joined an op-ed in the Seattle Times—was reported to be essential.

Under a revenue bill passed by the Legislature, the manufacturing business-and-occupation tax rate reduction first approved for Boeing in 2003 would have been extended to all other Washington manufacturers. However, Governor Inslee vetoed this provision.

The Capital budget is still pending, with the current 30-day special session ending July 20. The House earlier passed out a capital budget 92-1 that would include significant funding for King County projects. However, the capital budget is tied up with an ongoing deadlock on legislation to address two recent state Supreme Court decisions affecting water availability for development. Republican state Sen. Michael Baumgartner of Spokane has also put out a statement that there would be no Capital budget unless the Legislature overrides the Governor’s veto.

Wilson-Jones recapped the status of SCA’s three adopted priorities for the 2017 legislative session: adjusting the property tax cap, investing in public health services, and addressing the housing and homelessness crisis. First, the Legislature did not act on adjusting the property tax cap for local governments. On public health investment, there was a statewide increase of funding for foundational public health services of $12 million, with approximately $2 million of that going to the Seattle-King County Department of Public Health in the next biennium. On housing and homelessness, House Democrats and Senate Republicans reached a compromise to extend the document recording fee through 2023 as part of a broader bill, SB 5254, that also allows a portion of REET II funding to be used for homeless housing development in the current biennium under certain conditions; makes changes to the Growth Management Act’s buildable lands program; among other provisions. Investment in the Housing Trust Fund remains uncertain while budget negotiators continue to work on a capital budget deal. The Housing and Essential Needs (HEN) program provides services to address homelessness and has been fully funded in the operating budget. The budget also allows for full implementation of the Medicaid 1115 Waiver, which will help to provide services linked with housing.

Wilson-Jones noted that Tim Eyman announced July 11 that he will be gathering signatures for an initiative to the Legislature to set annual car tabs at a flat $30, barring local transportation benefit district fees and effectively repealing all Sound Transit related car tab fees.
Wilson-Jones concluded her report by recognizing Shoreline Mayor Chris Roberts and Kirkland Councilmember Dave Asher as well as Tom Brubaker, Deborah Needham, and Kim Crause, staff for the cities of Kent, Renton, and Burien respectively, all of whom received 2017 Advocacy All-Star Awards from the Association of Washington Cities. Wilson-Jones thanked all SCA members for their efforts during the very long, and still ongoing, 2017 legislative session.

Council President Hank Margeson, Redmond, noted that while the Legislature did not take action to adjust the property tax cap for local governments, the Legislature had however exempted the state from the rule for purposes of school funding and noted that, similarly, the Legislature has exempted itself from Public Records Act requirements that apply to local governments.

10. Future Levies and Ballot Measures in King County
Brian Parry, SCA Senior Policy Analyst, reported on the list of potential levies and ballot measures in the PIC Packet. If members have updates to the list, they can be provided to SCA at brian@soundcities.org.

11. Potential Upcoming SCA Issues
Deanna Dawson, SCA Executive Director, reported that this is a recurring monthly agenda item providing a list of potential issues that SCA will track and may bring back at a later time. Members are asked to provide her with any updates to the list via email at deanna@soundcities.org. Dawson said there is a pre-PIC workshop scheduled in September on heroin and opioid epidemic and its connection to property crime in the region. Presenters will include law enforcement representatives from the cities of Auburn and Renton.

Councilmember Sheree Wen, Medina, provided information on a letter drafted by the United States Conference of Mayors to the FCC supporting “net neutrality” rules. She reported that there are significant concerns with the FCC’s proposal to rollback internet regulations that promote privacy protection, the flow of information over the internet, and costs to consumers. She encouraged cities to consider writing to the FCC chair opposing the rollback of regulations. Mayor David Baker, Kenmore, reported that the National League of Cities is also working on the issue in support of net neutrality.

Mayor David Baker, Kenmore, reported on a letter being drafted to urge the federal government to allocate funding needed to perform non-routine major maintenance on the Ballard Locks. He said the Locks have functioned long past their design lifespan and that the failure of the system would cause significant damage to the local economy and property. Dawson noted that SCA staff will circulate the letter with SCA mayors.

12. Informational Items
Vice Chair Prince reported that an informational item on the King Conservation District Program of Work is contained in the PIC Packet beginning on page 43. Members with questions should contact SCA policy analyst Ella Williams at ella@soundcities.org.

13. Upcoming Events
Vice Chair Prince reported that SCA is jointly hosting a networking event with the National League of Cities First Tier Suburbs Council on July 19 at 5:30 PM at the Renton Pavilion Events Center.

Vice Chair Prince reported the next PIC meeting will be held September 13, 2017 from 7:00 PM to 9:00 PM at Renton City Hall with a pre-PIC workshop on the law enforcement response to the heroin and opioid epidemic at 6:00 PM.

14. For the Good of the Order
Vice Chair Prince highlighted the month’s “Did You Know” on the PIC agenda, which features the City of Sammamish. Vice Chair Prince also congratulated Councilmember Christie Malchow, Sammamish, on her recent appointment as Deputy Mayor. Vice Chair Prince asked if any member wished to offer further comments. SCA Executive Director Dawson reported on the opening of the new Hyatt Regency on Lake Washington in Renton, and the new commercial construction and development happening adjacent. She encouraged members to visit the property, and the new waterfront restaurant in Renton.

The meeting was adjourned at 8:46 PM.
## Public Issues Committee Meeting
### July 12, 2017

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Voting members are highlighted in gray. Cities represented are bolded.
Item 6:
Children & Youth Advisory Board and Solid Waste Advisory Committee
Appointments

ACTION ITEM

Staff Contact
Ellie Wilson-Jones, Senior Policy Analyst, ellie@soundcities.org, (206) 495-5238

SCA PIC Nominating Committee Members
Mayor Leanne Guier, Pacific (Chair); Mayor Pro Tem Amy Ockerlander, Duvall; Councilmember Ed Prince, Renton; Mayor Chris Roberts, Shoreline

Potential Action

To recommend Council President Bill Boyce, Kent, be appointed as a member to the Children and Youth Advisory Board; and to recommend appointments to the Solid Waste Advisory Committee.

Background
The PIC Nominating Committee met September 5, 2017, to consider and recommend applicants for vacancies on the Children & Youth Advisory Board and Solid Waste Advisory Committee. During the September 5 meeting, the PIC Nominating Committee voted to recommend Council President Bill Boyce, Kent, be appointed as a member to the Children and Youth Advisory Board.

At the direction of the PIC Nominating Committee, the application deadline for the Solid Waste Advisory Committee (SWAC) has been extended to Friday, September 8. SCA is filling two member seats on the SWAC, and no applications were received from South King County before the initial application deadline. The PIC Nominating Committee determined that additional outreach was appropriate in hopes of ensuring broader geographic representation. The PIC Nominating Committee will meet again on September 11 to consider and recommend applicants for the two member seats. PIC Nominating Committee recommendations for the SWAC appointments will be provided to the PIC for consideration during the September 13 PIC meeting.

Children & Youth Advisory Board
The goal of the Children & Youth Advisory Board (CYAB) is to improve the health and well-being of children and youth by utilizing a collective impact model to implement strategies that focus on prevention and early intervention. To that end, the CYAB provides advice to the King County Executive and Council on policy related to children and youth and also serves as the advisory and oversight body for the majority of the Best Starts for Kids levy proceeds. The specific duties of
the CYAB are informed by the Youth Action Plan and Best Starts for Kids Levy Ordinance, each of which are described below.

