



SCA Public Issues Committee

AGENDA

September 14, 2016 – 7:00 PM

Renton City Hall

1. **Welcome and Roll Call** – Councilmember Marlla Mhoon, Covington, Chair 2 minutes
2. **Public Comment** – Councilmember Marlla Mhoon, Covington, Chair 10 minutes
3. [Approval of minutes – July 13, 2016 meeting](#) 2 minutes
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4. **Chair’s Report** – Councilmember Marlla Mhoon, Covington, Chair 5 minutes
5. **Executive Director’s Report** – Deanna Dawson, SCA Executive Director 10 minutes
6. [Low Income Housing Tax Credit](#) 15 minutes
POTENTIAL FUTURE ACTION ITEM
Page 67
Ellie Wilson-Jones, Policy Analyst
(5 minute staff report, 10 minute discussion)
7. [2017 SCA State Legislative Agenda](#) 20 minutes
DISCUSSION
Page 83
Deanna Dawson, SCA Executive Director
(5 minute staff report, 15 minute discussion)
8. [Regional Economic Strategy Update](#) 15 minutes
DISCUSSION
Page 107
Doreen Booth, Policy Analyst
(5 minute staff report, 10 minute discussion)
9. [Mental Illness and Drug Dependency \(MIDD\) Sales Tax Renewal](#) 15 minutes
UPDATE
Page 123
Ellie Wilson-Jones, Policy Analyst
(5 minute staff report, 10 minute discussion)

10. Best Starts for Kids Levy Implementation Plan
UPDATE 10 minutes
Page 127
Ellie Wilson-Jones, Policy Analyst
(5 minute staff report, 5 minute Q and A)

11. Future Levies and Ballot Measures in King County
UPDATE 5 minutes
Page 129
Katie Kuciemba, Senior Policy Analyst
(2 minute staff report, 3 minute discussion)

12. Potential Upcoming SCA Issues
UPDATE 5 minutes
Page 132
Deanna Dawson, Executive Director
(2 minute staff report, 3 minute discussion)

13. Upcoming Events
a. SCA Networking Dinner – Wednesday, October 5, 2016 – 5:30 PM – Inglewood Golf Club, Kenmore
b. SCA Public Issues Committee Meeting – Wednesday, October 12, 2016 – 7:00 PM to 9:00 PM – Renton City Hall

14. For the Good of the Order

15. Adjourn

Did You Know?

The Association of Washington Cities (AWC) created the Advocacy All-Star Award in 2015 to recognize and celebrate the actions of city elected officials who consistently advocate for all of Washington’s 281 cities and towns. In 2016, AWC honored SCA Vice President David Baker, Mayor of Kenmore, as an Advocacy All-Star in appreciation of his ongoing engagement with area legislators on city issues at both the state and federal levels, and his presence on the ground in Olympia and Washington D.C. when it counts. SCA was also honored as an Advocacy All-Star in recognition of the organization’s proactive efforts to promote and work to solve a range of city issues at the state, federal, and regional levels. The awards were presented at SCA’s networking event on September 7, 2016.

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.

SCA Public Issues Committee

DRAFT MINUTES

July 13, 2016 – 7:00 PM

Renton City Hall

1055 S Grady Way, Renton WA 98057

1. Welcome and Roll Call

PIC Chair Councilmember Marlla Mhoon, Covington, called the meeting to order at 7:00 PM. 26 cities had representation ([Attachment A](#)). Guests present included: Pam Fernald, SeaTac Council; Bill Peloza, Auburn Council; Carol Simpson, Newcastle Council; Lyman Howard, City of Sammamish; Stacey Jehlik, City of Seattle; Diane Carlson, King County Executive's Office staff; Michael Huddleston, King County Council staff; Will Knedlik.

2. Public Comment

Chair Mhoon asked if any member of the public had any public comment.

Will Knedlik, representing the Eastside Transportation Association, stated there are two online calculators available for individuals to determine how much tax per year a household would pay for the ST3 System Plan if it passes in November 2016. Knedlik encouraged members to use the calculator and assess the financial details of the ST3 System Plan to better understand the tax burden for residents. Two handouts were distributed to the PIC ([Attachments B and C](#)), including an explanation of one calculator.

Seeing no further comments, Chair Mhoon closed the public comment portion of the meeting.

3. Approval of the June 8, 2016 Minutes

Chair Mhoon reported that one correction to the June 8, 2016 PIC minutes was submitted by Tukwila for Agenda Item 10, Future Levies and Ballot Measures in King County. The correction reads:

The City of Tukwila has a proposed Public Safety Plan that may include a voter approved bond. Staff is currently undertaking a public outreach effort around the proposed plan to solicit feedback from the community. The Council will make a final decision on the Plan, including any potential ballot measure, by their August 1 Council meeting.

Chair Mhoon asked for any objection; seeing none she asked for a motion to approve the amended minutes.

Mayor Don Gerend, Sammamish, moved, seconded by Mayor Nancy Backus, Auburn, to approve the June 8, 2016 PIC minutes as amended.

There was no discussion. The motion passed unanimously.

4. Chair's Report

Chair Mhoon stated that tonight's pre-PIC workshop was well attended and that the presentation from Puget Sound Regional Council (PSRC) was regarding the PSRC Transportation 2040 Update focused on Travel Trends.

Chair Mhoon reported that the SCA leadership met with King County Executive Dow Constantine and discussed the following topics: regional growth; ST3; roads and bridges funding; Metro reserve fund and financial policies; Best Starts for Kids (BSK) levy; legislative agenda, focused on homelessness and affordable housing; and King County biennial budget. Chair Mhoon reported that Executive Constantine thanked SCA for its contribution to BSK, and complimented the work of the SCA BSK Roundtable. Another topic of discussion was the Land Conservation Advisory Group, on which Redmond Council President Hank Margeson will serve on behalf of SCA.

Chair Mhoon reported that after polling the leadership of the SCA Board and PIC, it has been suggested that the August 10, 2016 meeting of the PIC be cancelled. There was no opposition; therefore, the August meeting will be canceled and the next meeting of the PIC will be on September 14, 2016.

5. Executive Director's Report

Deanna Dawson, SCA Executive Director, sought feedback from PIC members about a proposal for settlement of the lawsuit brought against the King Conservation District (KCD). Dawson gave background on the lawsuit, which was resolved via settlement in the amount of \$1.4 million. The KCD and representatives of the plaintiffs, including the Citizens Alliance for Property Rights, are considering an alternate settlement which would fund projects rather than simply rebating the funds back to property owners, given the extremely small amount to which each property owner would be entitled were the funds distributed in this fashion. The projects under consideration would include Agricultural Drainage Assistance (\$500,000), Discovery Farms Demonstration Project (\$200,000), Small Lot Forest Management and Fire Protection (\$500,000), and King County Agricultural Strategic Plan (\$200,000) ([Attachment D](#)). Dawson noted that attorney Steve DiJulio of Foster Pepper, the KCD, and King County were seeking SCA's feedback before proceeding with the alternative settlement.

Councilmember Bill Boyce, Kent, asked how these projects were chosen. Dawson responded that they were developed in consultation with the KCD and the plaintiffs in the class action lawsuit. Mayor Bernie Talmas, Woodinville, commented that projects that would benefit the community, not just assist with planning and administration, would be beneficial. Councilmember Bob Jeans of Snoqualmie requested more information on the projects, and wondered whether these were the most beneficial uses of funds. Dawson reiterated that these projects had been selected in consultation with the plaintiffs to the suit. While there may be opportunity to urge the KCD and/or County to not enter into an alternate settlement and to rebate the settlement fund to property owners, modification of the proposed programs was likely not an option. Councilmember Kate Kruller, Tukwila appreciated the communication and transparency from the KCD in seeking feedback from SCA. She noted that the KCD was in the

process of hiring a new director, and asked that SCA members be updated on this process. She also asked about how there will be assurances of accountability and communication in the future regarding the proposed new programs. Dawson agreed to pass this feedback on. Councilmember Lydia Assefa-Dawson asked whether all these projects would be funded through the proposed alternate settlement, and if not, how a project would be chosen. Dawson responded that the proposal was to fund all of the projects. Mayor John Stokes, Bellevue, Chair of the KCD Advisory Committee, commented that these proposed projects fit in with the work of the KCD, noting that while these programs would primarily benefit rural areas, many of the other new projects underway at the KCD benefit urban and suburban areas. He supported the proposal. Councilmember Toby Nixon supported the proposal, noting that were a rebate made, property owners would likely not even notice given the small amount that would be given to each property owner. He supported funding these projects instead from a good government standpoint. Dawson agreed to share this feedback with the KCD, and members of the KCD Advisory Board, who will be meeting and discussing this topic on July 20, 2016.

Dawson updated PIC members on proposals pending before the King County Council to amend marijuana regulations. Currently retail marijuana operations are allowed in unincorporated King County only in commercial zones. Executive Constantine had proposed legislation that would add a 1,000 foot buffer between retail stores to avoid clustering in areas like Skyway and White Center. An amendment has been proposed by Councilmember Dembowski that would allow retail establishments in Urban Reserves and Neighborhood Business zones, which would allow retail establishments to be spread into additional areas in the county rather than being clustered in a few areas. A map of the Urban Reserve areas is attached as [Attachment E](#). Councilmembers Dunn and Lambert have expressed concerns about this amendment, and have sought feedback from SCA. The City of Enumclaw has expressed concerns about the proposal, as it would allow retail marijuana establishments in their Potential Annexation Area (PAA), while the city has a ban on retail establishments ([Attachment F](#)). The County Council is scheduled to take action on the matter on July 25, 2016. The City of Enumclaw has asked for the process to be slowed down.

Councilmember Ed Prince, Renton, stated that the City has received many emails expressing concerns about the current clustering of retail establishments, noting that although Skyway is outside the city boundaries of Renton, the city does hear concerns from residents. Mayor Ken Hearing, North Bend, noted that this was part of a broader concern about the County allowing uses in PAAs that are not consistent with uses inside cities. Dawson asked if the North Bend Council has discussed potential impact of this amendment on North Bend. Hearing responded that they have not had time to do so yet. Councilmember Erin Weaver, Maple Valley, noted that this had been discussed at their city, and that she would provide Dawson with additional information after the meeting. *(Note – Maple Valley staff have noted that, “Upon further review, the areas affected by the proposed change do not appear to greatly affect Maple Valley as the only areas zoned ‘Urban Reserve’ which may allow a marijuana operation are in the area of ‘Rainier Ridge’ to our south which is slated for annexation into our City this year.)* In response to a question from Dawson, Weaver indicated that Maple Valley has not banned retail marijuana establishments. Councilmember Kate Kruller, Tukwila, related challenges the city of Tukwila had regarding siting of marijuana establishments within the city due to zoning. She asked what was driving the proposed changes. Dawson indicated that the Executive’s proposal

to have a buffer between retail establishments was to prevent clustering. The proposed amendment from Councilmember Dembowski was to allow for retail marijuana establishments in additional areas, as they are currently only allowed in a small portion of unincorporated county. Mayor Chris Roberts, Shoreline, asked how many retail licenses had been given in King County, and how many additional would be allocated. Diane Carlson, King County Executive's Office, noted that there were currently 11, with an additional 11 to be granted for a total of 22. Chair Mhoon asked for clarification if these regulations would be effective only in unincorporated county; Dawson confirmed this was correct. Councilmember Lydia Assefa-Dawson, Federal Way, asked if this would affect Federal Way's PAA. Referring to the map in [Attachment E](#), Dawson noted that it did not appear that the proposed changes would affect the areas in Federal Way's PAA, but suggested that she raise the issue with city staff. Mayor Bernie Talmas, Woodinville, noted that he would like to get more information and discuss with his City Council. He supported a study to evaluate the impacts of the proposal. He noted that while Woodinville does not have a formal ban in place, the city does require all businesses to comply with both state and federal law, which effectively prohibits the granting of a license. Dawson encouraged members to discuss this matter with their representatives on the County Council.

Dawson gave an update on ongoing discussions regarding conditional certification of cities' comprehensive plans at the Puget Sound Regional Council (PSRC), and the broader topic of growth in the region. She noted this could be a potentially divisive issue, and that SCA is looking for ways to develop common ground. SCA is helping to put together a joint meeting of the Growth Management Policy Committee (GMPC) and Growth Management Policy Board (GMPB), so that all members could be fully briefed on the State's Growth Management Act (GMA), PSRC's VISION 2040, the County's role in allocating growth targets, and the interplay between the three. Having this background information will enable members to have a better policy discussion. PSRC is also putting together a work group of staff to review how the comprehensive plan certification has worked, which will in turn also help inform policy discussions at PSRC. Dawson referred members to a letter submitted by the City of Snoqualmie ([Attachment G](#)) challenging the process.

Dawson gave members an update on ongoing discussions with the County about funding of roads and bridges. As a next step, the County will be bringing in an outside consultant to help better identify the funding needs on regional roads in both cities, and the County. SCA will help with the selection process of the consultant.

Dawson updated members about the Veterans and Human Services levy, which will likely go to voters in 2017. There will be a large public process to determine the amount of the levy, and what will be funded. Additions that may be considered include adding funding for seniors and affordable housing. SCA will work with the County on a process to seek feedback from cities. This may take the form of a group similar to the SCA BSK Roundtable, which would enable all cities to provide input into what should be included in the levy. This process will likely take place between August and October of 2016.

Dawson provided additional detail on the Land Conservation Advisory Group. King County has a goal of protecting all of the remaining unprotected high value conservation lands in King County within a generation. They have developed a work plan to support this goal, which was

submitted to the King County Council in March, 2016. The work plan identifies 60,000 acres of unprotected high value conservation lands in the unincorporated area. The work plan also articulates the work ahead including additional analysis on the lands to protect, further analysis of existing and potential new revenue streams to support and achieve the goal, work with cities on priority lands to protect inside cities, and creating opportunities for public engagement and input. Several city officials have been asked to participate including Councilmembers James McNeal of Bothell and De'Sean Quinn of Tukwila. As noted earlier by Chair Mhoon, SCA will be represented by SCA Board member and Redmond Council President Hank Margeson.

Dawson gave a recap of the June 29, 2016 networking event with guest Congresswoman Suzan DelBene, and previewed upcoming events:

- September 7, 2016: County Councilmembers Balducci and Kohl-Welles
- October 5, 2016: Seattle Mayor Ed Murray
- November 30, 2016: Annual Meeting, UW President Ana Mare Cause

Dawson offered her availability to present about the work of SCA at city council meetings. She will be at the SeaTac Council in September.

6. King County 2017/2018 Biennial Budget

Deanna Dawson, SCA Executive Director, updated members on the King County 2017/2018 biennial budget. She noted that SCA's Finance Committee (Mayor Amy Walen, Mayor Will Ibershof, City Administrator Bob Harrison, Mayor Leanne Guier, and Council President Hank Margeson), plus Mayors Don Gerend and Bernie Talmas, have met twice with Dwight Dively of King County to get background on the budgetary challenges faced by the County, and the potential impact on cities. She reviewed a PowerPoint from Dively ([Attachment H](#)).

The financial status of County funds varies substantially by fund. Some funds (like Metro Transit) are in very good shape due to the strong economy. Others (especially public health, E911, and the general fund) face substantial challenges. In the general fund, several potential areas of cuts could have impacts on cities, including:

- Potential elimination of Sheriff's marine and air support units
- Potential closure of the MRJC for booking
- Potential closure of work release
- Potential reductions in Medical Examiner's Office
- Potential reductions in prosecutors and support staff, slowing filings
- Potential reductions in human services, including services for victims in criminal justice agencies

Dawson noted that the budget review committee would be meeting with Dively again prior to the Executive transmitting the budget to the County Council in September, and encouraged cities to provide feedback.

Mayor Don Gerend, Sammamish, discussed the Sheriff's marine and air support units. He had previously been under the impression that cities were billed for services rendered by the units. He learned that cities that contract with the County for police service pay a cost as part of their

contract. But cities with their own police departments and areas outside the county who receive services from these units are not billed when the services are used. He questioned whether cities that contract with the county for police services would need to renegotiate their contracts if the marine and air support services would no longer be provided.

Dawson mentioned that the budget committee had discussed with Dively the possibility of the County going out to voters for a criminal justice sales tax. Such a tax had failed at the ballot in the past. By state law, a voter approved criminal justice sales tax can be between .1-.3%, and would be split 60% to counties and 40% to cities. This may be something that the County considers if they are unsuccessful in their efforts in Olympia to lift the 1% property tax cap. This is a high priority for King County.

Councilmember John Stilin, Redmond, asked if the county took a 1% property tax each year, and asked how much revenue this brings in. Dawson responded that the county does take the 1% increase each year, and agreed to follow up with a response on the amount of revenue this brings in. *(Note – According to Dwight Dively, “The current General Fund property tax revenue is about \$340 million, so the 1% growth is about \$3.4 million.”)*

Councilmember Bill Boyce, Kent, asked how to tell what the true impact of these cuts would be to cities. Dawson suggested that members should confer with staff and their council about how these cuts might affect them, as cuts will affect different cities differently. For example, closing bookings at the justice center in Kent will have a greater impact on cities in the south. Some cities have suggested that they might investigate forming their own police departments rather than contracting with the Sheriff if the marine and air support units were no longer offered.

Councilmember Toby Nixon, Kirkland, asked whether King County had pursued with the legislature obtaining the authority to impose a utility tax in unincorporated King County. He noted that in the past, the county had faced objections from cities when they sought authority to impose a utility tax countywide. Dawson responded that in recent years, King County had asked the legislature for authority to impose a utility tax in only unincorporated King County. Their efforts to date have been unsuccessful, and have been opposed by utilities. She noted that King County had asked if SCA would support their obtaining this authority. Nixon suggested that this should be something SCA could support as it would not harm cities, would help the County, and help prevent negative impacts on cities from budget cuts. Dawson agreed to suggest this to the SCA legislative committee for consideration. Mayor Rich Crispo, Newcastle, noted that Newcastle did not have a utility tax and that in the past, the County had proposed levying a tax on both unincorporated residents and city residents. This was strongly opposed by cities. Dawson agreed, and noted that SCA would oppose any authority for the County to impose utility taxes on city residents.

Chair Mhoon noted that the City of Olympia is considering imposing an income tax. Dawson referred members to a presentation given by Hugh Spitzer at the recent AWC conference on taxation powers that cities have under “Home Rule.” The presentation is available [here](#). She suggested this might be an interesting topic for an upcoming pre-PIC meeting.

7. Best Starts for Kids Levy Implementation Plan

Ellie Wilson-Jones, SCA Policy Analyst, reported on the General Implementation Plan for Best Starts for Kids (BSK), a six-year property tax levy approved by voters in November 2016. Levy proceeds are anticipated to reach \$400 million over the course of the levy. From the first year's levy proceeds, funds necessary to pay for levy election costs are set aside, as are the \$19 million to fund a Youth and Family Homelessness Prevention Initiative. An implementation plan for that initiative was previously discussed by the PIC and has been finalized by the King County Council.

Work is now underway on a General Implementation Plan identifying strategies to be funded under the levy's other mandated investment areas: 50 percent of the remaining levy proceeds for children and youth under five; 35 percent for children and youth ages five through 24; 10 percent for continuing the "Communities of Opportunity" partnership; and 5 percent for data and evaluation. The Executive's proposed General Implementation Plan was transmitted to the King County Council and Regional Policy Committee (RPC) on June 1. The Children and Youth Advisory Board, on which SCA is represented by Auburn Mayor Nancy Backus and Shoreline Councilmember Jesse Salomon, was consulted during the drafting of the plan. The Communities of Opportunity Interim Governance Group, of which SCA Executive Director Deanna Dawson is a member, was involved in drafting the section pertaining to Communities of Opportunity investments.

On July 13, prior to the evening's PIC meeting, the RPC held a joint meeting with the King County Health, Housing and Human Services Committee (KCHHHS) to discuss the plan. For purposes of consideration of BSK implementation, KCHHHS consists of all the members of the King County Council. RPC members voiced questions or concerns brought forward at June 30 BSK Roundtable meeting and sought clarification from county staff on a number of issues, including: the need for financial oversight and how course correction will take place should issues emerge between biennial audit cycles; how outcomes data will be disaggregated to ensure broad race categories like "Asian" do not obscure the needs of communities encompassed by the category, how universal screening will be implemented; and how geographic equity will be defined, including the need to ensure BSK dollars are spent where they are needed most. Following the joint RPC and KCHHHS meeting, the RPC reconvened separately and voted unanimously in favor of an ordinance approving the General Implementation Plan. Auburn Councilmember Bill Pelozza, on behalf of the SCA members of RPC, sponsored two unanimously approved amendments to the ordinance. Wilson-Jones distributed the first of the two amendments ([Attachment I](#)), which makes several substantive changes to the General Implementation Plan. With regard to reporting, the amendment does four things: clarifies the contents of and better distinguishes between required reports; requires annual reports be sent to RPC, consistent with the requirements of the BSK Levy ordinance; requires a BSK Evaluation and Performance Measurement Plan be sent to RPC, and requires that reports be developed in consultation with and reviewed by the Children and Youth Advisory Board. With respect to determining where there is need for services and where services—some of which will not be offered county wide—should be sited, the amendment adds language directing that consideration be given to communities and populations experiencing rapidly increasing rates in the challenges facing children and families. Finally, language was added directing that consideration be given to the transportation challenges

faced by people in many areas in accessing services. The new language directs implementation staff to consider how equity might be enhanced through transportation subsidization options as an alternative to program siting-based solutions.

The General Implementation Plan, as amended by RPC, will now be reviewed by KCHHHS over the course of four meetings with committee approval slated for September 7. If the schedule remains on track, the plan would then go to the full King County Council September 12.

In addition to weighing in during the King County Council's review process, there are several other ways SCA members can continue to provide feedback on the implementation of BSK. First, it is the intention to continue holding BSK Roundtable meetings at least annually to solicit input from local elected officials. Second, the Children and Youth Advisory Board and Communities of Opportunity Interim Governance Group will continue to be involved in rolling out implementation including the RFP process. Third, under the amendments adopted by RPC today, the RPC will continue to receive annual reports on BSK implementation. SCA staff will also continue to brief the PIC.

Deanna Dawson, SCA Executive Director, highlighted that amendments sponsored by SCA RPC Caucus Chair Bill Pelozo were passed unanimously by the RPC and were well received by the King County Executive and his staff.

Councilmember Bill Pelozo, Auburn, spoke as the SCA RPC Caucus Chair. He stated that the SCA members should be proud of their work on the General Implementation Plan and recognized SCA RPC members for their work at the day's meetings.

Mayor Bernie Talmas, Woodinville, thanked SCA and King County Council staff for their work. Talmas, who is an RPC member, said every concern that members had raised was resolved with the amendments to the General Implementation Plan.

Chair Mhoon stated that the King County Executive expressed his appreciation for SCA's involvement with BSK.

Dawson recognized representatives of the RPC, who spoke eloquently during the RPC meeting with KCHHHS about the need to ensure levy dollars go to where the need is greatest. It provided a strong example of SCA members showing we are all one King County.

8. Future Levies and Ballot Measures in King County

Katie Kuciemba, SCA Senior Policy Analyst, pointed members to the list of potential levies and ballot measures in the PIC packet and reported that updates have been made to reflect discussion during the June meeting. Two additional ballot measures have been reported to King County Elections:

- Kent School District No. 415: Capital Improvement and School Construction General Obligation Bonds in the amount of \$252,000,000
- South King Fire & Rescue: Levy of General Tax \$2,750,000 for Maintenance and Operations

The deadline to submit a resolution to King County is August 2, 2016, and the official list of ballot measures will be available approximately 45 days prior to the election.

Councilmember Kate Kruller, Tukwila, confirmed that Tukwila's potential ballot measure should be added.

Mayor John Stokes, Bellevue, reported that the Bellevue City Council indicated its unanimous support for placing two proposed measures before Bellevue voters on the November ballot. The Fire Facilities measure will include a property tax levy rate of 12.5 cents per \$1,000 of assessed value. For the Transportation measure, the council agreed to proceed with a rate of 15 cents per \$1,000 of assessed value, which was originally proposed at 12.5 cents.

Mayor Nancy Backus, Auburn, reported that the Auburn School District is proposing a November ballot measure that includes the replacement of six elementary schools and building two new elementary schools.

Mayor Chris Roberts, Shoreline, stated that the Shoreline School District is considering a capital ballot measure in early 2017.

Mayor Pro-Tem Bob Jeans, Snoqualmie, reported that the City is considering a November 2016 ballot measure to add police and a fire fighter.

Chair Mhoon stated that the Covington City Council has discussed putting an advisory vote on the ballot related to fireworks.

Deanna Dawson, SCA Executive Director, reported that a discussion occurred at the North End Mayors Meeting about the legality of placing an advisory measure on the ballot as a result of feedback from the Municipal Research and Services Center (MSRC). Mayor Roberts added that the Public Disclosure Commission (PDC) is becoming increasingly concerned about the use of advisory ballot measures as a mechanism to poll voters on political issues. Councilmember Toby Nixon, Kirkland, added that the PDC is averse to using advisory measures as a way to test taxation support levels. Kruller commented that the City of Tukwila has experience using an advisory ballot measure to determine the interests of residents. Dawson suggested that the topic of advisory ballot measures could be scheduled as a pre-PIC.

9. Potential Upcoming SCA Issues

Deanna Dawson, SCA Executive Director, reported that there are no new updates to the list of potential upcoming SCA issues. Dawson noted now that Ellie Wilson-Jones, SCA Policy Analyst, has returned from leave, she will begin compiling information about city human services funding.

10. Informational Items

Chair Mhoon reported that there is one informational item in the packet regarding Sound Transit's ST3 System Plan.

11. Upcoming Events

The next SCA Networking Dinner will be held on Wednesday, September 7, 2016 at 5:30 PM at the Renton Pavilion Event Center. Presenters will be King County Councilmembers Claudia Balducci and Jeanne Kohl-Welles.

The August 10, 2016 meeting of the Public Issues Committee (PIC) has been cancelled. The next PIC meeting will be held on Wednesday, September 14, 2016 at 7:00 PM at Renton City Hall.