In 2014, King County approved Ordinance 17738 calling for the development of a Youth Action Plan to set county priorities for serving young people. A King County Youth Action Plan Task Force issued the King County Youth Action Plan (YAP) in April 2015. The YAP identified nine recommendation areas, including the creation of an advisory body to the Executive and Council to assist King County policymakers as they consider outcomes, policies, and investments for children and families and youth and young adults.

In 2015, the King County Executive and Council then launched an initiative called Best Starts for Kids (BSK). Ordinance 18088 submitted a six-year BSK property tax levy proposal to voters, which was approved in November 2015, to invest in prevention and early intervention for children, youth, families, and communities. The CYAB is charged with making recommendations on and monitoring the distribution of the bulk of the levy proceeds.

SCA has two member seats on the Children & Youth Advisory Board, one of which is filled by Shoreline Councilmember Jesse Salomon. The current appointment process is for second seat with an unexpired term running through January 31, 2020. In addition to the two SCA members of the CYAB, members include representatives from the cities of Seattle and Bellevue and social services agencies as well as other child development, education, and health experts.

Solid Waste Advisory Committee
The Solid Waste Advisory Committee (SWAC) is a citizens’ advisory body that provides input on solid waste management issues and decisions affecting county residents and the services they receive. The SWAC is established under state law. The committee is balanced geographically and includes those who receive solid waste services from King County, public interest groups, labor, recycling businesses, solid waste collection companies, and local elected officials. The SWAC reviews and advises on policy issues, including the Comprehensive Solid Waste Management Plan and the annual budget.

SCA has two member seats on the Solid Waste Advisory Committee, each with a new three-year term that begins October 1, 2017 and runs through September 30, 2020.
Item 7: Regional Centers

**DISCUSSION**

**SCA Staff Contact**
Brian Parry, Senior Policy Analyst, [brian@soundcities.org](mailto:brian@soundcities.org), (206) 499-4159

**SCA Appointees to PSRC Growth Management Policy Board**
Council President Hank Margeson, Redmond (Caucus Chair); Councilmember John Holman, Auburn (Caucus Vice Chair); Deputy Mayor Jay Arnold, Kirkland; Mayor Allan Ekberg, Tukwila; Mayor Ken Hearing, North Bend; Councilmember Paul Winterstein, Issaquah

**Additional SCA Member City Representatives on PSRC Growth Management Policy Board**
Deputy Mayor John Chelminiak, Bellevue

**Discussion**

The Puget Sound Regional Council (PSRC) Growth Management Policy Board (GMPB) is considering updates to the region’s criteria for accommodating growth in Regional Growth Centers and Regional Manufacturing/Industrial Centers (MICs). These potential changes help guide expectations for growth planning as well as how PSRC-managed transportation investments are prioritized.

In September, the GMPB reviewed a [draft update proposal](mailto:mailto@file.com) prepared by PSRC staff that builds-off of the existing centers policies, recommendations from a [Stakeholder Working Group Report](mailto:mailto@file.com), and input at previous GMPB meetings. The draft proposal would increase planning requirements for all centers, likely allow for several additional new centers in the region, and establish performance standards to gauge how well centers are meeting goals under VISION and the regional growth strategy. SCA members on the GMPB have provided input on earlier versions of the centers policies update that shaped the latest draft proposal in important ways and continue to seek additional guidance from the PIC before any final recommendations are made.

The GMPB is working to develop recommendations for public comment, which could potentially be released following their October meeting. Any recommendations approved by the GMPB will be sent to the PSRC Executive Board for final approval.

**Background**
Regional Growth Centers are designated areas where jurisdictions are planning for compact, walkable communities with job and housing densities needed to support efficient transit service. Regional Manufacturing/Industrial Centers (MICs) are locations of intensive
manufacturing and industrial activity that are served by major regional transportation infrastructure, including rail, major highways, and port facilities. Designation of an area as a Regional Growth Center or a MIC is a requirement to compete for a portion of the federal funding allocated through PSRC that is earmarked for accommodating growth in designated Regional Centers and the corridors that connect them.

PSRC is evaluating the success of the current centers policy framework, initially adopted in 1995, to recognize different scales of centers, use consistent designation criteria, and consider other changes to meet local and regional objectives for growth.

A pre-PIC workshop was held in March that included a presentation from PSRC staff detailing the policy update process and highlighting recommendations from the working group report. Briefings and discussion took place at the May, June, and July meetings of the PIC.

Draft Proposal
At the September GMPB meeting, PSRC staff provided an overview of a draft proposal that builds off of the existing centers policies, recommendations from a Stakeholder Working Group Report, and input at previous GMPB meetings.

In several respects, the update to minimum centers criteria would bring the other three PSRC counties into closer alignment with King County’s existing requirements for regional centers. This includes increased planned density, transit planning, and pedestrian infrastructure. However, the changes are also expected to broaden criteria to allow more Regional Growth Centers and MIC’s to be designated in the region, particularly in Kitsap, Pierce, and Snohomish Counties. In addition, cities with existing Regional Centers may need to revise planning documents to align with specific new criteria on a case-by-case basis.

The draft proposal contains several important changes from options under consideration previously, including:

- **Removal of tiers**: The draft proposal eliminates creating separate tiers of Regional Growth Centers that are prioritized for regional transportation funding based on size or other planning criteria. The proposal does include different types of centers that are meant to guide future population allocation, but it does not propose creating funding priority between the types.

- **Implementation flexibility**: The draft proposal includes several options to address instances where an existing Regional Growth Center may not currently meet all of the proposed changes to designation criteria. This could include allowing a five year “grace period” to meet the new criteria or other optional criteria that may be met to supplement planning for the center. This grace period would allow a city to address changes to centers policies and upcoming revisions to VISION 2040 as part of the same planning process.

- **Minimum jobs requirement for MIC’s**: Options under consideration include those that would allow designation of areas as MIC’s based on acreage alone, which could lead to
dedicating limited resources to greenfield development. The draft proposal seeks to address this issue by requiring a minimum of 2,000 acres and 4,000 existing jobs in order to be considered for designation as a MIC.

- **Minimum criteria for recognizing military installations:** The draft proposal includes minimum criteria and performance expectations requiring jurisdictions to jointly plan with military installations in order to compete for regional funding to address transportation needs related to the military installation. Per federal law, military installations would be able to partner with eligible jurisdictions, but not be the sole applicant. In addition, any transportation improvements would be required to be located outside of the military installation.

- **Social Equity:** The draft proposal includes a social equity proposal to address affordable housing and displacement, transit-dependent populations, access to employment opportunities, and equitable community engagement as part of centers planning.

### SCA GMPB Caucus Guiding Principles

As noted during the July PIC meeting and in briefing materials, key discussion points at GMPB can be categorized into three primary areas: how large military installations should be incorporated into planning for centers; minimum eligibility criteria for MICs; and reviewing and standardizing Regional Growth Center designation criteria both at the regional and countywide level. The SCA GMPB caucus has developed a series of high-level guiding principles that address each of these key discussion points, included here as [Attachment A](#). Feedback and direction related to these draft guiding principles from the PIC is encouraged at the September PIC meeting and from SCA member cities any time prior to the October 5 meeting of the GMPB.

### Next Steps

The next meeting of the GMPB will be held on October 5. The GMPB is working to develop recommendations for public comment, which could potentially be released following their October meeting. Any recommendations approved by the GMPB will be sent to the PSRC Executive Board for final approval.

Members of the SCA GMPB caucus would like feedback from the PIC on the options under consideration and the draft GMPB caucus guiding principles. In addition, SCA may want to take a formal position on the potential policy changes as they are refined by GMPB.

### Attachment

- **A. PSRC Regional Centers Framework Update: SCA GMPB Caucus Draft Guiding Principles**
PSRC Regional Centers Framework Update
SCA GMPB Caucus Draft Guiding Principles

Overall Centers Framework

• The centers strategy as established in VISION 2040 should continue to encourage growth patterns in the region that maximize the efficiency of our transportation investments, support major employment centers, reduce sprawl, protect resource lands, and encourage healthy, walkable neighborhoods.

• Centers policies should support jurisdictions in meeting regional planning goals to implement VISION 2040. Transportation funding should incentivize centers planning and accommodating significant portions of the region’s growth.

• Centers policies should require minimum existing activity levels to recognize areas where the market has already shown success as well as minimum planned activity that is based on evidence of market potential.

• Cities are the units of local government most appropriate to provide urban governmental services. Centers should be located in cities with very limited exceptions.

• Implementation of new centers policies should respect the staffing resources required to update necessary planning documents. The board should consider allowing jurisdictions to submit revised plans responding to the new centers framework as a part of the next round of updates to local comprehensive plans. This will allow jurisdictions to also update plans to reflect changes that result from the forthcoming update to VISION 2040.

• No significant changes affecting eligibility for regional funding competitions should be recommended until the completion to the update to VISION and thorough review by the Transportation Policy Board.

• PSRC should work to address equity and social justice in the centers framework update, including measures related to affordable housing and displacement, access to employment, community engagement in planning processes, and the needs of transit-dependent populations as outlined in the Centers Framework Equity Supplement.

Regional Growth Centers

• The process for designating centers should be predictable, consistent, and recognize the commitments made by jurisdictions to accommodate growth. Designated Regional Growth Centers should compete on an equal basis for allocation of regional transportation funding.

• Flexibility should be allowed for currently designated centers that may fall short of the new planning targets, especially when a jurisdiction has demonstrated a commitment to plan for and encourage growth in centers through adoption of policies and local infrastructure funding.
• Centers should be located in cities with very limited exceptions when high capacity transit is planned and other minimum Regional Growth Center criteria are met to accommodate significant future growth. A plan for annexation of a proposed center should be strongly encouraged.

**Countywide Centers**
• Centers designated at the county level should be required to meet consistent minimum criteria across the four-county region as part of the eligibility requirement to compete for regional funding. However, prior to establishing minimum activity criteria at the countywide level, additional analysis should be done of existing locally designated centers to assess any impacts to access to regional transportation funding.

**Manufacturing/Industrial Centers (MIC’s)**
• MIC criteria should continue the region’s prioritization of transportation funding to areas with high levels of existing employment while allowing emerging industrial areas to be designated regionally if they meet minimum job thresholds. Minimum jobs thresholds for emerging MIC’s is necessary to prevent greenfield development.
• MIC planning should include defined transportation demand management strategies and planning for transit where surrounding land uses support it.
• MICs should be dispersed throughout the region to encourage local job growth as long as they are planned within or directly adjacent to cities.
• While we recognize the importance of freight movement, it should be secondary in nature to movement of employees to jobs for limited transportation investments.

**Military Installations**
• Military facilities play an important role in our region’s economy and within our communities. Certain large military facilities, like Joint Base Lewis McChord, are of a size, scale, and have impacts on surrounding communities on par with large cities in the region. However, as the military does not plan for future growth under the Growth Management Act, military facilities should be viewed in regional planning as fundamentally different from Regional Growth Centers or MIC’s.
• If a separate planning designation for major military installations is incorporated in regional plans, clear criteria for what qualifies as a major military installation should be established and ongoing performance standards should be included to require joint land planning, transportation demand management planning, and for shared infrastructure investments. Limited regional transportation funding should continue to be prioritized to implement growth planning that supports VISION and the regional growth strategy.
### Item 8: Veterans, Seniors and Human Services Levy

**UPDATE**

**SCA Staff Contact**
Ellie Wilson-Jones, Senior Policy Analyst, ellie@soundcities.org, (206) 495-5238

**SCA Regional Policy Committee (RPC) Members**
Mayor Suzette Cooke, Kent (Caucus Chair); Councilmember Dan Grausz, Mercer Island; Councilmember Bill Peloza, Auburn; Mayor Bernie Talmas, Woodinville; Mayor Dave Hill, Algona (alternate); Mayor John Stokes, Bellevue (alternate)

**Update**

On July 20, 2017, the Regional Policy Committee and King County Council each unanimously passed Ordinance 18555 placing the Veterans, Seniors and Human Services Levy (King County Proposition No. 1) on the November 7, 2017 general election ballot. If approved by voters, the levy would replace the expiring Veterans and Human Services Levy.

The current Veterans and Human Services Levy was passed at a rate of $0.05 per $1,000 in assessed value. The Veterans, Seniors and Human Services Levy, as proposed to voters under Ordinance 18555, would add a focus on seniors, expand housing investments, and be levied at a rate of $0.10 per $1,000 in assessed value.

With the passage of Ordinance 18555, work is now underway to prepare for the possible implementation of a Veterans, Seniors and Human Services Levy. A Governance Plan has been transmitted by the King County Executive for consideration by the Regional Policy Committee and King County Council. A Transition Plan and Implementation Plan are to follow.

**Background**
The Veterans and Human Services Levy (VHSL) was first approved by King County voters in November 2005 and was renewed in 2011 with an expiration date of December 31, 2017. The original and current VHSL levies were passed at a rate of $0.05 per $1,000 in assessed value. Proceeds from the current levy are split evenly between services for veterans, military service members, and their families; and other, more general, human services. PIC members were briefed on the expiring levy and preparations to replace it at the November 9, 2016, February 8, 2017, May 10, 2017, June 14, 2017, and July 12, 2017 PIC meetings. SCA also hosted a roundtable meeting October 26, 2016 dedicated to discussion of the expiring levy and potential replacement.
As of the last PIC meeting, on July 12, 2017, the Regional Policy Committee and King County Council were still deliberating on a proposal from the King County Executive to replace the expiring levy with an expanded Veterans, Seniors and Human Services Levy (VSHSL).

**King County Proposition No. 1: Levy Lid Lift for Veterans, Seniors and Vulnerable Populations**

After substantial back and forth between the Regional Policy Committee and King County Council, both bodies voted unanimously in favor of Ordinance 18555 during a pair of special meetings on July 20. The ordinance places King County Proposition No. 1, a levy lid lift for Veterans, Seniors and Vulnerable Populations—which is being referred to as the “Veterans, Seniors and Human Services Levy” or “VSHSL”—on the November 7, 2017 general election ballot.