12. For the Good of the Order

Councilmember Kate Kruller, Tukwila, cautioned members about significant road closures in Tukwila during the Boeing Company's 100th Anniversary celebration.

Mayor Nancy Backus, Auburn, announced that a forum is being convened to address South King County affordable housing needs. Forum members will include representatives from the Realtors; Master Builders Association; housing developers; King County; Association of Washington Cities (AWC); and SCA.

Councilmember James McNeal, Bothell, thanked members for their hard work. He also encouraged members to reach out into community, especially to youth and police officers, to spread messages of positivity. He suggested that members could report back at the next PIC meeting.

Mayor Dave Hill, Algona, announced that [Algona Days](#) is July 15-16, 2016.

Mayor Hill also stated his appreciation for local police officers for their professionalism. Recently, a stolen vehicle was spotted and as the Algona police officers were in pursuit, they were fired upon. The scene was contained and police officers from Auburn, Federal Way, Pacific, and Tukwila aided in the response. Hill was proud to report that the suspect was apprehended with a bean bag, and no lethal force was used.

Chair Mhoon stated that it is important to share positive messages about the excellent things police forces do.

Mayor Ken Hearing, North Bend, announced that the [North Bend Downtown Block Party](#) is July 16, 2016.

Councilmember Toby Nixon, Kirkland, reminded members that August 2, 2016 is [National Night Out](#) and encouraged members to get involved in this event.

Chair Mhoon announced that [Covington Days Festival](#) is July 16-17, 2016.

Adjourn

The meeting was adjourned at 8:29 PM.

Public Issues Committee Meeting July 13, 2016

City	Representative	Alternate
Algona	Dave Hill	Bill Thomas
Auburn	Nancy Backus	Bill Pelozza
Beaux Arts Village	Tom Stowe	Richard Leider
Bellevue	John Stokes	Kevin Wallace
Black Diamond	Janie Edelman	Tamie Deady
Bothell	James McNeal	Tris Samberg
Burien	Nancy Tosta	Austin Bell
Carnation	Jim Berger	Dustin Green
Clyde Hill	Barre Seibert	George Martin
Covington	Marlla Mhoon	Margaret Harto
Des Moines	Melissa Musser	Robert Back
Duvall	Amy Ockerlander	Will Ibershof
Enumclaw	Mike Sando	Chance LaFleur
Federal Way	Lydia Assefa-Dawson	Dini Duclos
Hunts Point	Joseph Sabey	
Issaquah	Tola Marts	Mariah Bettise
Kenmore	David Baker	Nigel Herbig
Kent	Bill Boyce	Dana Ralph
Kirkland	Toby Nixon	Shelley Kloba
Lake Forest Park	Catherine Stanford	Tom French
Maple Valley	Erin Weaver	Bill Allison
Medina	Sheree Wen	
Mercer Island	Benson Wong	Debbie Bertlin
Milton	Susan Johnson	Debra Perry
Newcastle	Rich Crispo	Carol Simpson
Normandy Park	Michelle Sipes-Marvin	
North Bend	Ross Loudanback	Ken Hearing
Pacific	Leanne Guier	David Storaasli
Redmond	Hank Margeson	John Stilin
Renton	Ed Prince	Armondo Pavone
Sammamish	Bob Keller	Don Gerend
SeaTac	Erin Sitterley	Pam Fernald
Shoreline	Chris Roberts	Keith Scully
Skykomish	Henry Sladek	
Snoqualmie	Bob Jeans	Matt Larson
Tukwila	Kate Kruller	Verna Seal
Woodinville	Bernie Talmas	Susan Boundy-Sanders
SCA Deanna Dawson Katie Kuciemba Ellie Wilson-Jones Kristy Cole		

Voting members are highlighted in gray. Cities represented are **bolded**.

TO: EASTSIDE TRANSPORTATION PARTNERSHIP OFFICERS AND MEMBERS
 FROM: WILL KNEDLIK 
 RE: TWO MINIMUM NEEDS OF SUBURBAN RESIDENTS FOR SOUND TRANSIT 3
 DATE: JUNE 10, 2016

Discussion Memorandum

All thinking people of good will should be able to agree that the Sound Transit 3 tax ballot is not simply immense, but also yet more important for the three-county region encompassed within the junior taxing district's legal boundaries, as well as for several adjacent counties and for our state.

Hence, whether you are an elected official who truly feels that Seattle-centric transit programs to be promoted to citizens at the General Election on November 8th represent the very best uses of tax dollars since rail transport was originally built at Salzburg, near the end of the European Dark Ages, in *circa* 1495 AD or since the Sun King Louis XIV granted a royal patent to the true genius Blaise Pascal for invention of modern transit for Paris, and for its suburbs, in 1662 AD (as some now holding positions of public of trust here do), or whether you find ST3 a far bigger fraud than Trump University (as I have reluctantly concluded), making common cause *vis-à-vis* two needs is not just essential, nor merely feasible, but squarely indicated by our state's Expert Review Panel.

At that Panel's meeting on June 6th, senior Sound Transit managers belatedly identified that ST3 plans, as approved in draft form by the agency's Board on June 2nd, include projects that would add \$49 in "Cost per New Transit Rider" in the Snohomish subarea; \$81, \$84 and \$141 for every **new** transit trip in the East King County subarea; and \$171 for each **new** user in Pierce County.

Worse still, under incisive questioning by Panel members, Sound Transit staff first admitted that members of the district's Board were **not** informed of those gigantic costs before they had voted, and later stated that this vital information was withheld because "federal law does not require it."

Also at that important Panel meeting, documentation was presented that Sound Transit has been, and is, **passing off** more-than-\$77 billion to be collected in local taxes between 2017 and 2041 as \$27.7 billion (so as to create an effective \$50 billion fraud on citizens as voters and as taxpayers). "Average" household costs would thus be **\$2,280 each year instead of \$400** (as falsely claimed). Those calculations for \$77.1 billion to be collected from 1.2 million households over 25 years are attached hereto, and shall be updated when Sound Transit eventually stops playing hide-the-total-tax-take from citizens and from elected officials (including, reportedly, its own Board members).

Suburban residents clearly need and deserve to know **our real costs** for sales taxes for ST1, ST2 and ST3 combined (based on income and on spending), for property taxes (based on assessments of our homes whether leased or owned) and for motor vehicle excise taxes (based on numbers of and values for **all** cars, motorcycles, trailers and trucks to bear Sound Transit's taxes). An online calculator can be supplied **easily** (but **iff** the junior taxing district finally starts to show good faith).

Your constituents also need and deserve to know that you will fulfill **your fiduciary duties to us** by ensuring that **ALL** subarea-equity allocations rest directly on fully reliable Orca card data that **objectively** match our costs with our actual system usage, as last-minute changes to ST3 did for a second downtown Seattle rail tunnel, rather than on **arbitrary-and-subjective fiat** Board actions!

Sound Transit's tax collections from residents of King, Pierce and Snohomish counties

Sound Transit 1 and Sound Transit 2 tax collections from 1.2 million households to 2016:

1997-2015 \$8.4 billion (from combined tax collections from ST1 since 1997 + ST2 since 2009)

2016 \$800 million (from combined ST1 + ST2 tax collections indicated for current year)

1st 20 years: \$9.2 billion (from combined ST1 + ST2 tax collections over the initial two decades)

Thus: \$7,664 in taxes collected from each "average" local household in first 20 years

including \$660 in taxes to be collected from each "average" household in 2016
(**\$800 million divided by 1.2 million district households**)

Additional Sound Transit tax collections from local households during 25 years to follow:

From combined ST1+ST2+ST3 (if ST3 approved) From combined ST1+ST2 (if ST3 rejected)

2017	\$1.5 billion (over an initial phase-in year) <i>or circa \$2 billion if the 65th Legislature expands sales taxes to services in 2017*</i>	\$850 million <i>or circa \$1.1 billion if the 65th Legislature expands sales taxes to services in 2017*</i>
2018	\$2 billion (in first year of full tax receipts) <i>or circa \$2.5 billion if sales tax expands*</i>	\$900 million <i>or circa \$1.1625 billion if sales tax expands*</i>
2019	\$2.1 billion <i>or circa \$2.65 billion if sales tax expands*</i>	\$950 million <i>or circa \$1.225 billion if sales tax expands*</i>
2020	\$2.2 billion <i>or circa \$2.8 billion if sales tax expands*</i>	\$1 billion <i>or circa \$1.2875 billion if sales tax expands*</i>
2021	\$2.3 billion <i>or circa \$2.95 billion if sales tax expands*</i>	\$1.05 billion <i>or circa \$1.35 billion if sales tax expands*</i>

*Extension of sales taxes largely from goods, today, to include most-or-all services is the simplest means for the 65th Washington State Legislature to add billions of dollars in new tax revenue to finance public education "amply" – as the "paramount duty" required of the state by Article IX of the Washington State Constitution – and, thereby, to end the \$100,000 per-day fine imposed by the Washington State Supreme Court in August, 2015, for contempt of court, on the state and, thus, on each state taxpayer, due to several decades of governmental failures to fund its public school programs adequately. Any such fiscal resolution would generate a multibillion-dollar tax windfall for Sound Transit finances now reliant mainly on sales taxes, and would hugely boost more-than-\$2 million already being received by the junior taxing district from residents, every day, under taxing authority for its incomplete ST1 and ST2 projects even if voters reject Sound Transit's immense proposed tax hike on November 8, 2016. (On June 6th, a state-appointed Expert Review Panel identified a likewise gigantic tax windfall as internet sales evolve.)

2022	\$2.4 billion <i>or circa \$3.1 billion if sales tax expands*</i>	\$1.1 billion <i>or circa \$1.4125 billion if sales tax expands*</i>
2023	\$2.5 billion <i>or circa \$3.25 billion if sales tax expands*</i>	\$1.15 billion <i>or circa \$1.475 billion if sales tax expands*</i>
2024	\$2.6 billion <i>or circa \$3.4 billion if sales tax expands*</i>	\$1.2 billion <i>or circa \$1.5375 billion if sales tax expands*</i>
2025	\$2.7 billion <i>or circa \$3.55 billion if sales tax expands*</i>	\$1.25 billion <i>or circa \$1.6 billion if sales tax expands*</i>
2026	\$2.8 billion <i>or circa \$3.7 billion if sales tax expands*</i>	\$1.3 billion <i>or circa \$1.6625 billion if sales tax expands*</i>
2027	\$2.9 billion <i>or circa \$3.85 billion if sales tax expands*</i>	\$1.35 billion <i>or circa \$1.725 billion if sales tax expands*</i>
2028	\$3 billion <i>or circa \$4 billion if sales tax expands*</i>	\$1.4 billion <i>or circa \$1.7875 billion if sales tax expands*</i>
2029	\$3.1 billion <i>or circa \$4.15 billion if sales tax expands*</i>	\$1.45 billion <i>or circa \$1.85 billion if sales tax expands*</i>
2030	\$3.2 billion <i>or circa \$4.3 billion if sales tax expands*</i>	\$1.5 billion <i>or circa \$1.9125 billion if sales tax expands*</i>
2031	\$3.3 billion <i>or circa \$4.45 billion if sales tax expands*</i>	\$1.55 billion <i>or circa \$1.975 billion if sales tax expands*</i>
2032	\$3.4 billion <i>or circa \$4.6 billion if sales tax expands*</i>	\$1.6 billion <i>or circa \$2.0375 billion if sales tax expands*</i>
2033	\$3.5 billion <i>or circa \$4.75 billion if sales tax expands*</i>	\$1.65 billion <i>or circa \$2.1 billion if sales tax expands*</i>
2034	\$3.6 billion <i>or circa \$4.9 billion if sales tax expands*</i>	\$1.7 billion <i>or circa \$2.1625 billion if sales tax expands*</i>

2035	\$3.7 billion <i>or circa \$5.05 billion if sales tax expands*</i>	\$1.75 billion <i>or circa \$2.225 billion if sales tax expands*</i>
2036	\$3.8 billion <i>or circa \$5.2 billion if sales tax expands*</i>	\$1.8 billion <i>or circa \$2.2875 billion if sales tax expands*</i>
2037	\$3.9 billion <i>or circa \$5.35 billion if sales tax expands*</i>	\$1.85 billion <i>or circa \$2.35 billion if sales tax expands*</i>
2038	\$4 billion <i>or circa \$5.5 billion if sales tax expands*</i>	\$1.9 billion <i>or circa \$2.4125 billion if sales tax expands*</i>
2039	\$4.1 billion <i>or circa \$5.65 billion if sales tax expands*</i>	\$1.95 billion <i>or circa \$2.475 billion if sales tax expands*</i>
2040	\$4.2 billion <i>or circa \$5.8 billion if sales tax expands*</i>	\$2 billion <i>or circa \$2.5375 billion if sales tax expands*</i>
2041	\$4.3 billion <i>or circa \$5.95 billion if sales tax expands*</i>	\$2.05 billion <i>or circa \$2.6 billion if sales tax expands*</i>
Next 25 years: \$77.1 billion in additional ST taxes		or \$36.15 billion in additional ST taxes
<i>or circa \$104 billion if sales tax expands*</i>		<i>or circa \$45 billion if sales tax expands*</i>
versus Sound Transit's local-tax estimate of \$27.7 billion for ST3 through 2041		
for <u>\$63,900 in tax collections</u> from each "average" household <u>at \$2,280 per year</u>		
(or \$86,300 in added ST3 tax collection per household if sales tax expands)		
versus Sound Transit's claim of <u>\$10,000</u> for ST3 per household <u>at \$400 per year</u>		

Nota Bene: Revenue projections shall be updated when crucial fiscal information requested from Sound Transit by the state's Expert Review Panel on February 9, 2016 directly – and refused by that junior taxing district's planners on the same day summarily – is made available to stop, eventually, its bureaucratic withholding of vital financial data from the state's oversight panel in order to thwart its pivotal statutory responsibilities under RCW 81.104.110.

Thereafter, it shall finally be possible to ascertain the full dimensions of what now appears to constitute a nearly \$50 billion fraud by that transit agency on its taxpayers through huge misuses of public funds to pass off over \$77 billion in additional taxes as \$27.7 billion, as well as \$2,280-per-year "average" household costs as \$400.

Email factual-and-fiscal input, as well as indicia of other Sound Transit frauds, to TruthInTaxation@aol.com, or request more details as to information as set out hereinabove, initially, from Will Knedlik at wknedlik@gmail.com.

Sound Transit 3 Tax Calculator - ST3Tax.com

How much tax per year will you pay for Sound Transit if ST3 passes?

START HERE!

1 Type in the taxable value of your home or rental (look at your property tax bill or ask your landlord)

Property Tax
25 cents for each \$1,000 Assessed Value

\$166.50

2 Type in the total \$ amount of all your vehicle's RTA tax (look for \$ amount in the "RTA Tax" box in your registrations)

Motor Vehicle Excise Tax
.8% of vehicle value

\$482.67

3 Select Your Yearly Income

Sales Tax
.5% of purchase

\$169

Total NEW Tax Per Year You Will Pay with ST3

\$818.17

Total Tax You Pay Today Per Year with ST2 & Sound Move
(.3% vehicle value + .9% sales tax)

\$486

Total Sound Transit Tax Per Year with ST3

\$1,304.17

Total Sound Transit Tax Paid in 25 Years with ST3

\$32,604.25

This calculator is based on the model used by Sound Transit to claim that ST3 will cost each adult \$17 per month. Click here for details on how each tax is calculated.

This calculator provides a snapshot based on your current financial picture and serves as an estimate only. It does not account for depreciation and inflation.

We welcome feedback at ST3Tax@gmail.com

The Sound Transit Tax Calculator for ST3 is based on a model described in a response to a public information request to explain Chairman Dow Constantine's assertion that ST3 will cost a typical adult \$17 a month. The response by Sound Transit is quoted in full at the bottom of this page.

The formulas for the calculator are as follows:

- 1) **Property Tax:** Assessed value x .25 for each \$1000 in value
- 2) **Motor Vehicle Excise Tax:** We derive the new .8% tax on vehicle value by looking at the current Sound Transit .3% tax on vehicle value (RTA Tax)
- 3) **Sales Tax:** We used the State of Washington's sales tax calculator (the same one used by Sound Transit), which has specific sales tax amounts for different income ranges (see chart below). We then calculated what the additional .5% would be for each range.

Income Ranges	\$0	\$15,000	\$25,000	\$35,000	\$45,000	\$55,000	\$70,000	\$85,000	\$105,000	over
	\$15,000	\$25,000	\$35,000	\$45,000	\$55,000	\$70,000	\$85,000	\$105,000	\$140,000	\$140,000+
Estimated Sales Tax/Year	\$905	\$1,170	\$1,453	\$1,690	\$1,988	\$2,340	\$2,729	\$3,217	\$3,832	\$5,908

- 4) **Total New Tax Per Year You Will Pay with ST3:** The sum of the Property Tax, Motor Vehicle Excise Tax and Sales Tax Calculations.
 - 5) **Total Tax You Pay Today Per Year with ST2 & Sound Move:** The RTA tax input into the second box (this represents the .3% people are paying today) plus .9 of the estimated sales tax based on the State of Washington's sales tax calculator.
 - 6) **Total Sound Transit Tax Per Year with ST3:** The sum of Total New Tax Per Year You Will Pay with ST3 Plus Total Tax You Pay Today Per Year with ST2 & Sound Move
 - 7) **Total Sound Transit Tax Paid in 25 Years with ST3:** Total Sound Transit Tax Per Year with ST3 multiplied by 25.
- Note that we have not included inflation or depreciation into these numbers.*

Below is Sound Transit's response to the Public Information request to explain Chairman Dow Constantine's assertion that ST3 will cost a typical \$17 a month:

Estimating the financial impact of ST3 taxes

In order to estimate the additional costs associated with the ST3 funding sources, Sound Transit looked at typical taxable expenditures associated with median income levels to compute sales tax costs; median home values for property tax costs; and average vehicle values for MVET costs. Information on the proposed tax increases is available in the soundtransit3.org document library. Look for the document ST3 Funding Background.

Because each of these elements vary by county, Sound Transit did a weighted average by county across the Sound Transit District. The estimates were calculated in late 2014. Here's how each number was calculated:

- **Sales tax.** *The State of Washington has a sales tax calculator that provides an accepted methodology for calculating likely sales tax expenditures based on income. Based on calculations for the median income of each county within the ST district, which is then weighted and averaged for the district as a whole:*
 - *The median household income is \$67,032 in 2013 dollars. (WA State Office of Financial Management)*
 - *Using the State calculator, an increase of 0.5% in the sales tax rate would translate into \$137 in 2013 dollars.*
 - *Because no taxes would be collected until 2017, this figure needs to be inflated to 2017 dollars, which would be \$151 for the median household.*
 - *Using the average of 1.93 adults per household (Puget Sound Regional Council), that would translate into \$78 per adult at the median income level.*
- **Property tax.** *Zillow.com tracks home values based on actual sales. From this data, Sound Transit can arrive at a median home value for each county and a weighted average of the median home value for the entire ST district.*
 - *Applying the authorized property tax rate of 25 cents per \$1,000 valuation, the median home would see a property tax increase of \$90/year.*
 - *Using the average of 1.93 adults per household, that would translate into \$47 per year per adult in a median-valued home.*
 - *While not everyone is a homeowner, this conservatively assumes landlords pass on some or all property taxes to tenants.*
- **Motor vehicle excise tax.** *Based on work undertaken by economists retained by Sound Transit,*
 - *The average value of a vehicle in the Sound Transit district is \$10,135. (Conway & Associates)*
 - *The average number of vehicles per household is 1.86. (U.S Census)*
 - *Applying a 0.8% MVET to each vehicle would translate into \$151 per household.*
 - *Using the average of 1.93 adults per household, that would translate into \$78 per adult for the average car-owning household.*

Adding up the three sources equals \$203 per typical adult per year, or about \$17 per month.

KCD Settlement Alternative Project Descriptions

Agricultural Drainage Assistance - *Agricultural Drainage Investments to complement the ongoing efforts of the ADAP funding from King County.*

Background: Much of King County's current prime agricultural lands were historically impacted by flooding, seasonal inundation, and slow drainage. These factors limit the productive potential of farmland. In the late 1800s and early 1900s, farmers formed diking and drainage districts to manage water and to increase the productive potential of farmland. This work included straightening and rerouting waterways and draining wet farm fields. In the mid-1980s, regulations changed and no new farm drainage projects that impact wetlands were halted. Maintenance for already existing farm drainage was allowed. For decades, the USDA Soil Conservation Service assisted landowners with maintaining existing ditches, but those practices were discontinued more than 20 years ago due to budget constraints and shifting federal program funding priorities. In 1990 King County adopted the Sensitive Areas Ordinance, which halted routine maintenance of drainage ditches. As a result, many waterways have become choked with reed canary grass, and field tiles and culverts have deteriorated due to lack of routine maintenance. According to the 2009 *FARMS Report*, today more than 200 miles of watercourses flow through King County's Agricultural Production Districts.

It is currently fifteen years since the inception of King County's Agricultural Drainage Assistance Program and five years since the streamlining of the permitting process for maintenance of agricultural drainage. Despite five years of concerted effort on the part of regulatory agencies, challenges and barriers to maintenance of agricultural waterways in King County continue to persist. In the recent report *Farmer's perceptions of Regulatory Constraints Related to Farming in King County* (Delevan, Marquardt, and Stilwell, 2015) one of the most frequently-cited regulatory constraints to farming in King County was related to drainage.

In spring of 2015, King Conservation District partnered with King County Stormwater Services and the Snoqualmie Valley Preservation Alliance to conduct an initial survey of over 600 landowners to document drainage problems within King County's Agriculture Production Districts. Over 135 landowners responded to the survey, with a self-reported 3239 acres and 27.5 linear miles of drainage negatively impacted. At a cost of over \$43.00 per foot it will take over 5.6 million dollars to assist the 135 self-reported landowners over a seven year period.

Implementation Plan: Utilize funding over three year period (2017 – 2019) to maintain 30,000 feet (Over five miles) of drainage, return at least 250 Acres of farmland to active production/impact over 500 Acres of Farmland. Funding would also be used in grant and partnership opportunities at local and state levels to leverage additional investments in drainage.

Budget: \$500,000

Long Term Policy Objective: Bring more acreage of workable farmland into production, thus supporting the local food initiatives in the very urbanized King County region. The waters of King County cross throughout the County and its cities. This program will also meet one of the fundamental goals of conservation districts to protect against soil erosion, watershed restoration and increased water quality for the benefit of downstream properties, and address required compliance with the federal Clean Water Act mandates that burden all properties of the County.

Discovery Farms Demonstration Project - *The Discovery Farms Demonstration Project would create on-site opportunity to study, collect and analyze data, and make recommendations on best ways to protect the environment while maximizing productivity on a local farm in an urbanized region. Working buffers will be a focus of the program.*

Background: The “Discovery Farms” concept was originally established by the University of Wisconsin. “Discovery Farms” are private farms that enter into collaborative agreements with Universities and other public agencies to conduct controlled studies of farming practices. While the emphasis in Wisconsin has been on water quality, the concept is sufficiently flexible to include controlled studies on working buffers and other measures.

The voluntary stewardship model utilized by the King Conservation District and other natural resource advocates has been successful at getting private land owners to implement sound conservation measures. However the net or cumulative effect of stewardship activities and “working buffer” management, especially along salmon bearing waters, has not yet been adequately quantified.

Discovery Farm’s programs across the county have been encouraged to develop similar protocols so that data and results can be measured across local and state boundaries. For this reason, a new Discovery Farms/Working Buffers program should be coordinated with similar programs in Snohomish and Whatcom Counties, as well as in other states across the Country to take advantage of the opportunity to compare and contrast data, analysis, and findings.

Implementation Plan: This project would fund the first two year phase of a KCD Discovery Farms pilot project located on a private farm in King County. The initial phase would span two years (2017-2018) and would include the work necessary to establish Discovery Farms location and program. The KCD would utilize a farmers-led group to identify program priorities, select research location, and participate in data analysis. The program would collect data in a manner that allows comparisons with other Discovery Farm sites across the country. Work would include identification of potential long-term funding sources from private, local, state, and federal sources. Project results would be used to inform and educate farmers and other interested parties on the best management practices for both environmental protection and productivity on farms and potentially other environs along King County waterways.

Budget: \$200,000

Long Term Policy Objective: The purpose of a King County Discovery Farms Demonstration project would be to establish an on-farm research site for demonstrations, data collection, and to perform peer-reviewed research on economically viable strategies for protecting the environment, especially in buffers, while increasing farm production. This body of work will support the Central Puget Sound local food economy through increasing production. Increased local food will be sold at local farmers markets and otherwise distributed to benefit the desirability and livability of the many and diverse communities in Central Puget Sound.

Small Lot Forest Management and Fire Protection - *The purpose of the small lot forest management and fire protection investment package is to assist small lot forest land owners implement:*

1. *Firewise practices to protect structures;*
2. *forest health management practices to enhance forest resources; and*
3. *a cooperative approach for small forest land owners in King County to work together to take advantage of economies of scale in management and harvest efforts.*

Background: Forest lands adjoining King County's highly urbanized environment are extremely valuable for environmental, open space, and economic reasons and should be managed and protected. They are a scarce and valuable resource. Over the past 20 years, King County has changed dramatically. Never-ending pressure from population growth has created challenges for retaining our valuable forest landscape. More and more forest land is being divided and held by small lot owners who both manage the forest resource and occupy the land for residential purposes. While large forest holdings have historically been managed through public ownership or large forest management interests, small lot forest lands have not been given the same level of attention.

Small lot forest landowners represent a critical sector among land managers. They are responsible for forests that provide significant and essential public benefits, but often they take on ownership of forests without any prior knowledge of forest management. They often lack the knowledge and skills needed to maintain and enhance the ecological values, functions and management needs of their land. A 2007 WSU study found that 88 percent of small lot forest owners in the Puget Sound are seeking education and technical assistance resources. And where their land borders other forested properties, these landowners can be problematic for neighbors by contributing to weed infestations and fire. Shortage of funding and the lack of a cohesive effort for small lot forest lands presents certain risk to the long term health and viability of these natural resource lands.