The full levy ordinance is downloadable [here](#), and the measure will appear on the ballot as follows:

*The King County Council passed Ordinance 18555 concerning funding for veterans, seniors and vulnerable populations. If approved, this proposition would replace an expiring levy and fund capital facilities and regional health and human services for veterans and military servicemembers and their families, seniors and their caregivers, and vulnerable populations. It would authorize an additional property tax for six years beginning with a 2017 rate of $0.10 per $1,000 of assessed valuation for collection in 2018. The first year levy amount would be the base for computing annual increases up to 3.5% for collection in 2019 through 2023, as provided in Ordinance 18555. Should this proposition be?*

Approved
Rejected

Under the levy ordinance, and if approved by voters in November, the new levy would be as follows:

- A replacement six-year (2018-2023) property tax levied at a rate of $0.10 per $1,000 in assessed value generating about $52.4 million in levy proceeds in 2018 and $354.3 million over the life of the levy (increased from earlier estimates due to recent updates to King County’s economic projections). For comparison, the expiring Veterans and Human Services Levy is anticipated generate to $18.6 million in 2017.

- From levy proceeds, there would first be set asides for technical assistance and capacity building (1 percent) and to mitigate pro-rationing of fire and park districts ($300,000). From there, the remaining funds would be split one-third each to services and capital investments in each of three categories: veterans, military service members, and their families; seniors; and vulnerable populations (a broader human services category encompassing many service areas and populations). In each of these categories, at least half of first-year levy proceeds would be dedicated to housing stability, including capital

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Item 8: Veterans, Seniors and Human Services Levy  
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investments, and at least one-quarter would be devoted to housing stability in future years.

- Additionally, at least half of the funding for seniors would be dedicated to seniors who are also veterans or military service members until one of two thresholds is met:
  - 75 percent of the seniors who are also veterans or military service members and who are homeless as of the date of the ordinance are housed, or
  - $24 million in county-administered funding is spent to house senior veterans/military service members (not including the roughly one-third of funds from this levy otherwise set aside for veterans).

This requirement was a late addition to the levy framework, included in the final week of levy negotiations, to expand levy commitments to serving veterans and ensure more resources for the goal of addressing veterans’ homelessness.

- Forthcoming Transition, Implementation, and Governance Plans would be developed and submitted to the Regional Policy Committee and King County Council for approval.

Implementation Planning
Detailed implementation planning for the proposed Veterans, Seniors and Human Services Levy is ongoing. Three key plans will be, or have been, transmitted by the Executive for consideration by the Regional Policy Committee and King County Council.

Governance Plan
The first plan, a Governance Plan, was transmitted August 23, 2017, as required by the levy ordinance, and is anticipated to be considered by the Regional Policy Committee beginning in October. Under the Executive’s proposed Governance Plan, three boards would be formed to oversee the distribution of VSHSL proceeds and advise the county on relevant policy matters. The boards, reflective of the three VSHSL investment areas, would be a Veterans Levy Advisory Board, a Human Services Levy Advisory Board, and a Seniors Levy & Healthy Aging Advisory Board. The boards would be newly constituted, but the first two—the Veterans and Human Services Advisory Boards—would represent substantial continuations of existing boards that oversee the current Veterans and Human Services Levy. An Executive Committee, drawn from the membership of the three boards, would also be created to advise on issues cutting across the levy investment areas. Creation of the new boards and Executive Committee would be contingent on passage of the VSHSL in November.

Under the Executive’s proposed Governance Plan elected officials would be ineligible for board membership while in office, as has been the case with the boards providing oversight for the existing Veterans and Human Services Levy. The Seniors Levy & Healthy Aging Advisory Board and the Human Services Levy Advisory Board, would, however, each include one appointee nominated by the Sound Cities Association. SCA does not have a role in nominating or appointing to the boards that oversee the current Veterans and Human Services Levy.
**Transition Plan and Implementation Plan**

Two other plans are forthcoming. A Transition Plan is to be transmitted by September 29, 2017 that addresses the transition between services funded under the expiring Veterans and Human Services Levy and a potential VSHSL, staffing and planning necessary to begin to plan for and administer the VSHSL, and, notably, a plan for spending the half of first-year levy proceeds dedicated to housing stability. Contingent on voter approval in November, an Implementation Plan, would be transmitted by March 16, 2017 that addresses the remainder of levy expenditures.

**Next Steps**

King County Proposition No. 1 will place what is being called the Veterans, Seniors and Human Services Levy (VSHSL) on the November 7, 2017 general election ballot. King County staff are available to provide informational briefings to cities wishing to learn more about the levy proposal. To arrange an informational briefing, contact Leo Flor with the King County Department of Community and Human Services at leonardo.flor@kingcounty.gov or (206) 477-4384.

To prepare for the potential expansion of services under the VSHSL, if approved by voters in November, work is now or will soon be underway to develop Governance, Transition, and Implementation Plans. Each plan has or will be referred to the Regional Policy Committee for approval, and SCA member feedback into the oversight and delivery of levy funded services will be sought throughout the process.
Update

Proposed Ordinance 2017-0350 would amend King County Code to eliminate peak and zone-based fares, setting a $2.75 adult fare for all Metro bus trips. The fare change would provide a $0.50 fare decrease for two-zone peak riders and no change for one-zone peak riders. The price of off-peak trips would increase by $0.25. Eliminating zone and peak charges was first developed at Metro’s 2016 Regional Fare Forum, a meeting of all seven transit agencies that are part of the ORCA card system. The proposal received feedback from the public and stakeholders in a multi-phase process.

Metro has put forward several additional fare program changes. Proposed Ordinance 2017-0352 increases the availability of tickets for very low-income riders by raising the Human Service Ticket Subsidy budget by $400,000. In addition, proposed Ordinance 2017-0354 would eliminate the administration fee for Regional Reduced Fare Permits (RRFP) for senior and disabled riders, and lower the ORCA card fee from $5 to $3. Reducing the card fee is intended to lower the barrier to user adoption, while covering some of the $8 cost to administer each card.

The Regional Transit Committee will review the fare changes proposals this month and provide recommendations to the King County Council. The King County Council is likely to review the proposal and take action before the end of the year.
Current Fare Structure
King County Metro Transit (Metro) currently operates with three different full-fare adult trip rates depending on the “zone” traveled and whether a trip occurs during peak hours (daily from 6 am to 9 am and from 3 pm to 6 pm). The city of Seattle is one zone, and all areas outside the city but within King County are a second zone. Any time riders cross the Seattle city limits during peak hours, they are charged a “two-zone” fare. Off-peak adult riders pay a fare of $2.50 regardless of zones traveled. During peak hours, a one-zone fair is $2.75 and a two-zone fare is $3.25.

Flat Fare Proposal
Metro has developed a proposal to implement a flat fare of $2.75 for all full-fare adult trips. This will eliminate peak and zone pricing. Fares for riders using the senior/disabled permit (RRFP), Human Service Tickets, ORCA Lift, and youths will not change. See Attachment A for a graphic depiction of the central elements of the proposal.

Metro expects numerous benefits from the proposal, including:
- reducing negative interactions between operators and customers in fare transactions;
- making fares easier to understand and pay;
- reduced costs for trips that cross Seattle’s boundaries during typical commuting hours;
- better coordination of fares with regional partners in preparation for Next Generation ORCA; and,
- speeding up buses and reducing travel time by making fare payment faster.

Impacts to Riders
Full-fare adult riders comprise 69 percent of Metro’s ridership, so the new fare structure will impact the majority of riders. The 31 percent of riders who pay ORCA Lift, youth, or senior/disabled (RRFP) fares, and children under five would not be affected by this proposed fare change.

The proposal will benefit individuals who travel during peak hours to work in Seattle, but do not live within the city. Eliminating zone and peak charges will result in a $0.50 fare reduction for adult full-fare riders travelling across City of Seattle boundaries during peak hours, which is currently only 6 percent of full-fare trips operated by Metro.

The cost of one zone off-peak trips will increase by $0.25, and these trips make-up 35 percent of full-fare boardings. Metro’s Rider/Non-Rider Survey, found that 19 percent of riders only use Metro services during off-peak hours, including riders with discounted fares. Off-peak only riders are more likely to be infrequent riders, with 37 percent riding fewer than five times a month.

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1 A new updated ORCA system, called Next Generation ORCA, is planned to be implemented when the current contract expires in 2021.
The proposal will eliminate inequities in average fares paid on routes that serve a greater percentage of minority and low-income riders. Metro identifies which routes are used by greater than average numbers of low income riders and minority riders (estimated using census tracts). Analysis shows that under the current fare structure, average fare is $0.02 higher on “low income routes” and $0.05 higher on “minority routes”. Metro’s flat fare proposal will eliminate existing disparities in average adult full fare paid on these routes, due to the flat rate. Further analysis can be found in the King County Metro Transit Fare Simplification Ordinance Report and in the Title VI equity analysis.

Public Outreach
Regional Fare Forum
A Regional Fare Forum, which included representatives from the governing bodies of each of the seven ORCA agencies, was convened in fall of 2016 to provide guiding principles for the Next Generation ORCA system’s fare structure design. Recommendations were made to reduce ORCA development costs and streamline customer interactions. Negative interactions between drivers and customers are major safety concern at Metro, and confusion over fares can incite conflict.

The Regional Fare Forum Summary Report issued on March 21, 2017, recommends eliminating zone-based fares and trip-based peak fares, while still allowing for time-based peak fares in the ORCA system design.

Public Engagement
Metro conducted an online survey about fares and received 4,487 responses to an online survey. These were used to develop five fare structure proposals. Stakeholder groups weighed in on these proposals, which were then narrowed down to two options. Metro solicited feedback on these options via questionnaires, street teams, and public meetings. A summary of public engagement is online, and detailed in the Metro Fare Review Public Engagement Report.

Additional Fare Program Changes
In addition to implementing a flat rate for full-fare adult riders, Metro is proposing several changes to ticketing programs that would lower costs to consumers purchasing reduced price tickets and ORCA cards. Proposed program changes include:

- eliminating the administrative fee for the Regional Reduced Fare Permit (RRFP) for senior and disabled riders, resulting in a revenue loss of approximately $75,000 per year;
- reducing adult and youth ORCA card fees from $5 to $3, resulting in an approximate revenue loss of $700,000 per year;
- increasing the human services tickets subsidy cap, resulting in an estimated revenue loss of up to $400,000 per year.

Revenue Impacts
In 2020, the $2.75 flat fare would increase Metro’s net bus-fare revenue by approximately $3.5 million, or 2.2 percent. After including costs related to expanding the human service ticket subsidy, eliminating the RRFP fee, and reducing ORCA card fees, Metro estimates net revenue
gain in 2020 to be about $2.3 million over current projections without fare increases during that period. According to current estimates, revenue generated under this proposal will allow Metro to meet minimum targets for funding operations with no fare increase through 2020.

Next Steps
The Regional Transit Committee will review the fare proposals this month and provide recommendations to the King County Council. The King County Council is likely to review the proposal and take action before the end of the year. The SeaShore Transportation Forum agreed unanimously to support the proposal at their September meeting.

By the end of this year, Metro plans to test additional pilot programs for reducing barriers to ridership for low income riders. In 2018, the flat fare would be implemented and the Next Generation ORCA card program is planned for development.

Attachment

A. Metro Fares Proposal Infographic
# Recommendations to Simplify Fares, Make Transit More Affordable for Many Customers

**Flat Fare: $2.75**

**Simplify Fares**
Reduce three adult full fares to a flat $2.75—no more zone and peak surcharges

### How will this affect riders?

- **Easier to understand**
- **Easier to pay** = faster boarding
- **$5?!!** = fewer fare disputes = improved safety on buses
- **Lower cost for many riders**
- **Better coordinated with other transit agencies**

### Other proposed changes will offset impact on off-peak riders

<table>
<thead>
<tr>
<th>Flat Fare</th>
<th>$2.75</th>
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</table>

## Enhance Programs for Very-Low-Income Riders

- **Subsidize more bus tickets**
  - Raise Human Services Ticket Program subsidy in 2018 by $400,000, to $4 million, so agencies can buy more tickets for homeless and very-low-income clients. Also test the use of ORCA cards for this program.

- **Metro is a national leader in offering reduced fares to those who can least afford transportation**

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<tr>
<th>FARE</th>
<th>$1.50</th>
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- **ORCA LIFT for low-income adults, free ORCA card for their children**
- **Discounted Youth Fare, ages 6-18**
  - (Demonstration program offers $0.50 ORCA fare and free ORCA card in summer 2017)

- **Human Services Ticket Program**
  - for agencies serving homeless and very-low-income clients

### 90% Discount

- **90% DISCOUNT**

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<th>FARE</th>
<th>$1.00</th>
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- **Regional Reduced Fare Permit for senior/disabled riders**

### Other actions to offset impact on off-peak riders

- **Increase promotion of ORCA LIFT (reduced fare for people with income below 200% of federal poverty level)**
- **Continue working with schools to enhance programs for students**

## Reduce ORCA Card Fees

- **Work with ORCA partners**
  - Eliminate $3 fee for Regional Reduced Fare Permit, benefiting senior and disabled riders, and reduce adult and youth ORCA card fees from $5 to $3.

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- **ALL ZONE OFF-PEAK**
- **$2.75 FLAT FARE**
- **$3.25 TWO ZONE PEAK**

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- **Human Services Ticket Program**
  - for agencies serving homeless and very-low-income clients

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*September 13, 2017*
Using customer feedback, Metro is working on a two-year fares work program with these key objectives:

- Make fares easier for customers to understand and use
- Increase affordability of and access to transit
- Increase safety of bus operators and customers
- Speed up boarding to decrease travel time
- Coordinate Metro’s fare structure with regional partners

### Phase One: 2017

**Focus:** Fare simplification, regional coordination, and increasing affordability

**Product:** Current recommendations to King County Council

**Timeline**

- Transmit proposal to King County Council
- Communicate final proposal to stakeholders and the public
- Continued development of Human Service ORCA pilot plans and phase 2 research program

### Phase Two: 2018

**Focus:** Increasing affordability (continued), increasing safety, speeding boarding

**Timeline**

- Pilot ORCA for Human Services Ticket Program
- Evaluate pilot programs, conduct research and outreach, develop recommendations for King County Council
- Implement simplified adult fare
- Examine ways to increase operator safety
- Review fares of other services (Access, etc.)
- Consider additional options for very-low-income riders, off-peak riders, college students, and youth
- Implement Third Ave off-board fare payment
- Begin Next Generation ORCA development process

**Why simplify adult full fares?**

They’re complex and affect 69% of Metro boardings

**Reduced fares and Access fares will not change**

- 35% Reduced Fares
- 28% Adult One Zone Peak
- 31% Adult Two Zone Peak
- 4% ORCA LIFT
- 8% Adult Off-Peak
- 10% RRFP (Senior/Disabled)
- 9% Nonpay

Metro Boardings by Fare Category, 2016

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**www.kingcounty.gov/metro**
**Update**

**SCA Staff Contact**
Ellie Wilson-Jones, Senior Policy Analyst, ellie@soundcities.org, (206) 495-5238

**2016-2017 SCA Legislative Committee Members**
SCA President and Kenmore Mayor David Baker (Chair); Councilmember Bill Allison, Maple Valley; Mayor Nancy Backus, Auburn; Mayor Leanne Guier, Pacific; Councilmember Amy Ockerlander, Duvall; Deputy Mayor Catherine Stanford, Lake Forest Park

**Update**

The Legislature adjourned this summer, after a 105-day regular legislative session and three special sessions, having narrowly averted a government shutdown but without a capital budget. The lack of a capital budget for the ongoing biennium leaves many local projects on hold and statewide investments in the housing trust fund, mental health system, and other projects in limbo.