Even in temperate Western Washington it can take only a few sunny days for forests to dry out enough to catch fire. And, in windy conditions wildfires can get out of control quickly. Wildfires burn every year in east King County. Before wildfire strikes, homeowners can help protect lives and property by creating a fire-adapted space around structures. Firewise is a nationally recognized program that teaches people how to adapt to living with wildfire and encourages neighbors to work together to take action now to prevent losses from wildfire.

Implementation Plan: The funding for this project will be used to develop small lot forest land investment package to assist small lot forest land owners with planning and implementing forest health and Firewise practices that promote healthy, fire resilient forested stands and to protect property structures and develop a cooperative approach for small forest land owners in King County to work together and take advantage of economies of scale in management and harvest efforts. While the investments will occur over a two year period, investments in an equipment loan program will benefit small lot forest owners for many more years.

Budget: \$500,000.00

Long Term Policy Objective: Protect and enhance the long term social, economic and ecological values of forests. Natural resource protection and enhancement is a state-wide goal and a fundamental part of our Growth Management Act. This program will further those goals for the benefit of all County residents who enjoy the benefits of the forested lands in the County.

King County Agriculture Strategic Plan - *Develop an Agriculture Strategic Plan to improve the long term productivity of farmland, bring more acres into production, especially food production, and increase the opportunities for farmers to develop the necessary infrastructure to support or increase their farm business.*

Background: King County has historically been a productive agricultural region with dairies, live stock operations, crop farms and berry fields. Rich agricultural areas once supported hundreds of families and provided an abundant local food source for thousands. Increased land prices, regulations, urban pressures, and drainage problems have all significantly contributed to the reduction of farmland in King County; however, farming is still a vital presence. King County has over 42,000 acres in its Agriculture Production Districts - areas designated for agriculture. There are currently over 1,800 farms. In addition, there remain thousands of acres still viable as working farms in the urban and rural areas of the County.

However, the King County region does not have a holistic strategic plan for agriculture that develops specific goals for increasing farmland productivity. Successful plan models in other King County natural resource arenas include the Salmon Recovery Plan and Flood Plan, which identify specific goals and projects.

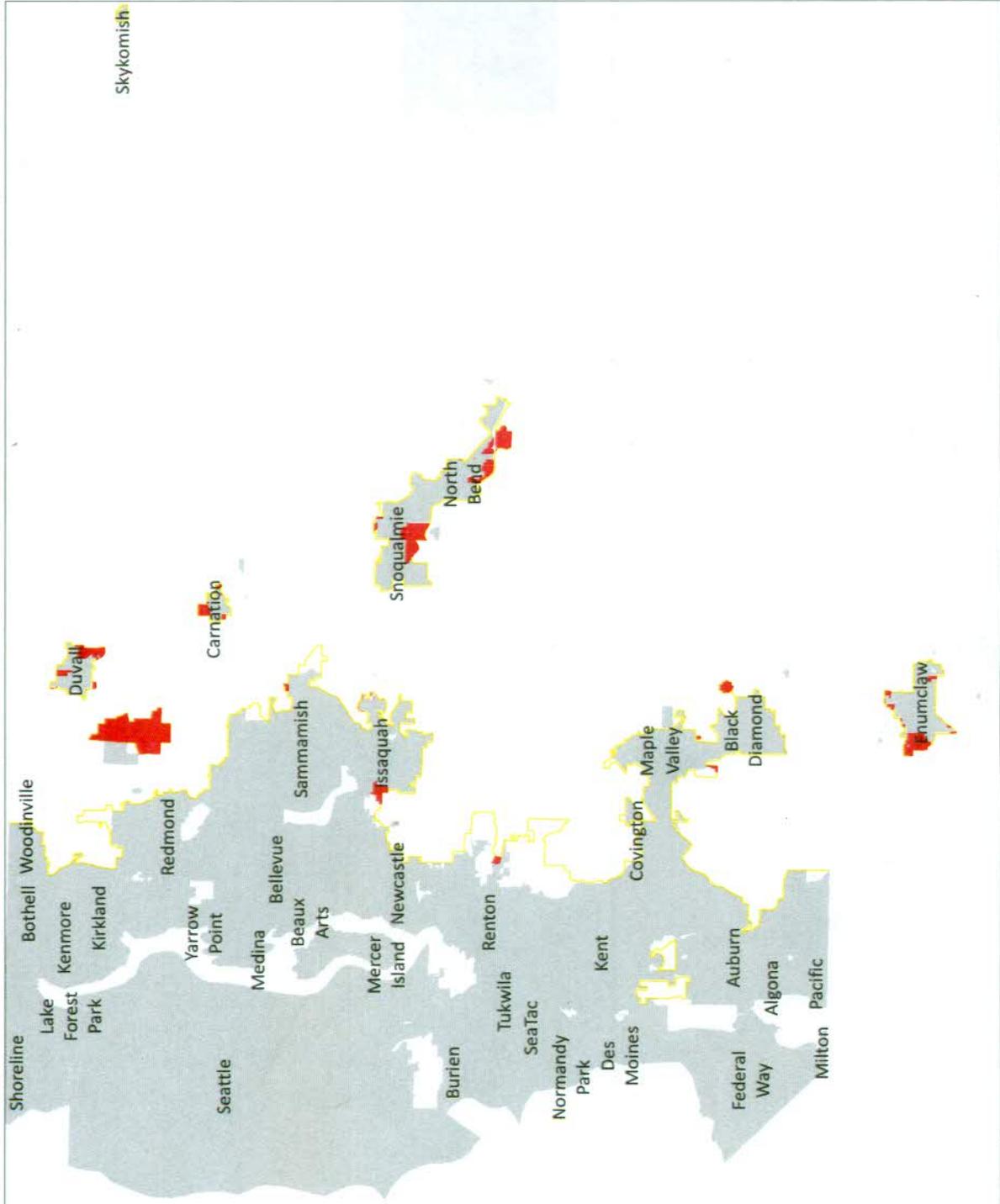
Implementation Plan: King County Agricultural Strategic Plan would be developed in 2017-18 biennium. Steps to development of the plan would include convening a project management team using both KCD in-house staff and consulting resources; convening an Advisory Committee consisting of stakeholders representing diverse agriculture and local food interests; data collection and analysis of existing resources including maps, reports, and studies; identification of barriers, needs, and opportunities for long term preservation and enhancement of agriculture in King County; development of strategies to address barriers, needs, and opportunities; identifying potential funding opportunities; and prioritizing next steps.

Budget: \$200,000.00

Long Term Policy Objective: The desirability of living in Central Puget Sound is enhanced by the availability a robust local food economy. A robust local food economy brings public health, affordable food, and reduced environmental impacts to the region. A robust local food economy for the region, first and foremost is dependent on having access to prime agricultural soils and agricultural practices that protect water resources and the economic viability of farming. A Strategic Plan is critical for bringing these benefits to residents in the region.



Urban Reserve Zoning



Legend

- UR - Urban Reserve
- Incorporated Areas
- Current King County Urban Growth Boundary

King County

0 1.25 2.5 5 Miles



The information included on this map has been provided by King County staff from a variety of sources and is subject to change without notice. It is not intended to be used for legal or engineering purposes, representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights in the information are not made. This document is not intended for use as a survey product. King County shall not be liable for any general, special, or consequential damages, including lost profits, resulting from the use or misuse of the information contained on this map, except by written permission of King County.

Created: May 18, 2016



Liz Reynolds
Mayor

July 8, 2016

**RE: Proposed King County Ordinance 2016-0254
Amendments to King County Zoning Related to Marijuana**

Dear Councilmember McDermott,

As elected officials for the City of Enumclaw our duty is to develop policies and codes that align with our Comprehensive Plan Update. Over the past year, many hours have been dedicated to the development of this plan with land use always being the chapter most needing further discussion and consideration. Currently, we are in the final phases of adopting our Comprehensive Plan on July 25, 2016.

Recently on June 27, the twelfth hour of our Comprehensive Plan update, City Administration and City Council learned from our King County Representative Reagan Dunn that a decision was going to be rendered at the end of July that would directly and negatively affect Enumclaw's Potential Annexation Area. That decision would be to allow for marijuana production and processing in the Urban Reserve (UR) zone and retail marijuana sales in the Neighborhood Business (NB) zone. We were absolutely stunned that such a major land use decision was going to be made that would directly affect our PAA and done so without a conversation even taking place between the county and city elected officials.

With that being said, we, Mayor Reynolds and the Enumclaw City Council strongly encourage you to allow adequate time for conversations to take place in regards to your recent proposal of changing the allowable land uses in Enumclaw's PAA to include marijuana production, processing and retail sales, and postpone your decision on this important topic.

The area that is outlined for change is a critical area of concern due to the fact that it is our future growth area for the City of Enumclaw. We are currently planning in a thoughtful manner, taking into consideration the values of our community while designating compatible future land uses for housing and employment, in accordance with the Growth Management Act.

The expedited King County process requiring a decision by the end of July simply does not allow ample time for that much needed discussion between King County and the City of Enumclaw. Our City Council should at the very least, be given ample time to address any concerns they may have as this issue relates to our Comprehensive Plan and Land Use element update.

At this time, we respectfully ask that you postpone any action that would allow for the sale, production and /or processing of marijuana located within the City of Enumclaw PAA and to allow the City of Enumclaw as well as other cities time to engage in conversation and identify a plan that is suitable for all.

We thank you for your time and careful consideration on this issue.

Respectfully,

A handwritten signature in black ink, appearing to read "Liz Reynolds", followed by a horizontal line and a period.

Liz Reynolds
Mayor

cc:

County Executive Dow Constantine
Council Member Rod Dembowski
Council Member Larry Gossett
Council Member Kathy Lambert
Council Member Jeanne Kohl-Welles
Council Member Dave Upthegrove
Council Member Claudia Balducci
Council Member Pete von Reichbauer
Council Member Reagan Dunn
Deanna Dawson, SCA Executive Director
Enumclaw City Council



OFFICE OF THE MAYOR

Matthew R. Larson

38624 SE River Street
PO Box 987
Snoqualmie, WA 98065

Office: (425)888-1555
Fax: (425)831-6041

www.ci.snoqualmie.wa.us
mayor@ci.snoqualmie.wa.us

July 6, 2016

The Honorable John Marchione
Mayor, City of Redmond
President, Puget Sound Regional Council Executive Board

15670 NE 85th Street
P.O. Box 97010
Redmond, WA 98073-9710

Puget Sound Regional Council
1011 Western Avenue, Suite 500
Seattle, WA 98104-1035

Dear Mayor Marchione:

I am writing to follow up on the matter of the Puget Sound Regional Council's imposition of conditions on its certification of the City of Snoqualmie's transportation element of Snoqualmie 2032, the City of Snoqualmie's Comprehensive Plan.

As you may recall, City of Snoqualmie staff and staff from other cities attended the June 23 meeting of the PSRC Executive Board. Among other things, staff addressed the apparent lack of legal authority, under the GMA or otherwise, for PSRC to condition receipt of federal transportation funding upon PSRC review of individual cities' comp plan land use elements and the amount of growth the respective cities are experiencing.

I understand that at the conclusion of their June 23 presentation, PSRC staff committed to provide the Executive Board with additional information. You

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reportedly expressed your view that the so-called “conditional certification” process was not solely the work of PSRC staff, and you asked PSRC staff to include in their supplemental report documentation of authority for the “conditional certification” process, including any prior PSRC Executive Board authorization.

Since that time, my staff have investigated this issue thoroughly, and I have very troubling news to report. There is no legal authority for the “conditional certification” process: it is not authorized in VISION 2040, in PSRC’s Adopted Policy and Plan Review Process (2003), and neither the PSRC General Assembly nor the PSRC Executive Board have authorized it, either. This is detailed in the following sections of this letter. Most striking, while PSRC staff today are claiming that the Executive Board authorized this in a 2009 “technical amendment,” the agenda materials, minutes, and video recordings of 2009 Executive Board proceedings clearly show that the “technical amendment” never included Executive Board authorization of any “conditional certification” or “bend the trend” process now being employed.

The sections of this letter below detail the lack of authority for the “conditional certification” process. As the following reverse timeline indicates, the concept that PSRC staff could review portions of an individual city’s comp plan *other than the transportation element*, or that the PSRC could condition transportation element certification (and thereby condition receipt of federal transportation dollars) on a requirement that a city *reduce* its growth, was first and foremost a PSRC staff-created and staff-driven idea. Here’s how that happened:

1. VISION 2040 Does Not Include “Conditional Certification” or “Bend the Trend” Requirements.

PSRC’s “Regional Growth Strategy” is incorporated in a document called “VISION 2040.” VISION 2040 was adopted by the PSRC General Assembly in 2008. Nothing in VISION 2040 authorizes PSRC to use certification of local transportation elements to require cities to reduce their growth levels. Nothing in VISION 2040 authorizes a “conditional certification” process. Nothing in VISION 2040 refers to convert OFM growth

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targets – which under the GMA are minimums, or “floors” – into a maximum or “ceiling.” Even after adoption of VISION 2040, King County has always assured cities that the growth targets were a “floor, not a ceiling,” that is, “the minimum amount of growth [a city] should plan for” in order to absorb its share of regional growth. See March 2, 2010 e-mail from King County Office of Strategic Planning’s Chandler Felt to Black Diamond City Council member Kristine Hanson (attached). As Mr. Felt explained, the growth targets are:

a floor in the sense that the City, through its comprehensive plan and development regulations and major-development approval *should provide capacity for at least that amount of growth. It's not a ceiling. . .there is no penalty* under the CPPS for a city that exceeds its target over the 25 year period. *A number of cities have exceeded earlier target rates, and that's fine.*

2. The PSRC’s Adopted Policy and Plan Review Process Does Not Authorize Conditional Certification Or Withholding Certification Based on a City’s Growth Rate.

In 2003, the PSRC adopted a formal Policy and Plan Review Process (copy attached). That document governs how the PSRC is to review local government transportation elements in order to certify them under federal law as eligible to receive federal transportation funding. Nothing in the Adopted Policy and Plan Review Process authorizes PSRC to even consider a city’s growth rate, let alone condition certification of a city’s transportation element on it. With respect to consistency with regional documents, the Policy and Plan Review Process limits PSRC’s consideration to *the transportation-related provisions in local plans*, not the city’s growth rate:

Consistency with the regional transportation plan *is determined through a comparison of the transportation-related provisions in local plans with*

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the policies and provisions in the adopted regional transportation plan.

PSRC Adopted Policy and Plan Review Process at 2 (emphasis added). As to non-transportation related provisions of a local plan? PSRC's Adopted Policy and Plan Review Process states that PSRC will provide comments during a local plan's "formal review period," but that "*This area of coordination is voluntary.*" (Emphasis added).

Given the above, PSRC's own adopted Plan Review Process limits PSRC's review to

3. The PSRC Executive Board Never Authorized a Conditional Certification Process.

In 2016, PSRC staff included materials in Executive Board agenda packets asserting that the PSRC Executive Board previously authorized the conditional certification process in 2009, to look at what steps the fast-growing cities were taking to "bend the trend" and reduce their growth. The problem is that these statements are demonstrably not true.

Consider, for example, the agenda packet for the Executive Board's April 28, 2016 meeting, at which the E-Board considered certification of Snoqualmie 2032, the Snoqualmie Comprehensive Plan. The agenda packet for that meeting included a memorandum to the Executive Board dated April 21, 2016 from Growth Management Policy Board Vice Chair Ryan Mello and Transportation Policy Board Chair Rob Johnson. (I assume that memorandum, on PSRC letterhead, was prepared by PSRC staff, and not actually by GMPB Vice Chair Mello or TPB Chair Johnson). The memorandum describes the use of the "conditional certification" process to try to force about a half-dozen small cities to reduce their growth levels. The memo then attributes *to the Executive Board* the authority for using the "conditional certification" process in this manner:

In 2009, the Executive Board recognized that not all local plans or targets would perfectly align with VISION

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2040 and in a technical amendment (Appendix II-B), stated that jurisdictions would be asked to explain what steps they are taking to bend the trend of recent growth to align with the Regional Growth Strategy.

April 21, 2016 memorandum at 4 (04/28/2016 agenda packet at p. 56) (emphasis added). The April 21 memo goes on to state that "the Growth Management Policy Board directed PSRC staff to work with the Regional Staff Committee to develop and a review framework to facilitate understanding of a community's plan. . . ." *Id.* Both of the above-quoted statements are not true, as shown below. Appendix II-B was, -- according to PSRC staff's own word -- only an "*information piece*" and "*supplemental, background material*" that was never approved or acted upon in any way by the Executive Board.

a. *VISION 2040 Authorized Only A "Technical Amendment" To Reclassify Cities.*

When VISION 2040 was adopted by the PSRC General Assembly in April, 2008, it contained a statement (then contained on page 18, now on page 16) to the effect that by 2011 or sooner, "it is anticipated that the Regional Council's Executive Board will make a technical amendment to the Regional Growth Strategy to potentially reclassify cities before the region's counties undertake the next round of Growth Management Act target-setting work." *Nothing* was said in that paragraph -- or anywhere else in VISION 2040 -- about authorizing the Executive Board to adopt a "conditional certification" process to punish cities whose growth exceeds their growth targets.

b. *The "Technical Amendment" Presented to Executive Board at March 26, 2009 Meeting Did Not Include App. II-B.*

PSRC staff first brought the "technical amendment" to the Executive Board on March 26, 2009. When it did so, the "technical amendment" did *not include* the concepts the "bend the trend" "conditional certification" process. Instead, the "technical amendment" itself included only two

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documents, Appendices I-A and I-C. Those documents accomplished two things: (1) addressed jurisdictional boundary changes due to annexations and urban growth area adjustments that occurred since the base planning year 2000; and (2) changed the classification of five cities (Arlington, Fife, Maple Valley, Mill Creek and Monroe) "Small Cities" to "Larger Cities"; and (2) they increased the growth targets of the "new" Large Cities while making consequent reductions in the growth targets of the unincorporated area and Small Cities. See Memorandum dated March 19, 2009 from GMPB Chair Mike Lonergan to PSRC Executive Board at 9-1 – 9-3 (attached).¹

The March 26 E-Board agenda packet did include two other memoranda, Appendices II-A and II-B. The full title of Appendix II-B" is "Appendix II-B: PSRC Guidance for Aligning Local Growth Targets With Regional Growth Strategy." (This is the same "Appendix II-B" to which the 2016 "conditional certification" staff report asserts was authorized by the Executive Board). As the March 19, 2009 memorandum makes clear, however, the Executive Board was *not* being asked to approve or authorize use of Appendix II-B. Instead, the March 19, 2009 memo expressly labels App. II-B as "an information piece."

During their presentation, PSRC staff Carol Naito and Ben Bakkenta focused almost exclusively on the "technical amendment" components, and never disclosed to the Executive Board the content of Appendix II-B. When they did reference the packet's "information piece," they made clear that "the technical amendment is just to adjust the numbers," and the Board was *not being asked to vote on or approve App. II-B or other materials*. For example, Mr. Bakkenta said:

Some policy issues came up in discussion at the Regional Staff Committee and *those issues remain under discussion at the Growth Management Policy Board*. Those issues will be subject to ongoing work

¹ Although this memorandum indicates it is "from" GMPB Chair Mike Lonergan, I believe that this document was actually drafted by PSRC staff.

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and discussion at the Growth Management Policy Board.

* * *

We won't be asking you to resolve those issues right now but merely to make these technical adjustments."

March 26, 2009 video recording at 1:09:50 and 1:10:36 (emphasis added). Ms. Naito made a similar distinction, stating that "items 1 and 3 actually amend VISION 2040," and the other documents (*e.g.*, App. II-B) "*are just background material*" as Ben mentioned that sort of cover policy questions and issues that came to the table. . . ." March 26, 2009 video recording at 1:20:16 (emphasis added).

c. *Executive Board Approves Technical Amendment at May 28, 2009 Meeting, But Without App. II-B.*

The Executive Board approved the Technical Amendment at its May 28, 2009 meeting. Like the March 26, 2009 agenda packet, the agenda packet for the May 28, 2009 meeting included a memorandum (dated May 21, 2009) to the Executive Board from Growth Management Policy Board Chair Mike Lonergan (but, again, likely prepared by staff).

The May 21 memo was virtually identical to the March 19 memo. The May 21 memo indicates that the "technical amendment" addressed only (1) "jurisdictional boundary changes" due to annexations and urban growth area boundary adjustments and (2) the reclassification of Arlington, Fife, Maple Valley, Mill Creek and Monroe from "Small Cities" to "Larger Cities." See May 21, 2009 Memorandum at 8b-2 (attached). The May 21 memo also indicated that the "technical amendment" consisted only of Appendices I-A and I-C. May 19, 2009 memo at 8b-1. Third, like the March 19 memo, the May 21 memo did include Appendix II-B in the agenda packet, but only as "an information piece." May 21 memo at 8b-3. The May 21 memorandum, though, included a recommendation for Executive Board action:

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The Executive Board should approve the *technical amendment (comprised of Appendices I-A and I-C)* to VISION 2040's *Regional Growth Strategy*.

(Italics in original; bold added).

At the May 28, 2009 meeting, the Executive Board again heard a presentation from PSRC staff member Carol Naito. She again indicated that the technical amendment was limited to Appendices I-A and I-C, which reclassified five cities and adjusted the VISION 2040 population growth target numbers accordingly amongst the Larger Cities, Small Cities and the unincorporated area. May 28, 2009 Video at 29:20; 36:20; 40:50. Ms. Naito reiterated that "the purpose of the technical amendment is purely technical," and that "it simply updates the numbers to update political boundaries. . . ." May 28, 2009 Video at 30:35 – 30:56 and 33:00; May 28, 2009 Executive Board Minutes at 3 (copy attached). As to other documents included in the agenda packet, including Appendix II-B, Ms. Naito again refrained from even disclosing their content, describing them as "additional supplemental and background materials," that "are related to but ultimately outside the scope of the action you're being asked to consider today." May 28, 2009 Video at 32:30 and 36:20 (emphasis added). The Executive Board then approved the technical amendment unanimously. May 28, 2009 minutes at 3; May 28, 2009 Video at 40:55.

4. Conclusion.

Based on the above, the Executive Board does not have authority to "conditionally" certify a city's transportation element based on a city's rate or amount of growth, either experienced in the past or planned for in the future by that city's elected legislative body. There is no authority for "conditional certification" contained in VISION 2040, or in the PSRC's Adopted Policy and Plan Review Process. Further, the Executive Board never approved "conditional certification," "bend the trend," or other strategy to limit small cities' growth. Statements in 2016 that the E-Board did so back in 2009 as part of a "technical amendment, are demonstrably not true, as shown by Executive Board agenda packets, minutes, and video recordings.

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Due to the absence of legal authority for "conditional certification," the solution for the Executive Board is to immediately revoke the "conditions" previously imposed on certification of Snoqualmie's and other small cities' transportation elements. If the PSRC would like to incorporate such an approach into future iterations of VISION 2040, it can task appropriate committees to develop an appropriate public process, with outreach to all affected cities – large and small – which may be growing faster or larger than their growth targets. An appropriate recommendation and motion could then be put before the Executive Board, and actual amendatory language to VISION 2040 presented to all members of the PSRC General Assembly for a vote. Until such time, however, use of a "conditional certification" process – and any threat to withhold federal transportation funding based on "conditional" status -- is not legal.

I ask your prompt and careful consideration of the above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Larson", with a stylized flourish at the end.

Matthew R. Larson
Mayor

cc: Bob Larson, City Administrator
Mark Hofman, Community Development Director
Bob C. Sterbank, City Attorney

From: Felt, Chandler [mailto:Chandler.Felt@kingcounty.gov]
Sent: Tuesday, March 02, 2010 5:33 PM
To: tkswanson@hotmail.com
Cc: Hubner, Mike; Steve Pilcher
Subject: Proposed new growth targets

Councilmember Hanson:

Thanks very much for your phone call yesterday. You're certainly asking the right questions about the proposed new housing and job growth targets that are being considered by each King County city at present.

The proposed growth targets are the third set of targets for King County cities under the Growth Management Act (GMA). They help to implement the GMA and various documents adopted as part of the GMA, such as King County's Countywide Planning Policies (CPPs) and the PSRC's Vision2040 regional plan. Vision2040 calls for "Small Cities," including Black Diamond, to take a modest share of the county's overall growth, in order to allow major Urban Centers to absorb the majority of growth. Note that of the county's 18 Small Cities, Black Diamond has the highest residential target, reflecting your development plans. This set of targets was prepared by a committee of planning directors, the Targets Committee, which met monthly for more than a year to grapple with issues of how and where within the county to accommodate the growth that the State tells us is coming over a 25-year period. The Committee considered several factors, including guidance from Vision2040, focusing of growth into major Urban Centers, equity among cities, buildable land capacity and past and expected trends of growth. The Growth Management Planning Council of elected officials agreed, and adopted the proposed set of targets in November 2009, to send to the King County Council and on to the cities for ratification.

You referred to the balance of housing and job growth – that is an important part of these targets as well. It's good that Black Diamond is trying to provide housing close by expected job opportunities. Accommodation of both housing and job growth is key to being able to maintain housing affordability and opportunities for economic development – best wishes with your efforts to balance those.

Let me cut to the chase. It's important to keep in mind that Black Diamond's proposed targets of 1,900 housing units and 1,050 jobs over 25 years (2006 – 2031) are a floor, not a ceiling. Think of them as the minimum amount of growth the City should plan for in order to absorb your share of King County's total growth. It's a floor in the sense that the City, through its comprehensive plan and development regulations and major-development approvals should provide capacity for at least that amount of growth. It's not a ceiling...there is no penalty under the CPPs for a city that exceeds its target over the 25 year period. A number of cities have exceeded earlier target rates, and that's fine.

Even if a Small City plans for higher growth levels than called for in Vision2040 or the targets, there are ways to mitigate the regionwide impacts of that growth. For instance, new development can strive for a compact footprint and a more complete mix of housing and commercial uses to encourage pedestrian activity, while providing open space. Further, I understand the City is using Transfer of Development Rights to minimize impacts on adjoining rural and resource areas.