Lawmakers reflected on the highs and lows of the 2017 session during an SCA Networking Event September 6 and offered projections and priorities for 2018. Passage of Public Records Act reforms and defense of shared revenues were hailed as significant achievements for 2017, while passing a capital budget and responding to the housing and homelessness crisis ranked among the top priorities for 2018.

The SCA Legislative Committee will begin work later this month to sift through the progress toward SCA’s 2017 legislative priorities and develop recommendations for 2018 priorities, to be brought to the PIC for action later this fall.

**Background**

Throughout this year’s 105-day regular legislative session and three special sessions thereafter, SCA staff provided updates to the PIC on progress toward the priorities outlined in SCA’s 2017 Legislative Agenda: adjusting the property tax cap, investing in public health services, and addressing the housing and homelessness crisis (see Attachment A, SCA 2017 Legislative Agenda, and the January PIC Packet and Meeting Minutes, February PIC Packet and Meeting Minutes, March PIC Packet and Meeting Minutes, May PIC Packet and Meeting Minutes, June PIC Packet and Meeting Minutes, and July PIC Packet and draft Meeting Minutes).

Most recently, at the July PIC meeting, it was reported that the Legislature was in the waning days of a third 30-day special session and had recently passed legislation to overhaul state school funding and a biennial operating budget, averting an imminent state government shutdown. SCA staff reported at that time on the progress toward each of SCA’s three adopted
legislative priorities and noted that a capital budget for the biennium that began July 1 had yet to be passed.

2017 Legislative Recap and Preparations for the 2018 Session

Capital Budget
Since the PIC last met, the Legislature adjourned without passing a capital budget for the 2017-19 biennium. Without a capital budget, investment in the Housing Trust Fund, added capacity for the state’s strained mental health system, and significant funding for King County projects, all remain in limbo. While the House passed a biennial capital budget on a vote of 92-1, the capital budget ultimately stalled as negotiations deadlocked on the issue of exempt wells and water availability. Legislators are wrestling with how to respond to the Washington Supreme Court’s Hirst water management decision, and negotiators for the Senate majority have refused to approve a capital budget without first passing legislation responding to Hirst.

SCA September 6 Networking Event and Legislative Panel
SCA held a networking event September 6 featuring a panel of seven legislators, who spoke to significant takeaways for cities from the 2017 legislative session, set expectations for 2018, offered ways cities can best work with the Legislature, and named their top priorities for the coming year. The panel included Senators Mark Mullet (5th Legislative District) and David Frockt (46th LD) and Representatives Shelley Kloba (1st LD), Drew Stokesbary (31st LD); Mia Gregerson (33rd LD), Joan McBride (48th LD), and Rep. Vandana Slatter (48th LD).

Legislators named reforms to the Public Records Act, championed by Rep. Joan McBride and pushed through with the advocacy of cities, as one of the greatest accomplishments for 2017. Protection of shared revenues was noted as another highpoint. The capital budget was repeatedly offered as the greatest frustration, with Sen. Mark Mullet—a lead capital budget negotiator for the Senate Democrats—predicting that it would be passed in the first week of the 2018 legislative session.

Asked about ways cities could better collaborate with the Legislature, the panelists offered the following advice: come together as local elected officials, from both parties, and bring a bipartisan message to Olympia; hold regular meetings between local elected officials for a subregion and their legislative delegation; and find areas of alignment between cities and counties and come to the Legislature with a unified message.

To close, legislators were asked their top priority for 2018. Passing a capital budget, addressing the opioid epidemic, responding to the housing and homelessness crisis, and adjourning on time rounded out their list.

SCA 2018 Legislative Priorities
The SCA Board of Directors plans to appoint a 2017-18 SCA Legislative Committee later this month, and the new Committee will then be called together to consider progress toward SCA’s 2017 legislative priorities, any newly emerging city priorities, and the outlook for the 2018 legislative session. The Committee is then anticipated to develop recommended 2018 legislative priorities for consideration by the PIC and SCA Board.
The Committee may bring forward recommendations for initial PIC consideration in October. However, it is anticipated that additional time could be needed to develop the proposed 2018 priorities, in which case the PIC would likely be asked to take action in November as a first touch and in December to make a final recommendation to the SCA Board.

As discussed during the July 12 PIC meeting, the three priorities outlined in the SCA 2017 Legislative Agenda, Attachment A, remain largely unresolved:

- **Adjusting the Property Tax Cap**: The Legislature exempted itself from the 1 percent property tax cap for purposes of school funding but did not adjust the cap for local governments. It’s not expected that the state will act to adjust the property tax before 2021, when its own exemption is due to sunset, but local governments may wish to keep advocating on this issue.

- **Investing in Public Health Services**: SCA urged the Legislature this year to fund basic public health through added investment in local public health jurisdictions. There was a statewide increase of funding for foundational public health services of $12 million, with approximately $2 million of that going to the Seattle-King County Department of Public Health in the next biennium. This was far short of the $54 million requested for local public health jurisdictions, meaning gaps remain in disease prevention and response.

- **Addressing the Housing and Homelessness Crisis**: The Legislature did act this year to extend the document recording fee at its current rate of $40 through 2023, but the effort to expand and make the fee permanent was not successful. Additionally, while legislation passed to allow a portion of REET II funding to be used for homeless housing development through June 30, 2019 under certain conditions, broader legislation to add optional local tools for creating and preserving affordable housing did not advance.

State investment in the Housing Trust Fund and the behavioral health system have also been held up by the failure to pass a biennial capital budget. Swift passage of a capital budget will be key to expanding the supply of affordable housing and addressing underlying causes of homelessness. Legislation to prohibit source of income discrimination was also unsuccessful in 2017, but may be revisited in 2018.

**AWC Legislative Recap and 2018 Priorities**

Following the conclusion of the 2017 legislative session, the Association of Washington Cities (AWC) developed a detailed bulletin analyzing progress toward city priorities. More recently, AWC distributed by mail a more abbreviated summary of where city priorities stand, Attachment B.

Looking ahead, AWC will soon be adopting priorities for 2018 and will be holding Regional Meetings to share those priorities with members. PIC members should take note that the November 8 AWC Regional Meeting in Federal Way will conflict with a PIC meeting that evening during which action by the PIC will likely be necessary for adoption of an SCA 2018 Legislative Agenda.
Next Steps
It is anticipated that the SCA Legislative Committee will begin work to review progress toward SCA’s 2017 legislative priorities later this month and begin to develop recommendations for 2018 priorities. The Committee’s recommendations will then be brought to the PIC later this fall, with initial action possible in October but more likely in November followed by final adoption in December. PIC members are invited to share initial input about 2018 priorities.