I hope that helps explain some of the context and application of these proposed targets. Please follow up with me, or with Michael Hubner of the Suburban Cities Association if we can provide additional information.

- Chandler Felt, Demographer and Planner
- King County Office of Strategic Planning
- (206) 263 - 9693

APPENDIX A: PUGET SOUND REGIONAL COUNCIL ADOPTED POLICY AND PLAN REVIEW PROCESS

Revised September 2003

A hallmark of planning in Washington State is its emphasis on coordinating issues that are interjurisdictional in nature. The Growth Management Act requires coordination and consistency among planning efforts where there are “common borders or related regional issues” (RCW 36.70A.100). The Act also requires countywide and multicounty planning policies to serve as frameworks for ensuring consistency among local comprehensive plans (RCW 36.70A.210). In addition, the Regional Transportation Planning Organization legislation, which was adopted with the Growth Management Act, mandates that regional agencies certify that the transportation elements in local comprehensive plans are consistent with regional transportation plans (RCW 47.80.023). To that end, the legislation requires regional organizations to “establish guidelines and principles” for the purpose of evaluating transportation-related provisions in local comprehensive plans (RCW 47.80.026).

The Puget Sound Regional Council’s *Interlocal Agreement for Regional Planning of the Central Puget Sound Area* and *Framework Plan* also provide direction for coordinating planning on interjurisdictional issues. The *Interlocal Agreement* calls for the Regional Council to develop a process for the review of countywide planning policies (VII-C). The *Framework Plan* directs the Regional Council to work with local and state agencies to ensure that provisions of the *Regional Growth Strategy* are reflected in local planning efforts (Section 5, 1-c-3).⁹

The process for reviewing planning policies and local and regional plans includes three types:

- (1) review of local comprehensive plans, including the certification of their transportation elements
- (2) review of countywide planning policies and multicounty policies, including certification of countywide policies for consistency with the regional transportation plan
- (3) consistency review of transit agency plans.

⁹ VISION 2040, last updated in 2008, serves as the region’s overall growth and transportation strategy. Incorporated into VISION 2040 are the multicounty planning policies required under the Growth Management Act. These policies provide a framework for local and regional planning in the four-county region. The regional transportation plan, *Transportation 2040*, is a functional plan of VISION 2040. Adopted in 2010, this long-range transportation plan includes the multicounty framework policies and transportation policies.

The Regional Transportation Improvement Program (TIP) Policy Framework requires that only jurisdictions with certified transportation elements can submit applications for projects and programs to be considered for inclusion in the Regional TIP.

Type 1: Review of Local Comprehensive Plans, Including Certification of Transportation Elements

A questionnaire to be completed by agency staff is the chief tool used in the review of local comprehensive plans. The questionnaire focuses on the multicounty planning policies contained in the adopted regional growth and transportation strategy.

Jurisdictions are encouraged to provide copies of their draft comprehensive plans to the Regional Council prior to or during their formal plan review period. This enables the Regional Council to address any potential issues prior to the adoption of the plan. Regional Council staff will be available to local jurisdictions and transportation agency staff to discuss any issues or problems.

The certification of transportation-related provisions in local comprehensive plans is based on (1) conformity with requirements in the Growth Management Act for comprehensive plan elements, (2) consistency with the regional transportation plan, including consistency with established regional guidelines and principles, and (3) compliance with federal and state clean air legislation.

- 1 Conformity with the Growth Management Act. Conformity with the Growth Management Act focuses on five requirements for transportation elements listed in the Act: (1) consistency with the land use element, (2) identification of facilities and service needs, (3) discussion of financing for transportation facilities and services, (4) description of intergovernmental coordination efforts, and (5) development of transportation demand management strategies (RCW 36.70A.070).
- 2 Consistency with the Regional Transportation Plan. Consistency with the regional transportation plan is determined through a comparison of the transportation-related provisions in local plans with the policies and provisions in the adopted regional transportation plan.

Consistency with Established Regional Guidelines and Principles. Regional guidelines and principles are formally incorporated into the regional transportation plan and identified in the questionnaire used in the review of local comprehensive plans. As required by law (RCW 47.80.026), these guidelines address the following factors: a) freight transportation and port access, b) circulation systems, access to regional systems, and effective and efficient highway systems, c) transportation demand management, d) present and future railroad right-of-way corridors, e) intermodal connections, f) concentration of economic activity, g) residential density, h) development corridors and urban design that support high-capacity transit, i) ability of transportation facilities and programs to retain existing and attract new jobs and private investment to accommodate growth in demand, j) joint and mixed use developments, and k) development patterns that promote pedestrian and nonmotorized transportation.¹⁰

¹⁰ See *Transportation 2040*, page 4.

Physical Design Guidelines. In addition, ten physical design guidelines have been established in the regional transportation plan.¹¹ These include: (1) encourage mix of complementary land uses, (2) encourage compact growth by addressing density, (3) link neighborhoods, connect streets, sidewalks and trails, (4) integrate activity areas with surrounding neighborhoods, (5) locate public and semipublic uses near stations, (6) design for pedestrians and bicyclists, (7) provide usable open spaces, (8) manage the supply of parking, (9) promote the benefits of on-street parking, and 10) reduce and mitigate the effects of parking.

3. Air Quality Conformity. For jurisdictions in the central Puget Sound region that are within the designated maintenance areas for carbon monoxide, ozone, and/or particulate matter, air quality conformity is determined based on the consistency of local plans with the regional transportation plan. For the purpose of determining conformity with the state's Clean Air Conformity Act and consistency with the regional plan, the transportation element should include, at a minimum, policy language and provisions that commits the jurisdiction to developing programs and measures that address federal and state air quality regulations and laws (WAC 173-420-080).

Provisions That Are Not Transportation-Related. In order to coordinate planning on issues other than the transportation-related provisions addressed in local and transit agency plans, the Puget Sound Regional Council will provide comments to localities and agencies during their formal review period. Both formal and informal consultation on these plans provides an opportunity to identify how local governments and transportation agencies are using the *Regional Growth Strategy* in their planning efforts. (This area of coordination is voluntary.)

Procedures for Certification. The certification of transportation-related provisions in local plans includes a two-step review. In the first step, the Regional Council performs a preliminary review as soon as the draft comprehensive plan is available, typically during the time that the draft plan is being reviewed by state agencies; that is, at least 60 days prior to plan adoption. Review of the transportation-related provisions in draft form provides the opportunity for the jurisdiction to address inconsistencies or potential problems prior to plan adoption. The certification review includes completion of the plan review questionnaire by agency staff, which is returned to the Regional Council for review.

Once the final plan is adopted, the transportation-related provisions are reviewed a second time, focusing on any changes made to the plan after the preliminary review. The Regional Council then prepares a report on certification and sends it to the jurisdiction. After the jurisdiction has had an opportunity to review the report and comment, a recommendation on certification is presented to one or both of the Regional Council's policy boards and then to the Executive Board for consideration and action.¹² Transportation elements of local comprehensive plans remain certified until amended.

¹¹ See *Transportation 2040*, pages 21.

¹² Amendments addressing transportation-related provisions are reviewed by the Transportation Policy Board; amendments that address centers planning or other growth management issues are reviewed by the Growth Policy Board.

An appeals process is identified in the *Interlocal Agreement* for jurisdictions wishing to take issue with the Board's action. Upon receipt of an appeal, the Executive Board will direct that a five-member board of hearing examiners be constituted from the membership of the Board to resolve the conflict in a manner that would allow the transportation element to be certified.¹³

Certification of Subarea Plans for Designated Regional Centers. Jurisdictions which have formally designated regional centers are requested to prepare a subarea plan for each center. The subarea plan should be adopted within four years of the designation of the center. The plan should address the criteria identified in the Regional Council's center plan checklist. The Regional Council performs a preliminary review on the draft center plan, during the time that draft is under review by state agencies. Once the final center plan is adopted, the Regional Council prepares a certification report and sends it to the jurisdiction for review and comment. A recommendation is then presented to one or both of the policy boards and Executive Board for consideration and action. The appeals process described in the previous paragraph applies.

Type 2: Review of Countywide Planning Policies and Multicounty Policies, including Certification of Countywide Policies for Consistency with the Regional Transportation Plan

The review of countywide planning policies and multicounty policies is based upon a comparative analysis of countywide and multicounty policies. The comparison focuses on the policy areas for regional planning identified in the Growth Management Act (RCW 36.70A.210). These policy areas include (1) designation of urban growth areas, (2) contiguous and orderly development and the provision of services, (3) transportation facilities and strategies, (4) siting regional capital facilities, (5) interjurisdictional planning, (6) economic development, and (7) affordable housing. In addition, multicounty policies also include policies on open space, resource protection and critical areas.

The review of countywide planning policies and multicounty policies is a collaborative review which is intended to provide information to allow enhanced coordination of regional planning. The comparison focuses on the consistency of each county's countywide policies with adopted multicounty policies. Regional Council staff, together with local government staff, prepares a draft consistency report and circulates it for review and comment by the counties and any countywide growth management planning bodies. Any identified problems shall first be addressed through staff to staff discussions. Unresolved issues are referred to the Executive Board, counties, and countywide growth management planning bodies for consideration. If inconsistencies remain, the Regional Council, any county, or any countywide growth management planning body may request the Washington State Department of Community, Trade, and Economic Development to provide mediation services pursuant to the Growth Management Act.

Certification of Countywide Planning Policies and the Adopted Regional Transportation Plan for Consistency. The consistency certification of countywide planning policies and the regional transportation plan is based on a comparative analysis of the adopted countywide transportation-related planning policies and the regional transportation plan (RCW 47.80.023).

¹³ Interlocal Agreement for Regional Planning of the Central Puget Sound Area (VII.A.4 and VII.A.5).

Regional Council staff reviews the countywide policies and the regional transportation plan and prepares a certification report noting any possible inconsistencies. (Note: This report may be a section of the consistency report comparing countywide and multicounty policies, if the transportation-related provisions are provided as part of a whole set of policies.) The report shall identify any recommended amendments to the countywide policies or the regional plan, or both, to make them consistent with each other. The report shall be submitted to one or both of the policy boards and Executive Board for action and then to the counties and the respective countywide growth management planning bodies for consideration. Any inconsistencies shall be addressed by consideration of amendments either to the policies or the plan, or both, according to the procedures established by law for amendment.

If a county or a countywide growth management planning body disagrees with a recommended amendment to its policies, it may appeal the recommendation. Appeals shall be made to the Executive Board, which shall either make recommendations to the General Assembly to amend the regional transportation plan to allow certification or deny certification.

Proposed amendments or updates to countywide planning policies shall be submitted by each county to the Regional Council for preliminary review at least 60 days in advance of action by the countywide growth management planning body. Preliminary review shall identify and recommend amendments to allow certification. After adoption of the policies they shall be reviewed for any changes made after the preliminary review, which would affect certification. A certification report and recommendation shall then be prepared as described above. Countywide planning policies remain certified until amended.

Type 3: Consistency Review of Transit Agency Plans

To coordinate planning among the Regional Council, local governments and transit agencies, the Regional Council provides comments to transit agencies during the development of their transit development plans (six-year) and longer-term strategic plans. Coordination and consultation regarding these plans and the adopted regional growth and transportation strategy provides an opportunity to identify how transit agencies are using the regional strategy and reflecting growth management provisions in their planning efforts. Agencies are encouraged to provide copies of their draft plans to the Regional Council prior to or during their formal review period. This enables the Council to address any potential issues prior to the adoption of the plan. Regional Council staff is available to transit agency staff to discuss any issues or problems.

For major plan updates, Regional Council staff, together with transit agency staff, prepares a draft consistency report and circulates it for review and comment by the transit agency. The report is revised accordingly and transmitted to one or both of the policy boards and Executive Board for consideration. Any identified problems shall first be addressed through staff to staff discussions. Unresolved issues are referred to the Executive Board and transit agency officials for consideration.

Certification of Plans Prepared by the Regional Transit Authority (Sound Transit).

Washington state law requires the Regional Council to formally certify that the regional transit system plan prepared by the Regional Transit Authority – known as Sound Transit – is consistent with the regional transportation plan (RCW 81.104). The agency is encouraged to provide the Regional Council with drafts of its plan prior to or during the formal plan review period. This enables the Regional Council to address potential issues prior to final adoption. Regional Council staff, together with Sound Transit staff, prepare a draft consistency report for review and comment by the authority. A recommendation is then forwarded to one or both of the policy boards and Executive Board for consideration and action. If the authority disagrees with the recommendation, it may appeal to the Executive Board.

Land Uses Adjacent to General Aviation Airports

Washington state law requires local jurisdictions to establish plans, zoning ordinances and development regulations which discourage the siting of incompatible land uses adjacent to public use general aviation airports (RCW 36.70.547). As part of its review of local comprehensive plans, the Regional Council assesses whether localities are addressing this requirement.

The Review of Amendments and Updates to Local Comprehensive Plans, Countywide Planning Policies and Transit Agency Plans

All amendments to countywide planning policies, local comprehensive plans, and Sound Transit's plan shall be submitted to the Regional Council for review. However, action by the Regional Council's boards concerning certification of local comprehensive plans and countywide planning policies is limited to the certification-related issues addressed in the amendment(s).¹⁴ Transit agencies are requested to submit any updates and amendments to their plans to Regional Council for review and comment.

Frequency of Plan Review and Certification

Local jurisdictions' transportation elements are certified until amended or updated. Any changes to the transportation-related provisions will require certification. Countywide planning policies are also certified until amended or updated. Any changes will be reviewed against the multicounty policies and the regional transportation plan, as appropriate.

The policy and plan review process needs to be flexible in order to incorporate changes made over time. The regional transportation plan will itself be amended and updated regularly in accordance with federal requirements to reflect changes in local comprehensive plans and other related transportation plans. Amendments and updates to local plans and countywide policies are expected to demonstrate consistency with the version of the regional transportation plan in place at the time countywide or local adoption action is taken.

¹⁴ For example, if a jurisdiction amends only its policies addressing transportation demand management, then only that set of policies would be reviewed and acted upon for certification.

**DISCUSSION/FUTURE ACTION ITEM**

March 19, 2009

To: Executive Board

From: Councilmember Mike Lonergan, Chair
Growth Management Policy Board

Subject: **Technical Amendment to the VISION 2040 Regional Growth Strategy**

AT ISSUE

At its March 26 meeting, the Executive Board will be briefed on the Growth Management Policy Board's recommendation on a *technical amendment* to the VISION 2040 Regional Growth Strategy. The Executive Board will be asked to take action on the amendment in May.

BACKGROUND

VISION 2040 (adopted in April 2008) authorizes the Executive Board to make periodic adjustments to the *Regional Growth Strategy* prior to each round of target-setting under the Growth Management Act (GMA), to provide counties and their cities with numbers that reflect current jurisdictional boundaries to use in developing new targets. This proposed technical amendment is intended to support counties updating (or considering updating) their local growth targets to align with VISION 2040 in advance of amending their countywide planning policies in 2010. At its meeting on February 12, the Growth Management Policy Board recommended that the Executive Board take action to approve the *technical amendment* (comprised of Appendix I-A and I-C) to VISION 2040's *Regional Growth Strategy*.

The amendment would update the *Regional Growth Strategy* in VISION 2040 to reflect jurisdictional boundaries and local population and employment as of April 1, 2007. *Small Cities* being reclassified as *Larger Cities* through this amendment include: Arlington (Snohomish County), Fife (Pierce County), Maple Valley (King County.), Mill Creek (Snohomish County), and Monroe (Snohomish County). The amendment would revise the *Population Growth* and *Employment Growth* tables on page 21 of VISION 2040 (*General Assembly transmittal document*, adopted on April 24, 2008), as well as related illustrative and narrative sections elsewhere in *Part II: Regional Growth Strategy*, and *Part III: Multicounty Planning Policies*.

Both the Regional Staff Committee and the Growth Management Policy Board reviewed materials that were drafted for this agenda item and agreed to revisions that have been incorporated into this transmittal package.

A. What Is the Purpose of the Technical Amendment?

The proposed Technical Amendment addresses two situations identified in VISION 2040 (see page 18):

1. Jurisdictional boundary changes due to annexations that have occurred and urban growth area adjustments that have been adopted since the 2000 base year.
2. Reclassification of cities from the *Small City* to *Larger City* regional geography due to annexations and/or real growth that occurred since the 2000 base year. (Note: The threshold for being classified as a *Larger City* is a combined population and employment base of 22,500 – see VISION 2040, pages 18 and 23.)

B. What Does the Technical Amendment Do to the Adopted *Regional Growth Strategy*?

The technical amendment updates the adopted *Regional Growth Strategy* as follows:

1. It shifts the 2000 base year population and employment associated with areas that have been annexed since 2000, along with adjusted urban growth areas. It also reclassifies cities into their reassigned regional geographies.
2. It shifts the proportional share of the 2000-2040 *Regional Growth Strategy* allocation associated with areas that have been annexed, and adjusted urban growth areas. It also reclassifies cities into their reassigned regional geographies.

By doing so, the amendment acknowledges the changed role of reclassified areas in implementing the *Regional Growth Strategy*. (For example, an unincorporated area that has been annexed by a *Core City* will share a portion of the role of *Core Cities* under the *Regional Growth Strategy*, as will a *Small City* reclassified as a *Larger City*.) In addition, the technical amendment makes minor revisions to the 2000 base year population and employment estimates to reflect data improvements and corrections, including the addition of enlisted military personnel (37,600 total) to the 2000 base year employment numbers.

There are some things the technical amendment does not do. The amendment does not change the base year of the *Regional Growth Strategy*; the base year remains 2000 and the *Regional Growth Strategy* allocations will continue to represent goals for the 40-year VISION 2040 planning period. The amendment also does not make any changes to the adopted policy guidance underlying the *Regional Growth Strategy* beyond updating the role of reclassified areas. As the *Regional Growth Strategy* is revisited in the future, the classification of regional geographies may also be assessed and recommendations for policy guidance may be developed.

C. How Was the Technical Amendment Developed?

PSRC staff worked closely with county technical/demographic staff representatives serving on the Growth Targets Land Use Technical Advisory Committee (LUTAC) to develop the *Regional Growth Strategy* technical amendment. Crafting the amendment required developing the following two data sets:

1. 2000 estimates of population and employment for each city, unincorporated urban growth area, and rural area by county, as well as each unincorporated community annexed or affected by an urban growth area adjustment between 2000 and 2007.

These estimates were used to shift the 2000 base year population and employment for annexed areas, adjust urban growth areas and reclassify cities to their reassigned regional geographies. PSRC staff utilized the following data inputs to develop the baseline estimates: 2000 Census data, 2000 UrbanSim parcel-level estimates of housing and household population, PSRC establishment-level employment data, and county geographic information system (GIS) shape files of city boundaries, annexation areas, and urban growth areas.

2. Proxy measures of future residential and commercial development capacity, by county, of individual annexation areas, urban growth area adjustment areas, the *Unincorporated Urban Growth Area*, and the *Rural* area, as well as each reclassified *Small City* and the *Small Cities* total.

The proxy measures are used to redistribute proportional shares of the 2000-2040 *Regional Growth Strategy* allocations for the *Unincorporated Urban Growth Area*, *Rural* area and *Small Cities* associated with annexation areas, urban growth area adjustment areas and reclassified cities to their appropriate regional geographies. County buildable lands data and current 2007 population and employment estimates were used as the basis for developing these proxy measures of development capacity.

D. What Is Included in the Technical Amendment Package?

Materials that accompany the proposed technical amendment include:

1. Appendix I-A: Revised Regional Growth Strategy charts and tables as an update to those published on page 21 of the final VISION 2040 document (adopted April 24, 2008).
2. Appendix I-B: Supplemental Regional Growth Strategy technical tables as an addendum to those published in “Appendix I-A: Preferred Growth Alternative: Technical Tables” of the VISION 2040 Final Environmental Impact Statement (EIS).
3. Appendix I-C: Revised table of City Classifications by County by Regional Geography as an update to that published in “Appendix I-A: Preferred Growth Alternative: Technical Tables” of the VISION 2040 Final EIS.
4. Appendix II-A: 2000-2007 Population & Employment Trends and the Regional Growth Strategy provides context for issues associated with recent trends that create challenges.
5. Appendix II-B: PSRC Guidance for Aligning Local Growth Targets with the Regional Growth Strategy is an information piece to address moving forward with work at the countywide and local level.

E. The Technical Amendment and the Transportation 2040 Update

The proposed amendment to the *Regional Growth Strategy* is currently not reflected in the Transportation 2040 Update EIS alternatives modeling and analysis work being conducted. Anticipating that the technical amendment will be adopted by the Executive Board in May 2009, PSRC staff is prepared to incorporate the amended *Regional Growth Strategy* into the modeling and analysis of the Transportation 2040 preferred alternative, which is scheduled to be crafted over the spring/summer of 2009.

F. Next Steps

At its May 28 meeting, the Executive Board will discuss and act on the recommendation.

If you have questions or would like additional information, please contact Ben Bakkenta at (206) 971-3286 or bbakkenta@psrc.org, or Carol Naito at (206) 464-7535 or cnaito@psrc.org.

- Attachments:
- (1) Appendix I-A: Revised *Regional Growth Strategy* Charts & Tables
 - (2) Appendix I-B: Supplemental Technical Tables
 - (3) Appendix I-C: City Classifications by County by Regional Geography
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**ACTION ITEM**

May 21, 2009

To: Executive Board

From: Councilmember Mike Lonergan, Chair
Growth Management Policy Board

Subject: **Approve Technical Amendment to the VISION 2040 Regional Growth Strategy**

AT ISSUE

At its March 26 meeting, the Executive Board was briefed on the Growth Management Policy Board's recommended *technical amendment* (comprised of Appendix I-A and I-C) to VISION 2040's *Regional Growth Strategy*. VISION 2040 (adopted in April 2008) authorizes the Executive Board to make periodic adjustments to the *Regional Growth Strategy* prior to each round of target-setting under the Growth Management Act (GMA), to provide counties and their cities with numbers that reflect current jurisdictional boundaries to use in developing new targets. This proposed technical amendment is intended to support counties updating (or considering updating) their local growth targets to align with VISION 2040 in advance of amending their countywide planning policies in 2010.

RECOMMENDED ACTION

The Executive Board should approve the *technical amendment* (comprised of Appendix I-A and I-C) to VISION 2040's *Regional Growth Strategy*.

DISCUSSION

The amendment would update the *Regional Growth Strategy* in VISION 2040 to reflect jurisdictional boundaries and local population and employment as of April 1, 2007. As a result of the amendment, the following small cities would be reclassified to larger cities: Arlington (Snohomish County), Fife (Pierce County), Maple Valley (King County.), Mill Creek (Snohomish County), and Monroe (Snohomish County). The amendment would revise the *Population Growth* and *Employment Growth* tables on page 21 of VISION 2040 (*General Assembly transmittal document*, adopted on April 24, 2008), as well as related illustrative and narrative sections elsewhere in *Part II: Regional Growth Strategy*, and *Part III: Multicounty Planning Policies*.

Both the Regional Staff Committee and the Growth Management Policy Board reviewed materials that were drafted for this agenda item and agreed to revisions that have been incorporated into this transmittal package.

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1. Jurisdictional boundary changes due to annexations that have occurred and urban growth area adjustments that have been adopted since the 2000 base year.
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MINUTES

**Puget Sound Regional Council Executive Board
Thursday, May 28, 2009
Regional Council Board Room**

Call to Order/Roll Call

The meeting of the Executive Board was called to order at 10:05 am by Mayor Ray Stephanson, President. The signatures on the Attendance Sheet, as well as documentation by staff, determined attendance and that a quorum was present.

Members and *Alternates* present for all or part of the meeting included:

<i>Deputy Mayor Claudia Balducci</i>	Councilmember Bruce Harrell	Councilmember Julia Patterson
Commissioner Josh Brown	<i>Mayor Will Ibershof</i>	<i>Councilmember Michele Petitti</i>
Commissioner Bill Bryant	Mayor Darlene Kordonowy	<i>Councilmember Joe Pestinger</i>
Councilmember Mary Alyce Burleigh	Mayor Denis Law	<i>Mr. Chris Picard</i>
Councilmember Richard Cole	Councilmember Mike Lonergan	Councilmember Sonny Putter
Mayor Suzette Cooke	Commissioner Bill Mahan	<i>Mr. Brian Smith</i>
Mayor Jack Dovey	Mayor Joe Marine	<i>Councilmember Dwight Thompson</i>
Councilmember Jan Drago	Councilmember Richard McIver	
<i>Commissioner Dick Ford</i>	Executive Pat McCarthy	
<i>Councilmember Ron Hansen</i>	Commissioner Connie Niva	

Members absent included (**alternate present*)

Councilmember Carol Arends	Commissioner Richard Marzano	Executive Ron Sims
Mayor Linda Bird*	Councilmember Sally Nelson*	Deputy Mayor Sue Singer*
Councilmember Shawn Bunney	Mayor Greg Nickels*	Councilmember Dave Somers
Mayor Grant Degginger*	Commissioner A. Daniel O’Neal*	
Ms. Paula Hammond*	Executive Aaron Reardon	

A list of guests present for all or part of the meeting is included with the official record of these minutes.

[To listen to the digital recording of the entire meeting, please visit the PSRC website; or to watch a video of the meeting go to http://psrc.granicus.com/MediaPlayer.php?view_id=2&clip_id=81 (best in IE) or contact the PSRC Information Center, 206-464-7532; e-mail info@psrc.org.]

Mayor Will Ibershof of Duvall spoke about an upcoming grand-opening of a transportation project in Duvall. [See links above to listen to comments.]

President’s Remarks

President Stephanson thanked the Board for their support in his election at the May General Assembly. He noted that at the General Assembly the new budget and two bylaw changes were made and six groups were honored with VISION 2040 Awards.

Committee Reports

Transportation Policy Board

Councilmember Patterson reported that the Transportation Policy Board (TPB) recommended two items on the Consent Agenda and contingency projects for American Recovery and Reinvestment Act (ARRA) funds. There are extra funds that will be returned to the agency due to an under-budget

project in Redmond. These funds will now be used to fund the Port of Bremerton Cross S Kitsap Industrial Area (SKIA) Connector: Phase I, which is on the agenda. They also received a briefing on Washington State's Long-Term Air Transportation Study. In both April and May, the TPB received presentations on the Transportation 2040 update.

Growth Management Policy Board

PSRC Staff member Norman Abbot stated that the Growth Management Policy Board (GMPB) received a second Regional Growth Center presentation from the City of Seattle focusing on the Northgate and University District areas. They also heard a staff report on Infrastructure Funding from the 2009 State Legislature. The Acting Food Policy Council also presented to the GMPB as did the PSRC Transportation staff.

Operations Committee

Commissioner Josh Brown reviewed the actions taken that morning at the Operations Committee meeting. Three items were forwarded for Executive Board action on the Consent Agenda. The item regarding the membership for the King County Ferry will be removed from the Consent Agenda for further discussion and a separate vote.

Economic Development District

Councilmember Chelminiak reported that they approved two contracts and a steering committee on International Friendliness. They also received an update on state aerospace competitiveness. The Economic Development District (EDD) is continuing its work as a regional clearinghouse for ARRA funding information. There will be an Industry Cluster tour on Global Health on June 19th.

Executive Director's Report

Bob Drewel thanked all who were able to attend the General Assembly, including the City of Seattle who hosted the event. He also thanked PSRC staff and members for their help during the 2009 State Legislature and the actions taken regarding ARRA funding.

Consent Agenda

It was moved and seconded to:

- a. Approve Minutes of the Meeting held March 26, 2009***

Operations Committee

- b. Approve Vouchers Dated March 23, 2009 through May 18, 2009 in the Amount of \$1,621,059.13***
- c. Approve the Proposed FY 2008-2009 Supplemental Biennial Budget and Work Program Amendment for Job Access Reverse Commute (JARC) Funds***
- d. Authorize the Executive Director to Enter into an Agreement with the Trade Development Alliance of Greater Seattle***

Transportation Policy Board

- f. Authorize Changing Project Status for Destination 2030 Project: Aurora Ave. N Multi-Modal Corridor Project – N 165th St to N 185th St***
- g. Adopt Routine Amendment to the 2007-2010 Transportation Improvement Program (TIP)***

The motion carried unanimously.

New Business

8a. Approve Contingency Lists of Projects for PSRC's ARRA Funds

Karen Richter noted that in March 2009 the PSRC Executive Board approved project lists to receive ARRA funding. Due to the swift timing required by the federal government, they were not able to create a contingency list at that time. Since that time, committees at PSRC have worked to develop a contingency list. There will be funds available shortly for the Port of Bremerton due to a project that was just started, but is under construction and came under bid in Redmond. Making these funds available to the Port of Bremerton will address the board's direction that Kitsap County be given their "fair share" of ARRA funding. This list was subject to public comment and review. There was one general comment received and provided to the board. This action approves the contingency list, the methodology for funding the projects, approval for the Port of Bremerton project, and a request to grant PSRC staff the authority to move on these projects in order to comply with time guidelines on the funding. Staff will consult with appropriate committee chairs on funding. There was a request to report to the Executive Board on actions taken on the contingency list. PSRC staff will do that.

ACTION: It was moved and seconded to approve the Contingency Lists of Projects for PSRC's ARRA Funds

Following discussion the motion carried unanimously.

8b. Approve Technical Amendment to VISION 2040 Regional Growth Strategy

Councilmember Lonergan introduced the item. Ben Bakkenta and Carol Naito presented on the item. The amendment is technical in nature and does not affect the underlying policy goals and direction of the regional growth strategy. It simply updates the numbers to reflect political boundary changes. The VISION 2040 document gives the Executive Board authority to make periodic technical amendments preceding each round of local GMA target-setting activities to give counties and their respective jurisdictions current numbers for the process. This technical amendment is intended to support communities in King and Pierce counties updating their targets. The amendment has been approved by the Regional Staff Committee and the GMPB.

ACTION: It was moved and seconded to approve a Technical Amendment to VISION 2040 Regional Growth Strategy

Following a presentation and brief discussion, the Board voted to approve the motion unanimously.

7e. Approve Membership for the King County Ferry District

This item was pulled from the Consent Agenda by Commissioner Brown. Mark Gulbranson stated that the King County Ferry District has requested PSRC membership as a transit agency. The Operations Committee discussed this item in their meeting and while they support membership, they have questions about dues for the ferry district. The transit agencies all pay dues to PSRC based on their service area populations. The Ferry District is a new agency and their proposed dues were assessed based on their current operating area, which includes the City of Seattle and Vashon Island, as opposed to their taxation area of King County. The difference would be \$43,000 vs. \$128,000. The Operations Committee requested that staff continue to negotiate with King County, but added

that if the dues are less than other agencies are charged, that this item be brought back to the committee for further discussion. Councilmember Sonny Putter of Newcastle also raised this issue.

ACTION: It was moved and seconded to Recommend Membership for the King County Ferry District, but Request that PSRC Staff Continue to Negotiate the Dues Rate and Report Back to the Operations Committee.

Following further discussion the motion was tabled unanimously.

Discussion Item

Transportation 2040 Briefing

Mike Cummings gave a presentation on the current status of the Transportation 2040 Update. The draft EIS will be released for public comment on May 29, 2009.

Other Business

There was no other business brought before the Board.

Announcements

- **Next Meeting Date and Time** – Thursday, June 25, 2009, 10 – 11:30 a.m., Regional Council Board Room.

The meeting adjourned at 11:30 am

Adopted this 25th day of June, 2009

Mayor Ray Stephanson, President

Attest: _____
Bob Drewel, Executive Director

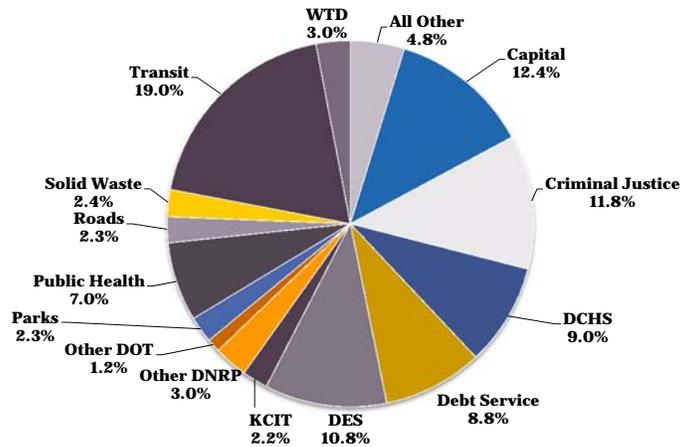
King County 2017/2018 Budget

Presentation to Sound Cities Finance Committee
Dwight Dively, Director
King County Office of Performance, Strategy and Budget
July 11, 2016



King County

King County 2015/2016 Total Budget (approximately \$8.9 billion)



Looking Ahead to 2017/2018

- **Financial status of County funds varies substantially**
- **At least seven major focal points for 2017/2018 budget:**
 - **Metro Transit**
 - **Road Services Division**
 - **Rate-supported agencies**
 - **Behavioral Health (mental health and substance use disorders)**
 - **Public Health**
 - **E-911**
 - **General Fund**

Metro Transit

- **Significant increases in sales tax and fare revenue**
- **New financial policies being considered by the County Council, including clear policies for reserves for the next recession and for bus replacement**
- **Transit has proposed some expansion of service, investments in safety and security, and major capital programs (bus bases, technology, etc.)**

Road Services Division

- Funding is vastly inadequate but no further cuts are projected in the near term
- Bridges & Roads Task Force met in the fall of 2015 and made recommendations, including working with cities to develop countywide funding options for the county and cities
- Discussions with cities are underway
- Significant revenue increases would require State legislative action

Rate-Supported Agencies

- Wastewater rates have been approved; 5.2% increase for two years; changes in policy will reduce debt by about \$582 million from previous plans by 2030
- Solid Waste rates will be submitted this week; likely increase from current \$120.17 per ton to something less than \$140 per ton (\$140 was the forecast when rates were last increased)
- Surface Water Management rates will be submitted with the budget and involve complex issues; a large rate increase is likely

Behavioral Health

- **Creation of a behavioral health organization occurred in April, which standardizes funding models for mental health and substance use disorder services**
- **Mental Illness and Drug Dependency (MIDD) sales tax renewal has been submitted to the Council and MIDD Oversight Committee has made recommendations for 2017/2018 spending**
- **The overall outlook is for lots of changes but the short-term financial position appears adequate**

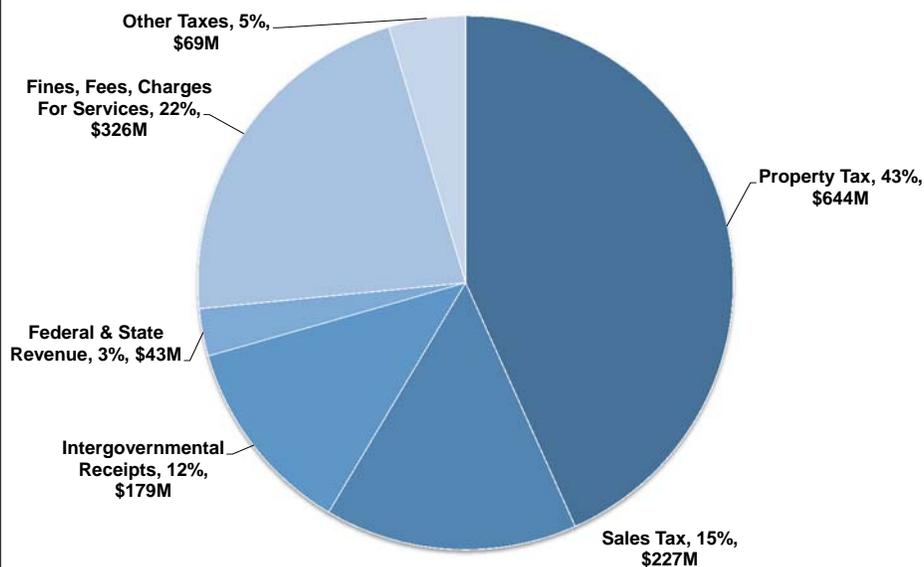
Public Health

- **Public Health Fund is projected to end 2016 with a fund balance of about -\$6 million, which will have to be recovered over time**
- **Public Health has an ongoing imbalance between revenues and expenditures due to flat federal and state funding**
- **Best Starts for Kids and other current initiatives will reduce, but probably not eliminate, the ongoing funding gap**
- **All clinics will remain open, but small changes in services may occur**
- **Northshore Clinic is relocating to near Totem Lake**

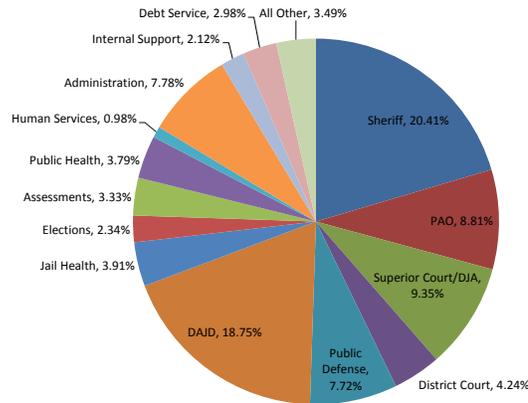
E-911

- The E-911 system is funded by a flat tax per phone line
- As individuals and businesses eliminate land lines, the revenue forecast is declining
- Current forecasts show 2017/2018 revenue may be inadequate to cover current projected expenditures, but delays in capital projects may allow services to continue in the upcoming biennium
- Cities and other partners will receive information and provide feedback through the Leadership Group and Interim Advisory Group

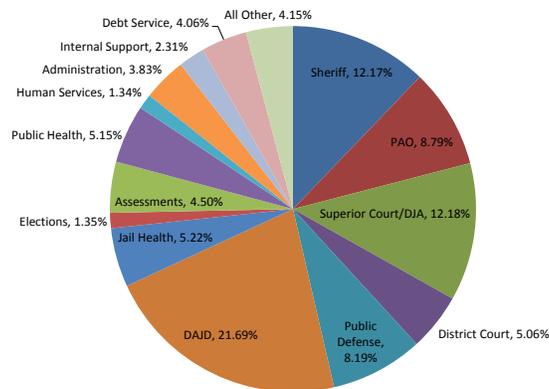
2015/2016 General Fund Revenue



Total 2015/2016 General Fund Budget (\$1.5 billion)



Net 2015/2016 General Fund Budget True GF-Supported Programs (\$1.1 billion)



2017/2018 General Fund Gap

- **Structural imbalance is less than \$5 million – this is the best of times with low inflation and strong sales tax growth**
- **Completion of MIDD supplantation rampdown shifts over \$11 million of costs to the General Fund**
- **Use of \$13 million of reserves to balance 2015/2016 and higher than planned costs for public defense and some labor settlements adds over \$30 million to the gap**
- **Total biennial gap is about \$50 million**

Balancing the General Fund

- **Proposals were received from agencies last week; many involve very challenging reductions in services and staffing**
- **Depending on Executive and Council decisions, cities would be affected by:**
 - **Potential elimination of Sheriff's marine and air support units**
 - **Potential closure of the MRJC for booking**
 - **Potential closure of work release**
 - **Potential reductions in Medical Examiner's Office**
 - **Potential reductions in prosecutors and support staff, slowing filings**
 - **Potential reductions in human services, including services for victims in criminal justice agencies**

In the Longer Run...

- 1% cap on property tax revenue growth means the General Fund will always have a structural gap, averaging about \$20 million per biennium
- Public Health will have a major funding gap for 2019 without additional revenue
- King County's legislative agenda will focus primarily on changing the 1% cap to a limit of population growth plus inflation
- Under current statutes, a levy lid lift is of limited value for the County's General Fund due to the non-supplanting provision that applies only to King County
- Another revenue option is the criminal justice sales tax (0.1% to 0.3%), which requires voter approval and is split 60% to the County and 40% to cities by population

1

[7/13/16]

[SAG]

Sponsor: CM Pelozo

Proposed No.: 2016-0281

1 **AMENDMENT TO PROPOSED ORDINANCE 2016-0281, VERSION 1**

2 Delete Attachment A, Best Starts for Kids Implementation Plan dated June 1, 2016, and
3 insert Attachment A, Best Starts for Kids Implementation Plan, Updated July 13, 2016.
4 Engross any adopted amendments to Attachment A, Best Starts for Kids Implementation
5 plan, Updated July 13, 2016, and delete the line numbers.

6 **EFFECT:**

7 **Would make the following changes to the transmitted implementation plan:**

- 8 **1. Adds language directing that as need determinations are made for focused**
- 9 **strategies and programs, consideration will be given to communities and**
- 10 **populations experiencing rapidly increasing rates in the challenges facing**
- 11 **children and families;**
- 12 **2. Adds language directing that thought be given to distance an individual must**
- 13 **travel for services, particularly when few transportation options are**
- 14 **available, in considering availability of opportunities across the diversity of**
- 15 **the geographies in the County and proposes consideration of enhancing**
- 16 **equity through transportation subsidization options;**

- 17 **3. Makes formatting and language changes to the reporting section in order to**
18 **clarify between formal, annual reporting requirements and less formal,**
19 **periodic briefings and outlines what should be included in these reports,**
20 **including adding clarity around content and timing if Annual Reports are**
21 **combined with FYHP Initiative Annual Reports when these become eligible**
22 **for combined reporting;**
- 23 **4. Inserts section on BSK Evaluation and Performance Measurement Plan from**
24 **information available elsewhere in the Implementation Plan including due**
25 **date and brief description to add clarity and context for Annual Reports**
26 **section;**
- 27 **5. Makes the connection between the BSK Evaluation and Performance**
28 **Measurement Plan and the Annual Reports more explicit;**
- 29 **6. Clarifies transmittal requirement and directs that the Clerk distribute**
30 **required reports to members of the Regional Policy Committee, or its**
31 **successor; and**
- 32 **7. Adds the requirement that Annual Reports (including first annual report)**
33 **and the BSK Evaluation and Performance Measurement Plan be developed**
34 **in consultation with and reviewed by the Children and Youth Advisory**
35 **Board prior to transmittal.**
- 36
- 37



September 14, 2016
SCA PIC Meeting

Item 6:

Low Income Housing Tax Credit

Potential Future Action Item

SCA Staff Contact

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

SCA Legislative Committee

Committee Chair David Baker, Kenmore Mayor; Councilmember Bill Allison, Maple Valley; SCA Board President Nancy Backus, Auburn Mayor; Mayor Leanne Guier, Pacific; Councilmember Amy Ockerlander, Duvall; Deputy Mayor Catherine Stanford, Lake Forest Park

Potential Future Action Item

To bring the following policy position back to the next PIC meeting for possible action:

The Sound Cities Association (SCA) supports federal legislation to increase the annual allocation for the Low Income Housing Tax Credit (LIHTC) in order to create and preserve critically needed units of affordable housing.

Background

The SCA Board of Directors held an annual retreat on January 29, 2016 and adopted four policy priorities for 2016: Transportation, Economic Development, Human Services (with a significant focus for 2016 on homelessness), and—as a new priority for SCA—Affordable Housing. In identifying these priorities, the SCA Board agreed that affordable housing was inextricably linked to the Board’s other three policy priorities, and should be added as a top priority. At the time of the retreat, the SCA Board of Directors also decided to form a Legislative Committee.

Housing Affordability and Homelessness in King County

As recognized by the SCA Board of Directors, homelessness is at a crisis point in King County and the strong economy and residential real estate market have made housing increasingly unaffordable here.

During the 2016 One Night Count for King County, held in the early hours of January 29, 2016, volunteers counted 4,505 men, women, and children without shelter, a 19 percent increase from 2015. Strikingly, the jump came on the heels of a 21 percent year-over-year increase in 2015, and a 14 percent increase in 2014. The increase this year fell disproportionately on SCA member cities and South King County in particular. While the count increased by roughly 100 people in the city of Seattle, the number of people identified in areas outside of Seattle spiked by more than 600. In South King County, the number of unsheltered people counted increased

by 53 percent. In total, 10,730 people were identified as experiencing homelessness during the One Night Count.

For those who are housed, affordability remains a challenge in King County. [According to 2009-2013 data from the American Community Survey conducted by the U.S. Census Bureau](#), more than one-third of King County households pay more than 30 percent of their income for housing—the level at which a household is said to be “cost-burdened,” and one in six pay more than 50 percent, a level at which the household is said to be “severely cost-burdened.”

About the Low Income Housing Tax Credit

The Low Income Housing Tax Credit (LIHTC) is the federal government’s foremost tool for incentivizing private investment in the creation and preservation of affordable housing. Nearly all affordable rental housing units are created with the LIHTC, amounting to nearly 2.9 million rental homes nationwide since the tax credit was created in 1986 and more than 75,000 in Washington state. Currently, the LIHTC finances 100,000 affordable rental units nationwide each year, including 1,375 in Washington State.

As explained in [a report prepared by the Congressional Research Service](#), the background behind and mechanics of the LIHTC tax incentive program are as follows:

The low-income housing tax credit (LIHTC) was created by the Tax Reform Act of 1986 (P.L. 99- 514) to provide an incentive for the development and rehabilitation of affordable rental housing. These federal housing tax credits are awarded to developers of qualified projects via a competitive application process administered by state housing finance authorities (HFAs). Developers either use the credits or sell them to investors to raise capital for real estate projects, which, in turn, reduces the debt or equity contribution that would otherwise be required of developers. With lower financing costs, tax credit properties can potentially expand the supply of affordable rental housing. The LIHTC is estimated to cost the government an average of nearly \$6 billion annually.

Two types of LIHTCs are available depending on the nature of the rental housing construction. The so-called 9% credit is generally reserved for new construction. Each year for 10 years a tax credit equal to roughly 9% of a project’s qualified basis (cost of construction) may be claimed. The applicable credit rate is not actually 9%; instead, the specific rate that a project will receive is set so that the present value of the 10-year stream of credits equals 70% of a project’s qualified basis. The formula used to ensure the 70% subsidy is achieved depends in part on current market interest rates that fluctuate over time. These fluctuations have also caused the LIHTC rate to change over time. Since 1986, the 9% credit has ranged between 7.89% and 9.27%.

The so-called 4% credit is typically claimed for rehabilitated housing and new construction that is financed with tax-exempt bonds. Like the 9% credit, the 4% credit is claimed annually over a 10-year credit period. The actual credit rate fluctuates around 4%, but is set by the Treasury to deliver a subsidy equal to 30% of a project's qualified basis in present value terms. At one point, the 4% credit rate had fallen to as low as 3.33%. For both the 4% and 9% credit it is the subsidy levels (30% or 70%) that are explicitly specified in the Internal Revenue Code (IRC), not the credit rates.

The [Congressional Research Service report](#) explains the federal affordability requirements for LIHTC properties as follows:

In order to be eligible for a LIHTC allocation, properties are required to meet certain tests that restrict both the amount of rent that is assessed to tenants and the income of eligible tenants. The "income test" for a qualified low-income housing project requires that the project owner irrevocably elect one of two income level tests, either a 20-50 test or a 40-60 test. In order to satisfy the first test, at least 20% of the units must be occupied by individuals with income of 50% or less of the area's median gross income, adjusted for family size. To satisfy the second test, at least 40% of the units must be occupied by individuals with income of 60% or less of the area's median gross income, adjusted for family size. A qualified low-income housing project must also meet the "gross rents test" by ensuring rents do not exceed 30% of the elected 50% or 60% of area median gross income, depending on which income test the project elected.

In Washington State, the [Washington State Housing Finance Commission](#) allocates the 9 percent credits to developers through an annual application process. The 9 percent credits are competitively awarded according to the Commission's established criteria, which give preference to projects providing greater than the federally-mandated level of affordability. Supply exceeds demand for the 4 percent credits, so applications may be submitted at any time.

Affordable Housing Credit Improvement Act of 2016

Sen. Maria Cantwell (D-Washington) and Sen. Orrin Hatch (R-Utah) have introduced legislation—called the Affordable Housing Credit Improvement Act of 2016—that would increase the federal allocation for the 9 percent LIHTC by 50 percent, allowing for 50 percent more units to be funded nationwide. The LIHTC is currently used to leverage other investments into affordable housing and to help finance 100,000 affordable homes nationwide each year including 1,375 in Washington. Under the legislation, approximately 688 additional units could be constructed in Washington each year. A one-pager about the legislation and a section-by-section summary of the bill, both provided by the office of Sen. Cantwell, are included as

[Attachment A](#) and [Attachment B](#) respectively. Additionally, Sen. Cantwell’s Office has developed a report, “Addressing the Challenges of Affordable Housing & Homelessness: The Housing Tax Credit” ([Attachment C](#)), that summarizes the state of the housing affordability crisis, the impact of the LIHTC, and the proposed legislation. In addition to increasing the allocation for the 9 percent LIHTC, the bill would also make adjustments to the LIHTC’s income limitation formula and allow states more flexibility in financing projects for people exiting homelessness or others with extremely low incomes, among other changes.

Sen. Cantwell held an event July 20 in Kent at the King County Housing Authority’s [Birch Creek community](#)—for which redevelopment was financed in part through the LIHTC—to promote the legislation and hear feedback from a roundtable of South King County mayors and representatives from housing and services agencies. Auburn Mayor Nancy Backus, Kent Mayor Suzette Cooke, Tukwila Mayor Allan Ekberg, and Federal Way Mayor Jim Ferrell attended the event and spoke to the needs of their communities. Sen. Cantwell concluded the event by asking attendees to assist her efforts to expand the tax credit in one of three ways: (1) Endorse the legislation, (2) reach out to potential House sponsors, and (3) share data that supports the argument for the tax credit’s expansion.

Subsequently, at the first meeting of the newly formed SCA Legislative Committee, on August 31, 2016, members expressed an interest in bringing forward to the PIC a draft policy position supporting the 50 percent increase in the federal allocation for 9 percent LIHTCs.

Next Steps

At the September 14 PIC meeting, the PIC will discuss whether to bring back the drafted policy position for action.

Attachments

- A. [Affordable Housing Credit Improvement One-Pager, Office of U.S. Senator Maria Cantwell](#)
- B. [Affordable Housing Credit Improvement Act Section-by-Section Summary, Office of U.S. Senator Maria Cantwell](#)
- C. [Addressing the Challenges of Affordable Housing & Homelessness: The Housing Tax Credit, Office of U.S. Senator Maria Cantwell](#)

Expanding and Reforming the Low Income Housing Tax Credit



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PROPOSAL: Expand the annual LIHTC allocation by 50 percent

Senator Cantwell will be proposing a 50 percent increase in the annual amount of 9 percent credits available to states, allowing the creation or preservation of an additional 400,000 affordable rental units over the next 10 years. This proposal has been endorsed in the Bipartisan Policy Center’s Housing Commission report: “Housing America’s Future,” as well as by over 1300 groups through the A.C.T.I.O.N. Campaign.

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PROPOSAL: Promote broader income mixing in LIHTC projects

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PROPOSAL: Allow states more flexibility in financing projects targeting homeless individuals or extremely low income families

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SENATOR MARIA CANTWELL & SENATOR ORRIN HATCH

Affordable Housing Credit Improvement Act of 2016

Section 1 – Short Title

TITLE I - REFORM OF STATE ALLOCATION FORMULAS

Section 101 - Increases in State allocations - Increases the annual per capita Housing Credit allocation and small state minimum by 50 percent, phased in over five years. The per capita allocation was last increased and indexed to inflation in 2004, and is currently \$2.35. The current small state minimum is \$2.68 million. The proposal increases these amounts, subject to inflation, to \$3.53 and \$4.04 million, respectively, by 2021. The Joint Committee on Taxation estimates the cost of a similar allocation increase at \$4.1 billion over the next ten years.