Attachments
A. SCA 2017 Legislative Agenda
B. AWC 2017 Legislative Session Recap
To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

**SCA 2017 Legislative Agenda**

**Adjust the Property Tax Cap**
Property tax is the largest revenue source for Washington’s cities, supporting critical services such as justice, health, and safety. Property taxes are capped at a level that creates an ever-widening gap between the cost of providing public services to a growing population and the revenue available to pay for them. A new property tax limit should correspond to what it actually costs local governments to continue providing services, and keep up with increased public demand.

- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax revenues with a growth limit whose maximum is inflation plus the rate of population growth.*

**Invest in Public Health Services**
Protect our communities by investing in core public health services. The 40% per capita decrease in public health funding since 1999 is reaching crisis levels across the state. The funding shortfall has left Public Health–Seattle & King County unable to fully investigate disease outbreaks. The Washington State Department of Health is requesting $54 million for local public health jurisdictions to fill critical gaps in disease prevention and response, and to pilot shared services to improve the efficiency of the overall system.

- *The Sound Cities Association urges the Legislature to fund basic public health by investing $54 million in core public health services.*

**Address the Housing and Homelessness Crisis**
Our communities face an affordable housing and homelessness crisis. Over 4,500 people are surviving unsheltered on any given night in King County, and others, including older adults and moderate and low-wage workers of all ages, are struggling to find affordable, quality housing in our region. Partnerships between state and local governments are critical to create new units of affordable housing. Renewed state commitments to help Washingtonians transition out of homelessness are necessary, as are expanded investments to address behavioral health needs and other root causes of homelessness.

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
  - Expand and make permanent the Document Recording Fee
  - Invest $200 million in the Housing Trust Fund
  - Allow local governments to create and preserve affordable housing through a Preservation Tax Exemption and other optional local tools

- *The Sound Cities Association urges the Legislature to address other underlying causes of homelessness by making investments in our state’s behavioral health system and enacting legislation to prohibit Source of Income Discrimination.*
2017 legislative session recap

After a record-breaking 193 days, no capital budget –
But city issues mostly addressed

The need for legislators to finally and fully address K-12 funding gaps dwarfed most other issues during the 2017 legislative session. It was unclear how cities would fare until the very end.

The 193 days consisted of a regular 105-day session, and three special sessions. As usual, we spent a considerable amount of our time helping legislators sort through their ideas on how cities should address each issue. There were numerous attempts to preempt local authorities, create new costly mandates, or eliminate or reduce key state support to city interests. Ultimately, we stopped detrimental ones from moving forward. See inside for more information on how our 2017 legislative priorities fared.

One of our long-sought priorities passed, which reformed the Public Records Act. These two measures took several years of conversations, hearings, and a state auditor study detailing costs and challenges with the 1970s era statutes.

Throughout the special sessions, we remained optimistic that critical state shared revenues would stay intact, that key infrastructure funding would return to the dormant Public Works Trust Fund, and that cities would receive resources and tools to address homelessness. Amid the third special session and within hours of the state’s fiscal year ending with no budget, an operating budget passed. Thankfully, it did contain almost all critical state shared revenues and some important new revenues that benefit both the state and cities. Unfortunately, it did not include changes to the one percent cap on property taxes for counties and cities. The Legislature also acted to retain a critical funding source needed to address homelessness, and passed a bill to revitalize the Public Works Trust Fund, although funding it remained elusive.

Ultimately, legislators left town without adopting a capital budget. This resulted from the inability of legislators and the Governor to come to agreement on how to address a thorny State Supreme Court ruling that called into question the availability of water from exempt wells. Without resolving this Hirst case, agreement on the capital budget hasn’t happened. Quiet conversations continue, but it remains unclear if a solution will be reached.

Looking to 2018, AWC will continue to advocate for cities and provide the tools to do so. During session, we’ll work to fend off bills and ideas that erode local control and will continue to ask for your help at home to keep your legislators, community, and media outlets aware of city needs. Your advocacy efforts this past year made a difference, and we appreciate your engagement.

Thank you!

Peter B. King  
Chief Executive Officer  
peterk@awcnet.org  
360.753.4137

Dave Williams  
Government Relations Director  
davew@awcnet.org  
360.753.4137
Public Records

Modernize the Public Records Act (PRA) so that cities can continue to provide open and transparent government services to our residents

Pro – Legislature passed HB 1595 which amends the PRA to allow cities to charge a small fee for providing copies of electronic records, creates the ability to deny overwhelming computer generated “bot” requests, prohibits overly-broad requests for all records, and creates a way to apply a service charge to exceptionally complex requests.

Pro – Legislature passed HB 1594 which updates training requirements for records officers, creates a grant program to improve their public record management systems, establishes a program to consult on public records best practices, and updates the process for asking a requestor to clarify a request. The bill also requires some new data collection processes.

Homelessness, Housing & Human Services

Enhance efforts to increase affordable housing, decrease homelessness, and improve a strained behavioral health system

Pro – The document recording fee was extended for four additional years, which is the single biggest source of state and local resources. New authority to use REET dollars for homeless housing was created for two years.

Pro – Funding was maintained for the Housing and Essential Needs (HEN) program, funding for implementation of the Sec. 1115 Medicaid waiver, and TANF funding.

Con – There was no increase in the document recording fee and only limited new tools.

Con – The Legislature’s failure to adopt a capital budget postpones planned critical investments in mental health facilities around the state.

save the date

Regional Meetings

October 2 | Poulsbo
October 4 | Centralia
October 11 | Richland
October 12 | Spokane
October 17 | Wenatchee
October 24 | Vancouver
October 26 | Hoquiam
November 1 | Edmonds
November 2 | Burlington
November 8 | Federal Way

Regional Meetings provide city officials the opportunity to gather over dinner and share insight and news from home. You’ll also hear from AWC about what’s going on in Olympia, our legislative strategy, what you can do to help, and get a first look at AWC board-adopted 2018 city legislative priorities. This is your time to share your thoughts on priorities and key issues, what you’re hearing from legislators, and your experiences in using AWC’s advocacy tools and resources.

City Action Days

January 24-25, 2018 | Olympia

AWC’s winter conference offers an opportunity for city officials to address legislators with a single, unified voice. Engage in the state’s policy development and budget process, discover how the legislative process works, learn about AWC’s priorities, and hear from legislative leaders.
City-State Partnership

**Pro** – After years of threatened reductions, state operating budget fully funded traditional state shared revenues at $210 million for 2017-19, including liquor and municipal criminal justice funds.

**Pro** – Passed **EHB 2163** implementing state Marketplace Fairness Act sales tax collection or customer reporting for use tax by out of state internet retailers, effective January 1, 2018, increasing city sales tax revenues by $40.9 million for 2017-19.

**Pro** – The budget provided necessary funding to the Criminal Justice Training Commission (CJTC) to meet the immediate training needs for the Basic Law Enforcement Academy (BLEA). However, the budget only provided for 16 classes per year when the likely need is for 18 classes in order to meet the expected demand for training new officers.

**Pro** – The Legislature fully funded its commitment to the LEOFF 2 pension system. An earlier proposal would have shifted $70 million of the state’s commitment to cities.

**Pro** – The final budget provided additional funding for cities from the Office of Public Defense competitive grant program.