TITLE II - CREDIT RATE AND OTHER RULES RELATING TO CREDIT ELIGIBILITY AND DETERMINATION

Section 201 - Average income test - Under current law, Housing Credit apartments serve renters with incomes up to 60 percent of area median income (AMI) and rents are comparably restricted. This section creates a new test that would allow the 60 percent of AMI ceiling to apply to the average of all apartments within a property rather than to every individual Housing Credit apartment. The maximum income to qualify for any Housing Credit apartment would be limited to 80 percent of AMI. The higher rents that households with incomes above 60 percent of AMI could afford have the potential to offset the lower rents that households below 40 or 30 percent of AMI could afford, allowing developments to maintain financial feasibility while providing a deeper level of affordability.

Section 202 - Uniform income eligibility for rural projects - Standardizes tenant income limit rules for Housing Credit projects in rural areas regardless of whether or not they are financed with tax-exempt bonds, making bond-financed projects more feasible in rural areas while streamlining program rules.

Section 203 - Codification of rules relating to increased tenant income – Allows existing tenants of federally assisted affordable housing projects that are subsequently recapitalized with Housing Credits to be considered low-income for purposes of determining Housing Credit eligibility if the tenant met the Housing Credit income requirement upon initial occupancy in a unit that at that time was subject to a federal, state, or local government income restriction, provided their income has not risen above 120 percent of AMI.

Section 204 - Modification of student occupancy rules – Simplifies the current Housing Credit student rule by replacing it with a new rule that makes households composed entirely of adult students under the age of 24 who are enrolled full-time at an institution(s) of higher education ineligible to reside in a Housing Credit unit. Exceptions are provided for students who are married, veterans, the disabled, those with one or more dependent children, and those who are income eligible under Housing Credit income limits and can show they are financially independent of their parents and guardians, as are those aging out of foster care and formerly homeless youth.

Section 205 - Tenant voucher payments taken into account as rent for certain purposes – Requires that tenant-based voucher payments count towards meeting the rent limits for projects electing the average income test in section 201 of this act or the basis boost established by section 309.

TITLE III - CREDIT RATE AND OTHER RULES RELATING TO CREDIT ELIGIBILITY AND DETERMINATION

Section 201 - Minimum credit rate –Establishes a minimum 4 percent rate for credits used to finance acquisitions and in Housing Bond-financed developments (the “30%” credit). This program modification would provide more predictability and flexibility in Housing Credit financing, allowing developers to target more units to very- and extremely-low income households at rents they could afford and make more types of properties financially feasible.

Section 302 - Reconstruction or replacement period after casualty loss – Clarifies that there is no recapture and no loss of the ability to claim Housing Credits during a restoration period that results from any casualty, provided that the building is restored within a reasonable period as determined by the state Housing Credit agency, but not to exceed 25 months from the date of the casualty.

Section 303 - Modification of rights relating to building purchase – Replaces the existing right of 1st refusal, which allows the nonprofit sponsors of Housing Credit properties, at the end of the property’s initial 15-year compliance period, to gain full control of the property in order to maintain the affordable housing use restrictions, with a purchase option at the current law minimum purchase price.

Section 304 - Modification of 10-year rule; limitation on acquisition basis – Modifies the prohibition on claiming acquisition credits for properties placed in service in the previous 10 years by creating an option to instead limit the acquisition basis of the building to the lowest price paid for the building during the last ten years (with an adjustment for the cost of living) plus any capital improvements that are reflected in the sellers’ basis.

Section 305 - Certain relocation costs taken into account as rehabilitation expenditures - Allow for relocation costs incurred in connection with a rehabilitation of a building to be capitalized as part of the cost of the rehabilitation.

Section 306 - Repeal of qualified census tract (QCT) population cap - Remove the aggregate QCT population cap, enabling properties in more areas to receive a 30 percent basis boost, if necessary to make the project financially feasible.

Section 307 - Determination of community revitalization plan to be made by State housing credit agency – Requires state housing credit agencies to establish definitions and clear parameters of concerted community revitalization plans before projects located in QCTs are eligible for a basis boost.

Section 308 - Prohibition of local approval and contribution requirements – Requires the Secretary of Treasury to issue guidance prohibiting states from including local approval and contribution provisions as either a threshold requirement or part of a point system in their qualified allocation plans.

Section 309 - Increase in credit for certain projects designated to serve extremely low-income households – Provides flexibility for state housing credit agencies to increase the basis of projects in which 20 percent of the units are designated for occupancy by households with incomes that are 30 percent of area median income or lower, by up to 50 percent if it is necessary for the project to be financially feasible.

Section 310 - Increase in credit for bond-financed projects designated by State agency – Provides parity for bond financed projects to be eligible for the 30 percent basis boost available to non-bond financed projects.

Section 311 - Elimination of basis reduction for low-income housing properties receiving certain energy benefits – Eliminates the basis reduction for Housing Credit projects that also claim the Section 45L New Energy Efficient Home Credits, the Section 179D Energy Efficient Commercial Building Deduction, and the Section 48 Energy Credit.

TITLE IV - REFORMS RELATING TO NATIVE AMERICAN ASSISTANCE

Section 401 - Selection criteria under qualified allocation plans - Requires that Housing Credit allocating agencies' Qualified Allocation Plans (QAP) include selection criteria that would require states to "take into consideration the affordable housing needs of Native Americans within the state."

Section 402 - Inclusion of Indian areas as difficult development areas for purposes of certain buildings - Modifying the definition of difficult to develop areas to automatically include projects located in an Indian area, making these projects eligible for the 30 percent basis boost would if needed to make them financially feasible.

TITLE V—AFFORDABLE HOUSING TAX CREDIT

Section 501 - Affordable housing tax credit – Renames the "Low-Income Housing Tax Credit" the "Affordable Housing Tax Credit"



Addressing the Challenges of Affordable Housing & Homelessness: The Housing Tax Credit

Office of U.S. Senator Maria Cantwell
511 Hart Senate Office Building • Washington, D.C. 20510

@SenatorCantwell

Introduction

The United States and Washington state face an affordable housing and homelessness crisis. There are nearly four million extremely low-income Americans who lack access to an affordable housing option in this country, including 170,000 in Washington state. Half a million people are homeless in this country on any given night, including nearly 20,000 in Washington state, a 10% increase over the past two years.

The Low-Income Housing Tax Credit, which Senator Cantwell has championed, is an important tool that drives private sector investment in affordable housing for families and the homeless. However, as this report demonstrates, the demand for this program far outstrips the need. That is why Senator Cantwell, alongside a coalition of over 1,300 organizations, will be proposing a 50% increase in resources for this program, enough to build another 400,000 affordable homes over the next 10 years.

Affordable Housing Crisis

United States

Across the country, 11 million renter households, or one in four renters, spend more than half of their monthly income on rent. More than half of renters spend more than 30% of their income on rent. Nationwide, there are 11.2 million extremely low-income renters competing for only 7.3 million affordable units. The number of households spending a majority of their income on rent is only projected to grow.

Federal housing assistance, including programs like federal rental assistance, only meet a small portion of this need – currently serving only five million households. Three out of four households that are eligible for rental assistance do not receive it due to scarce resources. The Low-Income Housing Tax Credit (LIHTC) serves a critical role as the country’s foremost tool to incent private sector investment in affordable housing. Every year, this tax credit finances 100,000 affordable rental units nationwide. Despite the nearly three million homes developed or preserved with the LIHTC since its creation in 1986, the number of affordable housing units has “stagnated over the past decade” according to the Harvard Joint Center on Housing Studies.

Washington State

According to the Washington State Department of Commerce’s January 2015 Housing Needs Assessment, more than 36% of the state’s 2.5 million households totaling 936,260 – pay more than one-third of their income on rent and more than 390,000 households pay more than half of their income on rent.

Clearly, affordability is a significant problem for lower-income households. Since 2000, incomes in the state have declined by 2.4% while median rents rose by 7.8% - from \$884 to \$951 in inflation

Housing Gap for Extremely Low-Income (ELI) families

- Across the country, there is a housing supply gap of 3.9 million ELI families who do not have access to affordable housing.
- In Washington state, that number is 169,000.

Affordable units available for every 100 ELI households in Washington:

- Statewide – 28 units
- King County – 15 units
- Snohomish County – 16 units
- Pierce County – 10 units
- Spokane County – 12 units

adjusted dollars. Washington state population growth over the next five years is expected to be driven largely by low-income households. The state's extremely- and very-low income populations are expected to grow by 16.59% and 15.17%, respectively, by 2019 (the highest growth rates among all income groups).

The median gross rent in Washington increased from \$663 in 2000 to \$951 in 2012, rising faster than the rate of inflation. In that period, units renting for less than \$500 decreased from 24.8% of inventory to 9.8%. Meanwhile, units renting for \$1,000 or more increased from 14.6% to 45.1%. While the Department projects the supply of available and affordable low-income housing to grow, at the current rate, it will take around 30 years for Washington state to close its affordable housing gap.

Homelessness in the U.S. and Washington State

Homeless Population

The Department of Housing and Urban Development's January 2015 point-in-time homelessness count identified 564,708 individuals experiencing homelessness across the United States. Approximately 31% of these individuals lacked any form of appropriate shelter or transitional housing. Of this group, around 36% were people in families with children (206,286 individuals).

Seattle Housing Affordability and Livability Agenda (HALA)

In July 2015, the Seattle HALA Committee provided its final recommendations to help guide policy-making related to housing and development in the city. The plan calls for the development of 50,000 units of housing, including 20,000 units of affordable housing, over the next decade.

15,000 of those units would be reserved for the same income groups that the Low-Income Housing Tax Credit is designed to target. An expansion of the LIHTC could be utilized by the City as it works to achieve its development goals.

Homelessness: Washington State

The January 2015 point-in-time homelessness count documented nearly 19,419 homeless individuals in Washington state. One-third, or 7,212 of those individuals, were unsheltered.

There is evidence the homeless population has been increasing in Washington state in recent years. Between 2013 and 2015, homelessness increased by 9.3%. This includes 1,136 additional homeless individuals—an increase of 10%. More than 4,500 homeless and unsheltered people were counted in Seattle and King County's 2016 one night count, a 19 percent increase over 2015. In Seattle/King County, there were over 10,000 homeless individuals in 2015, the third largest for a major city continuum of care in the country. Washington faces a significant challenge providing affordable

and available housing for the 19,419 homeless individuals, including households with children, unaccompanied children, mentally ill individuals, and veterans.

Washington is one of only twelve states and the District of Columbia that has elevated rates of homelessness above the national average of 18.3 homeless people per 10,000 people. In Washington, the rate is 26.5 persons per 10,000. While there was a 2.3% decrease in homelessness across the United States from 2013 to 2014, in Washington state, homelessness actually rose by 3.8%. This translated into 682 additional homeless individuals in Washington than in the previous year. Between 2013 and 2014 in Washington state:

- Unsheltered homeless individuals increased by 16.8%, or by 849 persons, from 2013 to 2014 – against a 10% national decrease in unsheltered homeless;
- Family homelessness decreased 1.6%, falling short of the 4.9% national average decrease;
- Chronic homelessness increased 19.9% against a national decrease of 2.5%; and
- Veteran homelessness increased 8.7% against a national decrease of 10.5%.

The Low-Income Housing Tax Credit, as of January 2016, has financed the development of **2,365 apartments reserved for people experiencing homelessness across Washington state**, with another 233 units in development.

Impact of the Low-Income Housing Tax Credit (LIHTC)

The Low-Income Housing Tax Credit (**LIHTC**) program was created 30 years ago by the Tax Reform Act of 1986, and is one of the federal government’s primary tools for encouraging the development and rehabilitation of affordable rental housing. These non-refundable federal housing tax credits are awarded to developers of qualified rental projects via a competitive application process administered by state housing finance authorities.

The process of allocating, awarding, and claiming the LIHTC begins at the federal level with each state receiving an annual LIHTC allocation in accordance with federal law. LIHTCs are allocated to each state according to their population, with states receiving \$2.35 per person in LIHTC allocation in 2016. The administration of the tax credit program is typically carried out by the state’s **Housing Finance Agency (HFA)**. State housing agencies then allocate credits to developers of rental housing according to federally required, but state created, allocation plans. In 2013, these state HFAs typically received applications requesting two to three times their available Housing Credit allocations, demonstrating the robust demand and need for expanding this program.

Cantwell Secured Permanent 9% Floor to LIHTC

In 2015, Senator Cantwell’s legislation making the 9% credit rate floor permanent was signed into law. This ended an era where fluctuating rates made financing for LIHTC projects uncertain.

Fluctuating rates for the Low-Income Housing Tax Credit have long created problems administering the credit. This, combined with low federal borrowing rates, translated into low annual LIHTC credit rates, reducing equity and discouraging investment. By securing a permanent 9% rate, Senator Cantwell’s legislation fixed this problem.

LIHTC’s Benefits: United States and Washington State

United States

Across the United States, the Low-Income Housing Tax Credit (LIHTC) has been responsible for financing the development of nearly **2.9 million rental homes**. Between 1986 and 2013, more than 13.3 million people have lived in homes that have been financed by the LIHTC.

Project Example: Nyer Urness House

The Nyer Urness House is an 80 unit housing complex finished in 2013 for chronically homeless men and women in northwest Seattle's Ballard neighborhood. Many of the furnished studio apartments are reserved for disabled and homeless veterans.

LIHTC equity equaled \$12.7 million toward a total project cost of \$18.4 million. In its first year, the Nyer Urness House created 98 jobs and contributed \$6.3 million in community impact.

In addition, the LIHTC helps support approximately 70,000 jobs each year in Washington state. Most of these jobs are in the construction sector, with the remaining spread among manufacturing, transportation, and business service industries. In all, every year nationwide, the LIHTC helps generate \$3.5 billion in federal, state, and local taxes, while also generating \$9.1 billion in economic activity. Over 30 years, the credit has helped leverage over **\$100 billion in private capital** used for affordable housing.

Approximately 60% of households that the LIHTC serves have a household income of less than \$20,000, with the median household income set at \$17,066. Nearly half (46%) of those served by the LIHTC have incomes 30% or

less of the **median household income (MHI)**, or are considered **extremely-low income** households. Little more than one-third (35%) of households have incomes between 30% and 50% of MHI, or are considered **very-low income** households.

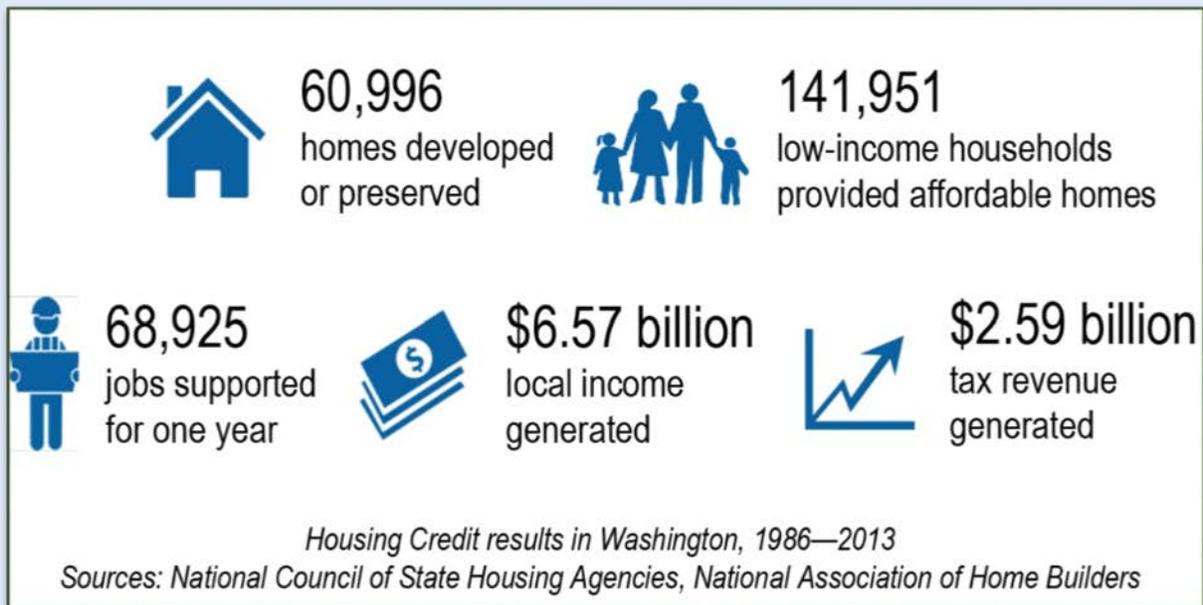
Washington State

Since its creation in 1986, the Low-Income Housing Tax Credit has helped develop more than 75,000 affordable housing units throughout Washington state, including 15,346 units for the elderly, 4,097 units for individuals with disabilities, 1,640 for farmworkers, and 2,365 units for the homeless.

In Focus: LIHTC in Washington State: 1986-2015

Region	TOTAL PROPERTIES	TOTAL UNITS	TOTAL EQUITY	Reserved Units:			
				Homeless	Elderly	Farmworker	Extremely-Low Income
Seattle	223	18,477	\$1,176,223,080	1,287	2,581	-	2,527
Tacoma	54	3,988	\$217,310,169	148	617	-	572
Spokane County	57	4,590	\$224,419,340	163	1,198	-	574
Snohomish County	88	9,635	\$351,770,069.60	56	1,869		247
WA state	1027	75,400	\$4,235,481,391	2,365	15,346	1,610	7,010

The LIHTC is also an economic development engine in Washington state. Each year, the credit supports nearly 70,000 jobs, and in its history, the credit is responsible for over \$6.5 billion in local income and \$2.6 billion in tax revenue generation. Over \$4.2 billion in private capital has been invested in affordable housing in Washington state thanks to the Low-Income Housing Tax Credit.



The Path Forward: Expanding and Reforming LIHTC

The Low-Income Housing Tax Credit (LIHTC) is the federal government’s primary policy tool for leveraging private investment in affordable housing, helping finance the development of 100,000 affordable homes nationwide each year, and has leveraged over \$100 billion in private capital since its creation. However, due to increased demand, in 2013, state housing finance agencies across the country received applications for three times the number of LIHTCs they had available to allocate, leaving many worthy affordable housing projects unfunded. Senator Cantwell is developing legislation to expand and improve the LIHTC, including the following provisions:

PROPOSAL: Expand the annual LIHTC allocation by 50 percent

Senator Cantwell will be proposing a 50 percent increase in the annual amount of 9 percent credits available to states, allowing the creation or preservation of an additional 400,000 affordable rental units over the next 10 years. This proposal has been endorsed in the Bipartisan Policy Center’s Housing Commission report: “Housing America’s Future,” as well as by over 1300 groups through the A.C.T.I.O.N. Campaign.

In the past ten years, the 9 percent credit funded over 8,500 affordable housing units in Washington state, nearly half of which were reserved for the extremely low-income or homeless households.

PROPOSAL: Promote broader income mixing in LIHTC projects

The LIHTC encourages states to give preference to developments that set aside units affordable to the lowest-income populations, including the homeless, but these projects are the most difficult to make financially feasible, especially in high-cost markets like Seattle. Senator Cantwell will be proposing reforms to the LIHTC's income limitation formulas to promote greater income mixing, allowing developments to maintain financial feasibility, while providing a deeper level of affordability.

Quick Facts

- This proposal would allow Washington state to develop about 35,215 new affordable housing units using the LIHTC over the next 10 years.
- This proposal would allow Seattle to develop a total of approximately 8,850 units using the LIHTC over the next 10 years, nearly halfway towards the city's Housing Affordability and Livability Agenda (HALA) goal.

PROPOSAL: Allow states more flexibility in financing projects targeting homeless individuals or extremely low-income families

Under current law, certain areas and developments are eligible to receive up to a 30 percent basis boost (resulting in more housing credit equity) if the state housing credit allocating agency determines the boost is needed to make development financially feasible. Senator Cantwell will be proposing that state housing credit allocating agencies be allowed to provide up to a 50 percent basis boost for properties targeting extremely-low income or homeless families and individuals, allowing these projects to achieve greater financial feasibility and eliminate the need for debt financing.

Senator Cantwell invites you to join her in this ongoing effort to expand the LIHTC. Visit www.cantwell.senate.gov for updates and for opportunities to get involved in the campaign.

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September 14, 2016
SCA PIC Meeting

Item 7:

2017 SCA State Legislative Agenda

DISCUSSION

SCA Staff Contact

Deanna Dawson, Executive Director, Deanna@soundcities.org, 206-433-7170

Katie Kuciemba, Senior Policy Analyst, Katie@soundcities.org, 206-433-7169

Ellie Wilson-Jones, Policy Analyst, Ellie@soundcities.org, 206-433-7167

SCA Legislative Committee Members

Committee Chair David Baker, Kenmore Mayor; Councilmember Bill Allison, Maple Valley; SCA Board President Nancy Backus, Auburn Mayor; Mayor Leanne Guier, Pacific; Councilmember Amy Ockerlander, Duvall; Deputy Mayor Catherine Stanford, Lake Forest Park

Discussion

At the 2016 SCA Board Retreat, the SCA Board of Directors identified a strategy to “increase SCA influence in State and County government,” and adopted action items including identifying strategic legislative priorities and forming a legislative committee. The SCA Legislative Committee will review potential 2017 legislative priorities and bring a formal SCA Legislative Agenda to the PIC and the Board of Directors prior to the beginning of session. PIC members are encouraged to provide feedback on potential legislative priorities identified by the Legislative Committee.

Background

At the 2016 SCA Board Retreat, the SCA Board of Directors identified a strategy to “increase SCA influence in State and County government,” and adopted action items including identifying strategic legislative priorities and forming a legislative committee. The Board appointed a legislative committee consisting of members from each geographic caucus. The committee met for the first time on August 31, 2016.

At that meeting, the committee reviewed SCA member cities’ 2016 legislative agendas, the legislative priorities of the Association of Washington Cities (AWC), and the legislative priorities of King County. The committee agreed that SCA should not duplicate the work of AWC. Rather, SCA’s legislative agenda should focus on areas of special concern to cities in King County and the Puget Sound region. Based on this, the committee recommends the following areas of focus:

- **Lifting the 1% Property Tax Cap:** SCA has an adopted position on this topic, and the Committee recommended adding this issue to the 2017 SCA Legislative Agenda. Potential legislation may seek to replace the arbitrary 1% cap with a cap that limits revenue growth to the same economic factors influencing costs (inflation plus the rate

of population), with a total cap of 5%. There was also unanimous support by the committee to join and support the efforts of the Property Tax Coalition, coordinated by the Washington State Association of Counties (WSAC). The Coalition is actively seeking members and has requested assistance in communicating with local police chiefs to encourage the endorsement of the Washington Association of Sheriffs and Police Chiefs (WASPC).

- **Public Health Funding:** Since 2007, SCA has adopted three policy positions related to the need for stable public health funding. There was interest among SCA Legislative Committee members in continuing to advocate for securing sustainable public health funding. With local health jurisdictions facing shortfalls statewide, public health officials have come together to develop a multi-year proposal for delivering funding to public health services. The King County Executive Office's proposed 2017-2019 regional budget priorities ([Attachment A](#)) list the statewide ask at \$50 million and the King County request at \$20.5 million. However, King County public health staff working on this issue state that the legislative proposal is still under development.
- **Affordable Housing and Homelessness:** Affordable housing and homelessness are among the policy priorities adopted by the SCA Board in 2016, and the committee generally agreed that this should be an area of focus for the SCA legislative agenda. Conversations and planning efforts are now underway to develop affordable housing legislative proposals for the coming session. On the Eastside and in South King County, stakeholders are gathering for subregional conversations focusing in on local needs, with the intention of knitting together the proposals generated by those discussions into a more comprehensive affordable housing package. Housing-focused regional committees are also developing legislative agendas for the coming session, with staff currently compiling legislative priorities for consideration by the All Home Coordinating Board and the Joint Recommendations Committee (JRC). A memo prepared for the SCA Legislative Committee summarizing the draft All Home and JRC legislative priorities, as well as agendas currently under development by King County and the City of Seattle, is included as [Attachment B](#). SCA Legislative Committee members indicated that state-level housing investments and the creation of local options to address the affordable housing crisis should be priorities.

The SCA Legislative Committee discussed the necessity of addressing the underlying causes of homelessness, including behavioral health needs, as part of the strategy for preventing and addressing homelessness. The King County Executive's Office proposed 2017-2019 regional budget priorities ([Attachment A](#)) identify a number of budget requests with regard to statewide and local investments in the behavioral health system. Many come in response to the statewide shortage of involuntary psychiatric treatment beds and a resultant Washington Supreme Court ruling against the practice of detaining people for inpatient care in temporary settings, such as hospital emergency rooms, without adequate psychiatric care – a process known as psychiatric boarding. Additionally, the Executive has indicated support for expanding medication-assisted treatment in response to the heroin and prescription opioid epidemic.

Next Steps

The SCA Legislative Committee will meet again prior to the October PIC meeting, and anticipate bringing a 2017 legislative agenda for initial review and feedback by members of the PIC at the October 2016 PIC meeting. Formal action by the PIC could occur as early as November 2016, which would then be reviewed for potential action by the SCA Board of Directors.

All SCA cities are encouraged to adopt a legislative agenda for your city so that you can directly tell legislators your priorities during the 2017 legislative session. In drafting your agenda, consider reviewing the AWC's Strong Cities Pocket Guide ([Attachment C](#)) and the following recommendations:

- Your agenda doesn't need to be long and complex – keep it to one page if possible.
- Add credibility by having your city council adopt your agenda before session.
- Include capital needs along with policy priorities.
- Once you've adopted an agenda make sure you talk about it with your community organizations, media, cities, and legislators.
- Share your agenda with Sound Cities Association as soon as possible to ensure they are being considered prior to the adoption of the 2017 SCA Legislative Agenda.

Attachments

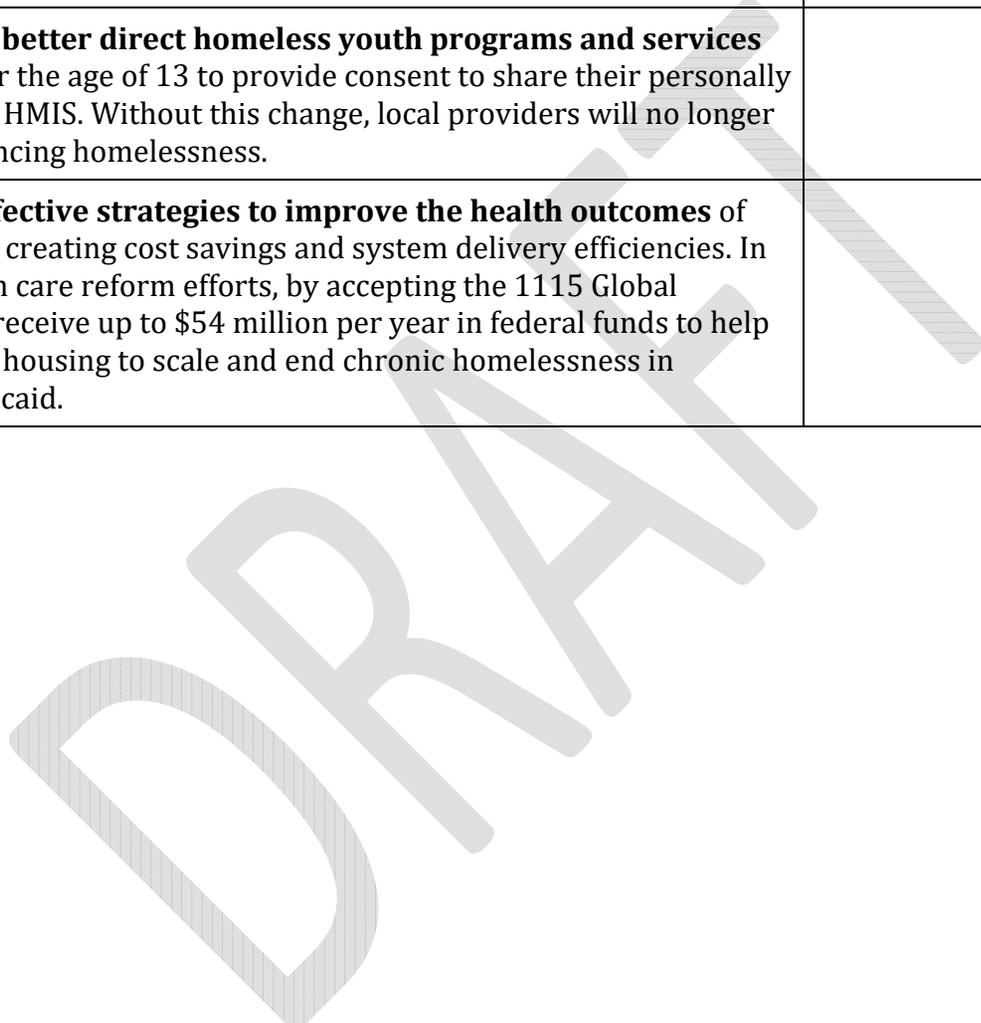
- A. [King County Executive's Office Proposed 2017-2019 Regional Budget Priorities](#)
- B. [Affordable Housing and Homelessness Handout for August 31, 2016 SCA Legislative Committee](#)
- C. [Association of Washington Cities - Strong Cities Pocket Guide](#)

	King County funding request (funds invested in KC)	Statewide funding request (if relevant)
Public Health		
Invest in local capacity to provide core public health services.	\$20.5M operating	\$50M operating Dept of Health request
Protect basic public health of all Washingtonians by investing in core public health services. The 47% per capita decrease in public health funding since 1999 is now reaching crisis levels across the state. Public Health – Seattle & King County’s shortfall has left it unable to fully investigate disease outbreaks.	\$14.5M operating	\$50M operating
Invest in critical programs that are chronically underfunded such as Public Health Lab capacity, communicable disease data collection systems, lead exposure investigations for children, tobacco prevention (including vaping). Pilot shared services to improve efficiency of overall public health system by providing certain services through regional hubs.	\$2M operating	\$50M operating
Behavioral Health		
Invest in community capacity to prevent and/or shorten hospitalization.	\$7.8-12.7M capital \$6.2M operating	\$2M operating
Create 32 beds in stepdown program(s) in King County for people ready for discharge from state/local hospitals, to shorten stays, and help people transition to ongoing community care more quickly. Leverage Medicaid. <i>Joint Governor/Executive Community Alternatives to Boarding Task Force Priority.</i>	\$5M-\$6M capital \$540K operating	
Launch a 16-bed crisis diversion facility in underserved South King County to divert people in behavioral health crisis from emergency departments and/or psychiatric hospital stays. Expands on \$3M local investment and leverages Medicaid. <i>Joint CABTF Priority.</i>	\$2.5M-\$6.4M capital \$4.2M operating	
Expand crisis respite capacity by 20 beds to expedite discharge from state and local hospitals via short-term shelter, engagement, access to psychiatric services, transitional case management services, linkage to permanent housing, and referral to	\$150K-\$250K capital \$1.45M operating	

The goal of this document is to identify top regional budget priorities for King County, Sound Cities Association, and Seattle to jointly support.

treatment. <i>Joint CABTF Priority.</i>		
Strengthen workforce retention by expanding the existing Health Professionals Loan Repayment Program to include behavioral health professionals in medically underserved areas or populations. <i>Joint CABTF Priority.</i>		\$2M operating
Increase access to treatment by supporting people and services that are ineligible for Medicaid.	\$13.3M operating	
Expand access to comprehensive preventive outpatient care for people who cannot access Medicaid , including new immigrants and many seniors. Expand on \$18M local investment. <i>Joint CABTF Priority.</i>	\$9M operating	
Expand flexible outreach and engagement services to reach more individuals with serious behavioral health concerns who lack housing, to prevent and decrease hospitalization. <i>Joint CABTF Priority.</i>	\$1.45M operating	
Expand access to medication assisted treatment (MAT) for people ineligible for Medicaid, helping them maintain recovery and avoid relapse into opiate addiction.	\$1.67M operating	
Increase state funding for assertive community treatment (PACT) teams. PACT's multidisciplinary teams keep people out of hospitals and stable in the community. State funding has been level for many years amounting a 17% reduction and is now insufficient to support today's cost of care.	\$1.2M operating	
Affordable Housing & Homelessness		
Build and preserve safe, healthy, and affordable homes.	\$80M capital	\$200M capital
Add 5,600 more affordable homes statewide by increasing the Housing Trust Fund to \$200 million. King County will prioritize its local funds for permanent supportive housing in order to help meet the existing backlog of developments ready to be built.	\$80M capital	\$200M capital
Help make homelessness rare, one time and brief.	\$15.8M operating	\$53M operating
Protect existing funds that help Washingtonians transition out of homelessness by removing the 2018 sunset on the Document Recording Fee (DRF). This is a critical resource for transitioning people off the streets and into shelters and homes.		

<p>Increase local capacity to help more people transition out of homelessness by increasing state funding for homelessness. New funding would be available for rapid re-housing, permanent supportive housing services and rental assistance for the chronically homeless and disabled, and building more housing.</p>	<p>\$15.8M operating <i>could be funded by increasing or expanding DRF</i></p>	<p>\$53M operating <i>could be funded by increasing or expanding DRF</i></p>
<p>Improve data collection to better direct homeless youth programs and services by reauthorizing minors over the age of 13 to provide consent to share their personally identifying information with HMIS. Without this change, local providers will no longer have data on youths experiencing homelessness.</p>		<p>Direct Commerce to allow providers to collect youth data</p>
<p>Implement proven, cost effective strategies to improve the health outcomes of Medicaid beneficiaries while creating cost savings and system delivery efficiencies. In addition to supporting health care reform efforts, by accepting the 1115 Global Medicaid Waiver, WA could receive up to \$54 million per year in federal funds to help bring permanent supportive housing to scale and end chronic homelessness in Washington. Leverages Medicaid.</p>		<p>Authorize HCA to accept federal funds associated with the 1115 Global Medicaid Waiver</p>



SCA Legislative Committee – August 31, 2016

Item 4(c) and (d): Affordable Housing and Homelessness

Selected SCA Housing Policy Position Statements

- **Committee to End Homelessness 2015-2019 Strategic Plan** (Adopted 6/17/2015): The Sound Cities Association (SCA) shares the vision of the Committee to End Homelessness (CEH), which is that homelessness is rare in King County, racial disparities are eliminated, and if one becomes homeless, it is brief and only a one-time occurrence. SCA endorses the 2015- 2019 CEH Strategic Plan, and its goals of making homelessness rare, making homelessness brief and one-time, and creating a community to end homelessness.
- **Flexibility in Investment of Hotel/Motel Taxes for Affordable Housing** (Adopted 2/25/2015): The Sound Cities Association supports legislation to allow King County to bond against future hotel/motel tax revenue reserved for housing beginning in 2021. To accomplish this, RCW 67.28.180 (3)(i) will need to be amended with a technical fix that specifically authorizes bonding for affordable housing. Such legislation would allow King County to bond against future revenue and allow up to \$45 million in new housing funds to be released over the next six years to create and preserve affordable workforce housing in coordination with transit investments.

Anticipated 2017 Legislation

Conversations and planning efforts are now underway to develop affordable housing legislative proposals for the coming session. On the Eastside and in South King County, stakeholders are gathering for subregional conversations focusing in on local needs, with the intention of knitting together the proposals generated by those discussions into a more comprehensive affordable housing package. Housing-focused regional committees are also developing legislative agendas for the coming session, with staff currently compiling legislative priorities for consideration by the All Home Coordinating Board and the Joint Recommendations Committee (JRC).

The following housing and homelessness-related priorities are largely consistent across the staff drafts of the All Home and JRC legislative agendas as well as draft priorities shared by the City of Seattle and King County Executive Office:

- **Document Recording Fees (All Home, JRC, King County Exec's Office, Seattle):** Advocates will urge the state to make permanent and expand the \$58 document recording fee, a primary source of flexible funding for programs that help people experiencing or at risk of homelessness maintain and obtain housing. Discussions are ongoing as to what increase to seek, but a fee of \$90-\$100 is currently under consideration. Considerations are also being given to expanding the scope of the documents to which the fee applies (e.g. banking documents). The current fee is scheduled to begin sunseting in 2019, with a fee decrease of \$30 slated, resulting in

King County funding dropping from an estimated \$33.5 million to \$12.5 million. At the state level, the sunset would bring an estimated \$112.8 million in collections down to \$42.3 million.

- **Housing Trust Fund (All Home, JRC, King County Exec’s Office, Seattle):** There is a push to increase the state investment into the Housing Trust Fund to \$200 million over the biennium, restoring the fund to 2007-09 levels.
- **Real Estate Excise Tax (All Home, JRC, Seattle):** Legislation is anticipated creating a new councilmanic local financing option for cities to impose an additional 0.25% Real Estate Excise Tax (REET) specifically for affordable housing above and beyond the existing REET cap of 1.78%.
- **Preservation Tax Exemption (All Home, JRC, Seattle):** Housing advocates are working to retool a proposal to allow cities to create a Preservation Tax Exemption program, under which they could provide a targeted property tax exemption to property to owners who agree to restrict rents and income-eligibility for a portion of units for a specified minimum time period. There is interest in revisiting 2015 proposed legislation to ensure it would be a useful tool for South King County cities in particular.
- **Medicaid Supportive Housing Benefit (All Home, King County Exec’s Office, Seattle):** The state has applied to the federal government for and is currently in negotiations over a Section 1115 Medicaid Transformation Waiver that would “waive” certain federal requirements allowing the state to use Medicaid funds for innovative projects. One initiative of the state’s application is a Medicaid Supportive Housing Benefit, which would allow housing providers to bill Medicaid for supportive housing services for community members with severe and chronic health conditions. The benefit would not include payment for room and board but rather for services to assist Medicaid beneficiaries in obtaining and retaining housing. While negotiations over the state’s requested Medicaid waiver are currently between the state and federal government, housing advocates will be watching the Legislature closely this coming session to ensure state legislative actions do not impact the implementation of the waiver initiatives.
- **Source of Income Discrimination (All Home, JRC):** Some landlords deny tenancy to potential tenants who rely on subsidies and unearned income (such as Social Security Disability Insurance) to pay all or a portion of their rent. Legislation is anticipated that would bar landlords from basing rental decisions on the source of a prospective tenant’s income. The cities of Bellevue, Kirkland, Redmond, Seattle, and Vancouver, and unincorporated King County have local ordinances that bar landlords from making rental decisions based on the use of certain types of subsidies (Seattle most broadly). Advocates note that subsidies generated through the document recording fee, which state law requires be used on the private market, have been challenging to utilize in King County due to landlord refusals.

- **Housing and Essential Needs Program (All Home, JRC):** As in past years, advocates will seek to maintain funding for the Housing and Essential Needs Program (HEN). The 2015-2017 Operating Budget funded HEN at \$59 million. HEN has provides rental and utility assistance to disabled adults with incomes below \$339 per month. HEN is not a cash assistance program. Instead, HEN services, such as rental and utility assistance, are provided directly to landlords and utility companies.
- **Youth Consent (All Home, JRC, King County Executive's Office):** To receive funding through the U.S. Department of Housing and Urban Development, our region must maintain a local Homeless Management Information System (HMIS) to collect client-level data and data on the provision of housing and services to those experiencing or at risk of homelessness. This legislative ask is for a change in state law to allow minors over the age of 13 to share their information with the HMIS. The data would allow for better understanding of the needs of youths experiencing homelessness and effectiveness of services delivered. It would also provide better information about which youth from the child welfare system are showing up in the homeless youth system.
- **Other Homeless Management Information System Consent Changes (JRC):** This ask, similar to the youth consent issue, relates to opting in to the HMIS System. Currently, under state law, individuals must "opt in" to the system, but county committees have advocated on and off for shifting to an "opt out" system to improve data quality and improve compliance with federal funding requirements. All Home and JRC largely sat out on advocating on this issue in 2016, stating that they would instead be working on a stakeholder compromise, but the initial draft of the JRC Legislative Priorities includes a shift to an opt out system.

SCA Staff Contact: Ellie Wilson-Jones, ellie@soundcities.org / 206-495-5238



Strong Cities Pocket Guide

4th Edition • Legislative Interim 2016



Strong Cities Pocket Guide

Serving our members through
advocacy, education and services

*AWC's Strong Cities, Great State
campaign brings cities and towns
together to achieve greater results and
deliver stronger services.*

City and town officials believe that the relationship with the state is fractured. We know that if the state wants to thrive and grow, the state must invest in strong cities and towns. However, our partners in the State Legislature are overwhelmed with their own difficult budget decisions, and seem to discount both the value and economic impact that healthy cities provide to the great state of Washington.

Without concerted efforts to communicate why the state needs 281 strong cities and towns, the Legislature will continue to turn its back on us. This updated *Strong Cities Pocket Guide* is intended to help you communicate with state legislators and candidates. We must help them understand the need, value, and steps necessary to restore the historic city-state partnership.

What's inside?

This pocket guide will help you secure a strong city-state partnership, including how to:

- Talk about a fractured relationship between the state and 281 cities.
- Maintain and build stronger relationships with your legislators.
- Engage with legislative candidates.
- Educate about city budget challenges.
- Create consequences for legislators' actions.
- Inform community members about what your legislators are doing.
- Work with your local media.
- Develop a legislative agenda.
- Make yourself a resource.
- Encourage your legislators to join the Local Government Champions Caucus.
- Become an AWC Advocacy All-Star.

The 2017 legislative session could be a turning point

Pressure is building for the Legislature to comprehensively tackle K-12 school funding reform. Additionally, state caseloads and expenditures have grown faster than revenues. To meet these demands, legislators are scouring every budget line item. Most pundits agree that 2017 could be the toughest legislative session in years.

State and local governments used to work together to solve problems. In recent years, the Legislature has unilaterally disengaged from their partnership with cities. Legislators continue to divert funds from cities and defund programs that directly benefit cities and their residents.

If we want to see a different result from the Legislature, city officials must strongly, but respectfully, insist that legislators respond to our needs.

awcnet.org

Strong cities are the key to a great state

Some legislators have not bought into the fact that strong cities are essential to a great state. Cities are where the majority of the state's tax revenue is generated. Yet, they say the state's support of city programs and services isn't needed because cities are doing just fine. Some indicate that diverting revenues from cities to the state operating budget is better than tax increases. Others say the state's support of cities isn't as critical as other priorities.

In order for the state to thrive, Washington's cities must be strong. Legislators must understand:

1. Cities are where the majority of the state's revenues are raised, where 85% of retail sales occur.
2. Cities are the state's economic engine, where 69% of job-generating businesses are located.
3. Cities are where 4.6 million people call home, and this number is growing.



A history lesson

Over and over, the state has balanced its budget on the backs of cities. While we understand the fiscal challenges the state faces, we cannot accept that sweeping critical funds from their intended use is in the best interest of our communities. Both chambers and parties have diverted funds from cities and defunded programs that directly benefit city residents.

These actions are in addition to tax-limiting voter initiatives passed in the early 2000s. Initiatives like I-695 (MVET repeal) and I-747 (property tax limitations) were deemed unconstitutional, but then reenacted by the Legislature.

Examples of recent legislative cuts include:

2009 – Public Works Trust Fund swept.

2011 – Local revenues cut, including liquor.

2012 – Liquor revenues cut again.

2013 – Local liquor revenues cut yet again. Public Works Trust Fund swept again.

2016 – Legislature scrutinized city programs and authorities, and passed a budget that cut public safety and infrastructure. Governor vetoed cuts.

Take advantage of your legislators' accessibility

During the legislative session, you are lucky to have 15 minutes for a meeting. Yet this is when most people try to talk to their legislators. *Think differently!*

The time between legislative sessions (the "interim") provides an opportunity for longer and more relaxed meetings with your legislators.

- Brief legislators about your challenges and opportunities.
- Tell stories about real impacts on your constituents.
- Ask for direct commitments to work on your issues.
- Request monthly meetings or calls with your city, or a group of cities.
- Keep materials clear and concise. Cover 3-5 issues at most.



Use your bully pulpit

Create consequences for your legislators' decisions – good or bad. Publicly thank candidates who have helped your city be successful. Be candid about those who haven't done as much. Now is the time when your community is selecting their state leaders for the next few years. You owe it to residents to candidly share how much help, or lack thereof, you've gotten from Olympia.

Is a local project or program facing difficulties because of declining state support?

- Let beneficiaries know what role state funding plays in advancing your city's priorities and projects.
- Understand how your legislators have or have not helped support state capital programs that benefit cities.
- Publicly acknowledge the need for state programs and funding at civic meetings, and openly share what you need from your legislators. Do so in election forums that you attend or participate in.

It's time to rethink how candidates get your support!

If you support candidates in your private capacity, as is allowed by law, you may want to consider holding your endorsements until you've received satisfactory answers from candidates about what they have done or will do to maintain a strong city-state partnership.

A note about city officials' involvement with elections

As a nonprofit, nonpartisan organization, AWC does not endorse. However, city officials may engage in political activity in their private capacity. City officials are encouraged to read and understand the Public Disclosure Commission's guidelines prior to endorsing a candidate or supporting or opposing a ballot measure.



Legislative candidates are doing a lot of listening right now

Election season is a good time to reinforce what your city needs. This is particularly true when you and other influential constituents ask for the same things.

Engage in candidate forums for legislative candidates, ask questions, and get commitments on city issues.

- Ask legislative candidates how they will support programs that keep cities vibrant.
- Ask for their perspectives on specific issues important to your city.
- Avoid letting them off the hook with generalized answers.
- Ask them what they would do if their caucus doesn't support city issues.
- Be respectful. Even if you don't agree, both parties should leave the meeting with an agreement to meet again in the future.



Ask about the candidate survey

AWC distributed a survey to all legislative candidates and asked about their positions on issues specific to cities and towns.

- Review the survey and responses at awcnet.org. Thank legislative candidates for responding. For those who did not respond, make an appointment to discuss the questions in person.
- Discuss specific areas where you agree/disagree with their responses, and explain the potential impacts to your city.
- Discuss how they will advocate for your city's position, and ask for a commitment to do so.
- When you disagree with them on an issue, ensure that they understand the potential impacts of their position on your city and your shared constituents.



Talk about your budget challenges

Impacts of state budget decisions on your city's day-to-day operations are not always clear to your legislators. Invite them to be part of your budget updates or briefings.

- Brief your legislators on your city's budget as it is being developed.
- Share your challenges and opportunities related to such things as growth, fiscal shortfalls, public safety, infrastructure, and economic development.
- Give specific examples of how actions by the state influence your budget – positively or negatively.
- Always thank them, and ask about the state's fiscal challenges. Remind them of the importance of addressing both state and local needs.



If you aren't communicating with your constituents, who is?

You and your legislators have the same constituents. Make sure your shared constituents know how decisions made in Olympia affect them at home. This is a powerful way to create accountability, particularly in election years.

- It is your responsibility to let the public know how their legislators are supporting your community. No one else will do this.
- During the legislative session, almost all attention will be on education funding, you will need to work hard to get your issues onto the radar. Building a buzz within your community is essential.
- Use your influence with community groups to make sure they know the full story.



Work to get your local media to cover your city's needs

Develop a relationship with your local media. This is a great opportunity to educate them about what other critical issues the Legislature is dealing with this year. This will help spur action and hold legislators accountable. Pitch it as a fresh angle on election coverage.

- Choose an issue where the benefit to people in your community is very clear.
- Be honest and clear about which legislators are helping and who you still need help from.
- Draft an opinion editorial and submit it to your local paper.
- There is power in numbers. Join forces with your neighboring communities if you share similar challenges.



Develop a legislative agenda

Tell your legislators what you want from them. Developing a legislative agenda before session is a simple and effective way to get your legislators' attention.

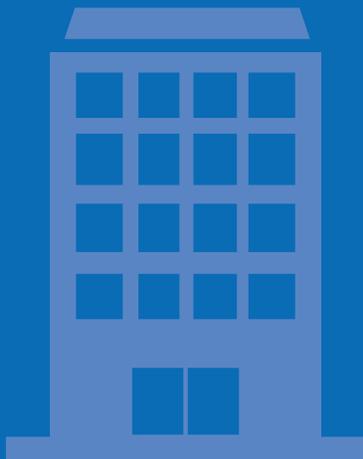
- Keep it short and simple – one page only.
- Add credibility by having your city council adopt it before session.
- Include capital needs along with policy priorities.
- Incorporate AWC's Legislative Priorities into your agenda.
- Make it public. Post it on your city's website, put it in your newsletters, and insert it into utility bills.
- Work with your local media for coverage.



Make yourself a resource

Legislators are sponges for useful information. They make decisions on hundreds of issues a year and do not have time to become personal experts in all of them. Make yourself the person they can turn to.

- *Do you have good data? Share it!*
- *Is your legislator supportive of one of your priorities? Offer to help them respond to concerns.*
- *Do you have information to share with AWC? Call and offer yourself as a resource to the AWC lobbyist covering that issue.*



Encourage your legislators to join the Local Government Champions Caucus

The Local Government Champions caucus in the House has been building momentum and we're working to build one in the Senate. This is a critical place to ensure that city needs do not get left behind when the state grapples with other challenges.

- Ask your legislators to join and participate in these caucuses.
- Explain that they can help your city by joining forces with similar-minded legislators.
- Refer legislators to AWC's Government Relations Director Dave Williams to learn how to plug in.



Are you our next Advocacy All-Star?

The AWC Advocacy All-Star list is impressive. This award recognizes city officials who made an impact advocating on behalf of all cities. Here is how you can become an All-Star:

- Fight for things that benefit all cities. Go beyond personal projects and priorities.
- Step up your game. Speak with the media and become a persistent and trusted resource for legislators.
- Make yourself available. Sometimes short meetings can make a big difference.
- Organize colleagues or other stakeholders. Bring added pressure to the cause.



Accept no more excuses

“The 2017 session is all about education funding.”

Yes, a strong education system is important. Strong schools need safe, secure and prosperous cities to flourish. Funding for schools should not come from revenues traditionally shared with cities. The Legislature must walk and chew gum at the same time, they must address new crises while fixing existing ones.

“Cities are doing better than the state, give it a rest.”

We appreciate that some cities are leading the state out of the recession. But rather than a problem, that is just what the state needs to see continue if their challenges are going to be overcome. Many other cities are not doing so well, and breaking one level of government to fix the problems of a different government is not what our collective constituents elect us to do. We need to solve problems, not create them.

Accept no more excuses

“We have other priorities, infrastructure spending is a luxury.”

Cities need an ongoing commitment to infrastructure. Sewer and water systems are vital and are in need of upgrades due to age, population growth and new regulations. Basic infrastructure investment is the best economic development program the state has, and without assistance many areas of the state will be left behind if forced to make do on their own. We keep hearing there is a plan. Cities need to be partners at the table.

“Cities pay more for employees than the state, control your own costs.”

Salaries vary by region, as do public service costs. Cities must respond to the economic market, and it's not all within our control. We've repeatedly approached the Legislature for help controlling personnel costs and haven't received much support – from Democrats or Republicans.

“I'm not on the committee.”

Your legislator's job is to fight for your district! They need to advocate for your interests with colleagues who are on the committee tasked with considering your issue. You can help by arming them with stories and data to help make a point!

“I had to follow my caucus.”

The only way for your community to get what you need is for your legislators to fight within their caucus to support you. No one else can fight for your city. Suggest they join the Local Government Champions Caucus to have allies who'll help advance good city issues and help block those bad for cities.

Use this pocket guide all year long

2017 legislative session will be lengthy and difficult. Engage your legislators on important city issues *now*.

Incorporate this checklist into your seasonal work plan:



- Publicly thank legislators who supported city issues.
- Hold legislators who did not support city issues accountable.
- Consider personally endorsing candidates who support city issues.



- Attend AWC's Annual Conference in June.
- Educate your community about what your legislators do to help cities.
- Set up meetings with legislators and candidates, give them city tours, and tell them your challenges.

"City funding is not our problem."