**Pro** – Fully funded Municipal Research Services Center (MRSC).

**Con** – **EHB 2163** phases out Streamlined Sales Tax (SST) mitigation for cities and counties by October 1, 2019.

**Con** – The final budget for 2017-19 reneged on the agreement from 2015 by reducing the amount of marijuana mitigation revenue sharing from $15 million per year to $6 million per year. However, there is a caveat that the money may be restored if the February 2018 revenue forecast meets a certain threshold.

**Con** – Did not pass **SHB 1113/SB 5240** to restore growth in the local government share of liquor revenues.

Local Authority

**Pro** – **EHB 2005** passed requiring all cities to join the state Business Licensing Service (BLS) by 2022 or FileLocal by 2020 to administer business licenses, but protected local authority to impose rates and enforce regulations. It also established workgroups on a business license threshold and local B&O tax service income apportionment.

**Pro** – Successfully defended against proposals to limit cities’ authority to regulate and zone marijuana businesses.

**Con** – Did not pass **HB 1764** replacing the one percent property tax revenue limit with a limit tied to population growth and inflation.

Local Infrastructure

**Pro** – If the Legislature can resolve other disputes and pass a capital budget, legislators are poised to fund a Public Works Trust Fund (PWTF) loan list for the first time since the 2011-13 budget. They did show their support for continuing the program with the passage of **HB 1677**, the PWTF reform bill.

**Con** – The diversion of tax revenues that would go into the Public Works Trust Fund was extended for another four years. The cash in the account was swept into the education budget, and partially replaced with bond funds (if they pass a capital budget) undermining the structure of this revolving loan fund.

**Con** – Did not pass **SHB 1113/SB 5240** to restore growth in the local government share of liquor revenues.
Preparing for the 2018 legislative session

**September**
Legislative Priorities Committee meets to recommend a short list of priorities for AWC’s Board of Directors to adopt.

**October/November**
AWC discusses adopted priorities with cities during Regional Meetings throughout the state.

**November**
A hotly-contested special election to fill a seat could shift control of the state Senate.

**What you can do**
This fall, adopt your city’s legislative agenda and share it publicly with your local media and legislators. Meet with your legislators and ask how you can support them. The relationship you cultivate now will facilitate a stronger partnership during session.

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**December**
New and returning elected officials are invited to attend AWC’s Elected Officials Essentials on December 2.

**January**

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**Your 2017 legislative interim mailer**
Find out how cities fared during the historically long, triple-overtime legislative sessions. Plus, learn what you can do in the coming months to prepare for 2018.

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**Our mission:**
Serving our members through advocacy, education and services.
Item 11:
Future Levies and Ballot Measures in King County

UPDATE

SCA Staff Contact
Brian Parry, SCA Senior Policy Analyst, brian@soundcities.org, (206) 499-4159

Update
This is a monthly item on the PIC agenda to share information on upcoming local levies and ballot measures in King County.

Results from August 1 Primary Election

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Measure</th>
<th>Results</th>
</tr>
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</table>
| King County                               | Access for All, .1% Sales Tax                | Approved: 49.1%  
Rejected: 50.9% |
| East Pierce Fire and Rescue               | Proposition No. 1 Levy Lid Lift – Property Tax Levy | Approved: 53.9%  
Rejected: 46.1% |
| East Pierce Fire and Rescue               | Proposition No. 2, Levy Lid Lift – EMS Levy | Approved: 58.4%  
Rejected: 41.6% |
| King County Fire Protection District No. 43| Proposition No. 1, Six Year “Benefit Charge” | Approved: 44.85%  
Rejected: 55.15% |

November 2017 Levies and Ballot Measures in King County

<table>
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<tr>
<th>Jurisdiction</th>
<th>Measure</th>
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<tbody>
<tr>
<td>King County</td>
<td>Veterans, Seniors and Human Services Levy, $0.10 per $1,000 assessed value, totaling a projected $52.4 million in 2018 and $354.3 million over the life of the levy</td>
</tr>
<tr>
<td>Burien</td>
<td>Initiative No. 1, Repealing “Sanctuary City” Ordinance #651</td>
</tr>
<tr>
<td>Federal Way SD #210</td>
<td>Proposition No. 1, Construction Bonds Property Tax of no more than $450 million</td>
</tr>
<tr>
<td>King County Fire Protection District # 20</td>
<td>Proposition No. 1, Levy of General Tax for Maintenance and Operations, $0.41 per $1,000 assessed value in 2018 and 2019, increasing to $0.53 in 2020 and 2021</td>
</tr>
<tr>
<td>King County Fire Protection District #43</td>
<td>Proposition No. 1, Restoring Levy to $1.50 per $1,000 of assessed value</td>
</tr>
<tr>
<td>Si View Metropolitan Park District</td>
<td>Proposition No. 1, Concerning Protecting a Portion of the Existing Property Tax Levy from being Reallocated to Other Taxing Districts, $0.25 per $1,000 of assessed value</td>
</tr>
<tr>
<td>East Bellevue Community Municipal Corporation</td>
<td>Proposition No. 1, Continuation of Community Municipal Corporation through January 2022</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Houghton Community Municipal Corporation</td>
<td>Proposition No. 1, Continuation of Community Municipal Corporation through December 2021</td>
</tr>
</tbody>
</table>

**Potential Future Ballot Measures – SCA Cities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Jurisdiction</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td>Renton</td>
<td>Parks Levy</td>
</tr>
</tbody>
</table>

**Potential Future Ballot Measures – Other Cities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Jurisdiction</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td>Seattle</td>
<td>Families and Education Levy (renewal)</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>Seattle</td>
<td>Library Levy (renewal)</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>Seattle</td>
<td>Transportation Levy (renewal)</td>
</tr>
</tbody>
</table>

**Potential Future Ballot Measures – Countywide**

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Jurisdiction</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td>King County</td>
<td>Affordable Housing and Related Services Sales Tax</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>King County</td>
<td>AFIS Levy (renewal)</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>King County</td>
<td>Medic One (renewal)</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>King County</td>
<td>Regional Parks Levy (renewal)</td>
</tr>
<tr>
<td>2018-19</td>
<td></td>
<td>King County</td>
<td>Land Conservation</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>King County</td>
<td>Best Starts for Kids (renewal)</td>
</tr>
</tbody>
</table>

**Potential Future Ballot Measures – School & Special Purpose Districts**

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td>Shoreline School District Operations Levy</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>Shoreline School District Capital Levy</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>Lake Washington School District Bond Measure ($288 million, no tax rate increase)</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>Issaquah School District Levies (Maintenance and Operations, Capital, and/or Transportation)</td>
</tr>
</tbody>
</table>

**Next Steps**

Please share this information with your city and provide information on upcoming elections in your city to SCA Senior Policy Analyst Brian Parry.
Item 12:
Potential Upcoming SCA Issues

UPDATE

SCA Staff Contact
Ellie Wilson-Jones, Senior Policy Analyst, ellie@soundcities.org, (206) 495-5238

Update
This is an ongoing, monthly PIC item noting issues that SCA members have asked to be brought to the PIC.

Potential Issues

- City Human Services Funding
  - SCA staff is working with the King County Alliance for Human Services and city staff to collect data and will return to the PIC for discussion
  - An upcoming pre-PIC workshop is also anticipated on this topic

- Addressing the impact of growth on the region
  - This topic was raised at the SCA caucus meetings in December

If you or your city has additional items to be added to this list, please contact Ellie Wilson-Jones, ellie@soundcities.org.