Remind legislators that 96% of the state's GDP, 85% of retail sales, and \$1.3 billion in property taxes for the state school levy are generated within cities. Cities are both society's backbone and the state's economic engine. Investing in funding and making sure tools necessary to keep cities strong are in place, is *not* optional and *is* their problem if things aren't working.

"Cities don't use all the optional revenue authorities you are provided now."

Cities are in significantly varying situations and one size does not fit all. Some cities have no retail sales tax base, so local tools like the public safety sales tax don't always make sense because they won't raise significant revenues. Similarly, options such as increasing utility taxes sometimes don't generate much revenue because the rate base is so small. Finally, like the state, some communities are concerned about impacts on low-income residents and general tax burden.



- Adopt your city's legislative agenda and share it publicly with media and legislators.
- Meet with your legislators and ask how you can support them.
- Prepare for session before the end of the year.



- Session begins In January. The relationship you've cultivated over the interim will facilitate a stronger partnership.
- Attend City Action Days in February.

AWC Resources

Government Relations Staff

Have a question or want to provide input? Call or email us anytime. Find a staff listing and respective issue areas on our website.

AWC Legislative Priorities

Priorities set annually by you – our members.

Legislative Bulletin

Our weekly publication during the legislative session; monthly during the interim.



360.753.4137
awcnet.org

Bill Tracker

An easy-to-use tool to track bills impacting cities.

Open Data Portal

Making valuable data accessible to our members.
data.awcnet.org

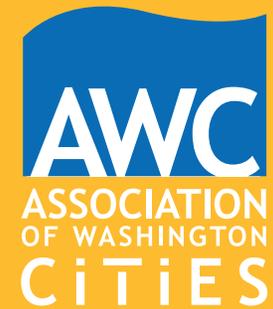
City Action Days

February 15-16, 2017

Annual event to share important updates about city priorities and how they might fare during session.



Revised 6/16



awcnet.org



September 14, 2016
SCA PIC Meeting

Item 8:
Regional Economic Strategy Update
DISCUSSION

SCA Staff Contact

Doreen Booth, SCA Policy Analyst, doreen@soundcities.org, 206-495-3525

SCA Appointees to PSRC Economic Development District Board (EDDB)

Deputy Mayor Catherine Stanford (EDDB President), Lake Forest Park; Councilmember John Stilin, Redmond; Councilmember Jim Berrios, Kent (alternate) and Councilmember De'Sean Quinn, Tukwila (alternate).

Update

PSRC's Economic Development District Board (EDDB) adopted a 5-Year Regional Economic Strategy in 2012. The EDDB is undertaking a 2017 update of the Regional Economic Strategy. The EDDB will be working over the next few months to ensure there are opportunities for elected officials to review and comment on the draft Regional Economic Strategy. This information is provided to give members an opportunity to become familiar with the high level goals and strategies of the draft 2017 Regional Economic Strategy.

Background

The Puget Sound Regional Council (PSRC) Economic Development District is the federally designated economic development district for King, Pierce, Snohomish and Kitsap counties and the PSRC Economic Development District Board (EDDB) is the governing body for the district. The EDDB is in the process of making a required five year update to the [2012 Regional Economic Strategy](#) (RES). The 2012 RES had a vision of ensuring the entire region's long term sustainable economic prosperity by addressing five key goals:

1. Ensure residents have access to family wage jobs, and employers have access to world class talent.
2. Foster a regional business climate that supports new high quality investment and job creation.
3. Harness the entrepreneurship and technology innovation assets in the region.
4. Advance the region's infrastructure to meet the demands of a globally connected modern economy.
5. Ensure a healthy and beautiful environment, vibrant and thriving communities and a high quality of life for all the region's residents.

Implementation of strategies to achieve the listed goals was proposed to be accomplished in part through PSRC and in part through PSRC partner agencies and organizations.

Regional Economic Strategy Update

In early 2016, the EDDB began considering the 2017 RES update. The focus at the EDDB to date has been on the Vision, Goals and Strategies of the RES. Board members asked that substantial outreach to partner agencies and organizations occur and that the RES reflect those outreach efforts. [Attachment A](#) details PSRC's outreach efforts to date.

The draft 2017 RES is attached as [Attachment B](#). The current draft of the RES is a relatively brief document. It provides an overview of the heart of the RES: the Vision, Goals and Strategies. The next draft of the RES is expected to include an expanded discussion of the goals and strategies, including highlighting ongoing activities consistent with selected strategies. The draft will also include an executive summary, and an overview of the Puget Sound economy and demographics. A separate technical appendix will provide additional detail, including detailed data on the region's industry clusters and additional trend and demographic information. The draft RES may not include a comprehensive list of action items; instead, the current proposal is for the RES to provide a framework that can be used by the EDDB in an annual determination of what action items should be focused on in the coming year.

At its September 7 meeting, the EDDB reviewed the Regional Economic Strategy's draft Vision, Goals and Strategies.

The draft Regional Economic Development Strategy Vision reads as follows:

- Ensures a healthy and beautiful environment, vibrant and thriving communities, and a high quality of life for all of the region's residents.
- Prepares the region to compete globally in the future, working within the region, and around the globe, to continuously identify the near term actions necessary to maintain a diverse and resilient economy.
- Creates and supports access to family wage jobs for all of people of the region, and access to talent for all of the region's employers to succeed, innovate and compete globally.
- Advances progress on social justice and equity to better connect the region's residents with the needs of the future and to provide opportunity for everyone to thrive.
- Fosters a business climate that supports retention of valued employers, new investment and job creation.
- Supports land use and transportation policies and investments that provide housing in proximity to jobs.
- Provides infrastructure to support the growth potential of the region's economy and ensure affordable access to housing and opportunities to grow and enjoy life here.
- Embraces diversity of the people within the region, and globally, to enrich life within the region and enhance global connections beyond the region.

There was substantial discussion around the Vision, with a number of board members asking that the Vision statement be more concise.

The EDDB also had a discussion of the goals of the draft RES:

- Goal 1. Connect the world to the Puget Sound region
- Goal 2. Cultivate a region that attracts and retains world class talent
- Goal 3. Strengthen the region’s economic base and rise to meet global economic opportunities
- Goal 4. Open economic opportunities to everyone in the region
- Goal 5. Capitalize on the region’s strengths to support and nurture strategic clusters and emerging opportunities

EDDB members raised a variety of concerns about these Goals and related strategies, noting that some key ideas appeared to be missing. PSRC staff will incorporate this feedback into the next draft of the RES.

Goal 5 contains a new approach on how strategic employment clusters are addressed. The 2012 RES contained ten clusters:

1. aerospace
2. business services
3. clean technology
4. information technology
5. life sciences & global health
6. maritime
7. military
8. philanthropies
9. tourism and visitors
10. transportation and logistics

The new approach includes six industry clusters:

1. aerospace
2. information & communication technology
3. life sciences & global health
4. maritime
5. military
6. tourism

The draft RES also includes a new set of seven “emerging issue opportunities”:

1. space
2. retail corporate HQ
3. climate tech
4. wood products innovation
5. interactive media
6. wine & specialty beverages
7. cloud & internet of things

At the September 7 meeting of the EDDB, members raised a variety of questions both about some of the deleted clusters (business services, clean technologies, philanthropies, and

transportation/logistics) as well as the newly designated “emerging opportunities.” It was explained that this new list should be reviewed annually, in order to be nimble and adaptive to a changing market.

Next Steps

The issues raised by the EDDB members at the September 7 meeting around the Vision, Goals and Strategies will be incorporated into a new draft RES. As initially proposed by PSRC staff, the next opportunity for the EDDB to review the revised draft would be at the December EDDB meeting. At the September 7 meeting, members encouraged PSRC to provide an interim opportunity for the EDDB to review the revised Vision, Goals and Strategies and to review the draft report. PSRC committed to giving members opportunities to review materials ahead of the December EDDB meeting but how such review occurs has not yet been determined.

The revised draft will be reviewed by the EDDB Executive Committee on September 22. At that meeting, the Executive Committee will put forward a plan on how to involve the entire EDDB in the RES review over the coming months. That could include an additional EDDB meeting prior to December.

A full draft of the completed RES is currently scheduled to be released at or prior to the December 7, 2016 meeting of the EDDB. In the meantime, the SCA Board has indicated that it will convene city stakeholders to provide feedback on the draft RES prior to the December EDDB meeting. It is also anticipated that there will be a presentation on the draft RES at the Seattle Metropolitan Chamber of Commerce Regional Leadership Conference in October of 2016.

Public comment on the draft 2017 RES will occur in January/February 2017 and the EDDB is anticipated to adopt the 2017 Regional Economic Strategy at its March 1, 2017 meeting.

Attachments

- A. [PSRC Public Outreach List – Draft RES](#)
- B. [Draft Regional Economic Strategy \(Vision, Goals and Strategies\)](#)



Outreach To Date

Amazon	Economic Alliance Snohomish County	REI
Bellevue Chamber of Commerce	EDB for Tacoma-Pierce County	Seattle Foundation
Bill & Melinda Gates Foundation	EDC Seattle-King County	Seattle Metro Chamber of Commerce
Boeing Company	Environmental Protection Agency	Snohomish County Executive Office
Challenge Seattle	Futurewise	Sound Generations / City of Seattle
City of Everett	HomeSight	SPEEA
City of Kent	IAM-751	University of Washington
City of Seattle	King County	Urban@UW
Climate Solutions	Kitsap Economic Development Alliance	Washington Clean Tech Alliance
Clover Park Technical College	King County Executive's Office	Washington Maritime Federation
Delta Airlines	Microsoft	Washington State University
Dept. of Commerce	Pierce County	Washington Technology Industry Association
Dept. of Commerce/Aerospace	Port of Bremerton	Workforce Development Council Seattle-King County
Dept. of Commerce/Global Health & Life Sciences	Port of Seattle	
Dept. of Commerce/Military	Puget Sound Sage	

PSRC Regional Economic Strategy

Working Draft *Components* for Discussion Purposes Only

Contents of This Interim Document (not the contents or outline for final strategy)

1) Regional Economic Strategy Vision

2) Goals and Strategies

Appendices

- Strategy Objectives
- Regional Economic Development Asset Map

REGIONAL ECONOMIC STRATEGY VISION

- Ensures a healthy and beautiful environment, vibrant and thriving communities, and a high quality of life for all of the region's residents.
- Prepares the region to compete globally in the future, working within the region, and around the globe, to continuously identify the near term actions necessary to maintain a diverse and resilient economy.
- Creates and supports access to family wage jobs for all of people of the region, and access to talent for all of the region's employers to succeed, innovate and compete globally.
- Advances progress on social justice and equity to better connect the region's residents with the needs of the future and to provide opportunity for everyone to thrive.
- Fosters a business climate that supports retention of valued employers, new investment and job creation.
- Supports land use and transportation policies and investments that provide housing in proximity to jobs.
- Provides infrastructure to support the growth potential of the region's economy and ensure affordable access to housing and opportunities to grow and enjoy life here.
- Embraces diversity of the people within the region, and globally, to enrich life within the region and enhance global connections beyond the region.

REGIONAL ECONOMIC STRATEGY > GOALS

The following goals are presented as drafts for consideration as continued outreach and review lead to more tactics and actions.

- Goal 1. Connect the world to the Puget Sound region**

- Goal 2. Cultivate a region that attracts and retains world class talent**

- Goal 3. Strengthen the region's economic base and rise to meet global economic opportunities**

- Goal 4. Open economic opportunities to everyone in the region**

- Goal 5. Capitalize on the region's strengths to support and nurture strategic clusters and emerging opportunities**

GOAL 1. CONNECT THE WORLD TO THE PUGET SOUND REGION

The movement of goods and people is central to economic growth and vitality, and depends on quality infrastructure. Not only freight and transportation infrastructure, but also air travel, technology connectivity, energy and non-motorized networks lay the groundwork for the region's connection both domestically and globally.

Forecasted population growth will increase demand on existing infrastructure. This is an opportunity to bolster existing infrastructure in a sustainable and smart way that accommodates growth and signals to the rest of the world that the region competes globally.

The region is known as a pivotal gateway which is a driving force connecting the region to the global marketplace.

Strategies

- 1.1 Increase global competitiveness in **passenger air travel** by growing the region's commercial airport capacity to meet rising demand.
- 1.2 Build out **goods movement infrastructure**, including air, marine, intermodal, and freight rail shipping networks & terminals, to support the region's export focused manufacturing and distribution.
- 1.3 Advance the region as a **global hub of ideas** and home to world-changing innovation.

GOAL 2. CULTIVATE A REGION THAT ATTRACTS AND RETAINS WORLD CLASS TALENT

Quality of life, culture, nature, and the other wonderful reasons people love this region call for an understanding that these are among the region's greatest economic assets. Nurturing quality of life will provide a foundation for continued economic vibrancy.

Strategies

- 2.1 Ensure a **high quality of life**, defined by employment opportunities, intraregional mobility, strong environmental quality, and healthy communities.
- 2.2 Build out the region's **commuter & surface transportation network** to support the region's growing economy and population.
- 2.3 Develop and maintain a **diversity of housing stock** that is affordable for workers and connected to the region's job centers via existing and planned transportation networks.
- 2.4 **Improve education systems** to attract and inspire world class talent.
- 2.5 **Preserve undeveloped areas** with environmental and recreational value.
- 2.6 Protect **natural resource** and **agricultural resource** lands for their production value and open space value.
- 2.7 Promote, plan, and invest in **cultural access** including regional, neighborhood and community assets.
- 2.8 Maintain a robust network of **trails, open space**, and facilities for recreation and non-motorized transportation.
- 2.9 Maintain data and analysis that support and **measure** planning for growth and quality of life considerations.

GOAL 3. STRENGTHEN THE REGION'S ECONOMIC BASE AND RISE TO MEET GLOBAL ECONOMIC OPPORTUNITIES

Global economic opportunity aligns with the region's economic strengths and advantages. Leading industries and emerging clusters will realize their potential only with regional support. The region's competitive edge must be nurtured and honed through continual business support and by developing a nimble and talented workforce able to meet new challenges.

Strategies

- 3.1 Continue to adapt and strengthen **PSRC's Regional Growth Centers and Manufacturing Industrial Centers** as focal points for coordinated economic development and transportation infrastructure investments.
- 3.2 Preserve and protect the region's **industrial centers, military bases and ranges, and maritime workplaces**.
- 3.3 **Strengthen, expand and sustain infrastructure** required for business and industry competitiveness and growth.
- 3.4 Increase **higher education capacity** in the region.
- 3.5 **Coordinate programs** in education and training to meet demand for workers at all stages of career development.
- 3.6 Address existing and anticipated **workforce gaps** to meet the growing needs of the region's industries.
- 3.7 Continually improve the regulatory **business climate** throughout the state, the region and local jurisdictions, and local business climates.
- 3.8 Maintain and grow region's **incentives for industry competitiveness**.
- 3.9 **Strengthen and coordinate support services** for business development and growth.
- 3.10 Ensure that the region has an **innovation ecosystem** that supports growth of existing and emerging industry clusters.
- 3.11 Continue to reinforce, market, and expand **regional economic comparative advantages**.

GOAL 4. OPEN ECONOMIC OPPORTUNITIES TO EVERYONE IN THE REGION

The region cannot realize its full potential unless every resident is given equal opportunity to education and employment. Equity is a driving principle behind the region's approach to economic development. The diversity of the region is a selling point, and is embraced and nourished.

Strategies

- 4.1 Broaden the impact of the region's economic success to be **more inclusive** of all the region's populations and communities.
- 4.2 Prioritize the **advancement of middle-income jobs** in order to retain and strengthen the region's robust and diverse workforce.
- 4.3 Support state and regional leaders in **addressing funding gaps** for educational achievement.
- 4.4 **Provide a level playing field** for students in public schools regionwide with excellent facilities and materials.

GOAL 5. CAPITALIZE ON THE REGION'S STRENGTHS TO SUPPORT AND NURTURE STRATEGIC CLUSTERS AND EMERGING OPPORTUNITIES

Industry clusters shape the region's economy. To remain globally competitive, cluster strategies must be aligned with the needs of the global marketplace and play to the region's strengths. A regional economic strategy establishes the groundwork for a cohesive approach to growing strategic industry clusters as well as supporting the growth of emerging opportunities.

Strategies

- 5.1 Improve the competitiveness of **strategic industry clusters** for the future, including:
 - i. **Aerospace**
 - ii. **Information & Communication Technology**
 - iii. **Life Sciences & Global Health**
 - iv. **Maritime**
 - v. **Military**
 - vi. **Tourism**
- 5.2 Support the growth of **emerging industry opportunities** through creating awareness, identifying cluster leaders and growth opportunities, including:
 - i. **Space**
 - ii. **Retail Corporate HQ**
 - iii. **Climate Tech**
 - iv. **Wood Products Innovation**
 - v. **Interactive Media**
 - vi. **Wine & Specialty Beverages**
 - vii. **Cloud & Internet of Things**

APPENDIX: STRATEGY OBJECTIVES

The Regional Economic Strategy strives to meet several objectives.

Provide a regional voice on important economic development issues.

The strategy recognizes the connection between a place that's good to live and a place that is good for business. Strategies support established and emerging sectors that will drive the region's economy, such as Aerospace; Information Technology; Life Sciences; Maritime; and more.

Nurture economic development with high impact across a diverse four-county region.

More job growth is anticipated and people will continue to move into the region. The economic strategy strives to guide anticipated economic development, and foster outcomes that support local and regional goals and values articulated within VISION 2040, the region's overall growth strategy. Different communities have different needs and goals for their local economies region-wide.

Inform the *economic development* context for plans in land use, transportation, environmental and all other quality of life aspects.

PSRC's work in land use and transportation supports critical needs in housing, access to jobs via a high-performing transportation system, quality of life amenities, and environmental stewardship.

Collaborate with and support others with specialties and strengths to achieve regional needs outside of PSRC's.

The strategy will include efforts underway region-wide to connect quality of life to economic prosperity. This includes on-going and emerging initiatives by organized labor, workforce development agencies, educational institutions, elected leadership and business interests to grow middle-wage jobs throughout the region.

The strategy will support different local and regional branding, marketing, and business recruitment initiatives, on a local and global scale. It will tap PSRC's data strengths to support outreach and communication.

Address equity throughout the entirety of the plan and the process.

The four-county region offers a broad landscape capable of supporting the nearly 5 million residents by 2040. This strategy will not leave anyone out. It will include initiatives designed to address current and systemic inequities and to establish equitable opportunity in line with anticipated growth.

APPENDIX: REGIONAL ECONOMIC DEVELOPMENT ASSETS

This will clearly lay out, for the first time, the entities in the region's evolving economic development landscape and identify the roles and aspirations of existing and emerging economic development entities within the region.

STATEWIDE	REGIONWIDE	PORTS & COUNTIES	CITIES & SUBREGIONS
U.S. Department of Commerce Washington State Department of Commerce Leading Cluster Associations <ul style="list-style-type: none"> Washington Aerospace Partnership Washington Technology Industry Association Washington Military Alliance Life Sciences Washington Washington Maritime Federation Emerging Cluster Associations: <ul style="list-style-type: none"> CleanTech Alliance Washington Wine Commission 	PSRC (King, Kitsap, Pierce, Snohomish counties) Trade Development Alliance (King, Pierce, Snohomish counties)	Ports of Everett, Seattle, Tacoma, Bremerton & the Northwest Seaport Alliance County Govt. Departments (all but Kitsap) Associate Development Organizations <ul style="list-style-type: none"> Economic Alliance of Snohomish County EDC of Seattle-King County Economic Development Board Tacoma-Pierce County Kitsap County Economic Development Alliance Workforce Development Councils <ul style="list-style-type: none"> Workforce Snohomish WDC Seattle-King County WorkForce Central (Pierce) Olympic WDC (Includes Kitsap) 	City governments; economic development offices Chambers of Commerce <ul style="list-style-type: none"> Regional chambers Local chambers Ethnic chambers Sub-county alliances <ul style="list-style-type: none"> OneRedmond Sound Cities Association Soundside Alliance



September 14, 2016
SCA PIC Meeting

Item 9:

Mental Illness and Drug Dependency (MIDD) Sales Tax Renewal

Update

SCA Staff Contact

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

SCA Appointees to MIDD Oversight Committee

Kirkland Councilmember Dave Asher (Member); Kent Councilmember Brenda Fincher (Alternate)

Additional SCA Member City Appointees to the MIDD Oversight Committee

Bellevue Councilmember Lynne Robinson (Representing Bellevue)

SCA Regional Policy Committee (RPC) Members

Councilmember Bill Pelosa, Auburn (Caucus Chair); Mayor Suzette Cooke, Kent; Mayor Bernie Talmas, Woodinville; Mayor Amy Walen, Kirkland; Councilmember Dan Grausz, Mercer Island (alternate); Mayor Dave Hill, Algona (alternate)

Discussion

The 0.1 percent Mental Illness and Drug Dependency (MIDD) sales tax is a councilmanic levy that first passed in King County in 2007. It has been extended nine years by the King County Council to January 1, 2026. The MIDD sales tax had been scheduled to sunset on January 1, 2017. In preparation for this reauthorization of the MIDD sales tax, the executive branch and MIDD Oversight Committee have prepared a Service Improvement Plan, which was transmitted to the King County Council August 24, 2016. The Service Improvement Plan outlines strategy areas and investments to be funded under a renewed MIDD sales tax.

Background

The Mental Illness and Drug Dependency (MIDD) sales tax was adopted in King County in 2007 under [Ordinance 15949](#). Since collections began in 2008, this 0.1 percent councilmanic sales tax has generated approximately \$425 million in revenue for mental health and substance use disorder services in King County, including the county's therapeutic courts. The original MIDD sales tax ordinance set an expiration date of January 1, 2017 for the levy.

Planning work began in 2015 for the renewal of the MIDD sales tax, with key levy planning documents due to the King County Council in 2016. A [comprehensive retrospective report](#) reviewing MIDD 1—discussed at the May 2016 PIC meeting—was transmitted to the King County Council in June 2016, and the MIDD 2 Service Improvement Plan—discussed in more detail below—was transmitted to the Council in August 2016.

SCA members have been engaged in levy renewal process through the MIDD Oversight Committee, Regional Policy Committee, and PIC, which has received regular updates. See the PIC meeting materials for May 11, 2016 [here](#) (page 71) and February 10, 2016 [here](#) (page 55).

MIDD Sales Tax Reauthorization

On August 22, 2016, the King County Council unanimously approved [an ordinance authorizing the continued collection of the MIDD sales tax](#) for nine more years through January 1, 2026 (MIDD 2). The Council's action will ensure uninterrupted collection of the MIDD sales tax, which is projected to generate \$120.7 million in the current biennium (under the original MIDD 1 ordinance) and \$134.1 million for 2017-2018 and \$142.7 million for 2019-2020 (together, representing the first four years of the nine-year MIDD 2). Now, the King County Council is considering what services will be funded beginning in 2017.

MIDD 2 Service Improvement Plan

The Executive's Proposed Mental Illness and Drug Dependency 2 Service Improvement Plan [Report](#) and [Appendices](#) (collectively "MIDD 2 SIP") outline the services to be delivered under the reauthorized MIDD beginning in January 2017. The MIDD 2 SIPP was transmitted to the King County Council on August 24, 2016.

The transmitted MIDD 2 SIP was developed in collaboration with the MIDD Oversight Committee, but was ultimately finalized for Council consideration by the Executive. The Executive made several significant changes to the MIDD 2 SIP following the MIDD Oversight Committee's final review. These revisions were driven by an updated sales tax projection increasing the 2017-2018 revenue forecast by \$4.3 million, reduced assumptions about Medicaid support, and a number of implementation schedule changes, among other factors.

Policy Goals

As transmitted to the King County Council, the MIDD 2 SIP—and [accompanying legislation](#)—outline five policy goals:

- Divert individuals with behavioral health needs from costly interventions such as jail, emergency rooms and hospitals.
- Reduce the number, length and frequency of behavioral health crisis events.
- Increase culturally-appropriate, trauma-informed behavioral health services.
- Improve health and wellness of individuals living with behavioral health conditions.
- Explicit linkage with, and furthering the work of, other King County and community initiatives.

With a focus on reducing the use of costly interventions like jails and hospitals, reducing the incidence of behavioral health crises, and linking MIDD with other county plans and levies, these goals are largely consistent with the policy goals adopted for the original MIDD (see MIDD 1 Policy Goals [here](#), page 13). The proposed MIDD 2 goals, however, also add a new goal of delivering culturally-appropriate and trauma-informed care and give focus to improving health and wellness, rather than just preventing and responding to crises.

Strategy Areas

To achieve the proposed policy goals, the transmitted MIDD 2 SIP outlines four strategy areas that are representative of the continuum of behavioral health care—from prevention to recovery and reentry—plus a strategy capturing overall system improvements:

- **Prevention and Early Intervention:** People get the help they need to stay healthy and keep problems from escalating
- **Crisis Diversion:** People who are in crisis get the help they need to avoid unnecessary hospitalization OR incarceration
- **Recovery and Reentry:** People become healthy and safely reintegrate to community after crisis
- **System Improvements:** Strengthen the behavioral health system to become more accessible and deliver on outcomes.

Initiatives

The 52 initiatives proposed to be funded under MIDD 2—including 21 initiatives not funded under the original MIDD plan—are largely organized within each of the four strategies. The new initiatives (some of them expansions of programs previously in existence but funded through other sources) are listed here by strategy area and described in more detail in the [MIDD 2 SIP appendices](#) (Appendix H beginning on page 23):

- **Prevention and Intervention**
 - Zero Suicide Initiative Pilot
 - Mental Health First Aid
- **Crisis Diversion**
 - Law Enforcement Assisted Diversion (LEAD)
 - Youth and Young Adult Homelessness Services
 - South County Crisis Diversion Services/Center
 - Multipronged Opioid Strategies
 - Behavioral Health Urgent Care-Walk In Clinic Pilot
 - Family Intervention Restorative Services - FIRS
 - Involuntary Treatment Triage Pilot
 - Youth Behavioral Health Alternatives to Secure Detention
 - Young Adult Crisis Facility
- **Recovery and Reentry**
 - Rapid Rehousing-Oxford House Model
 - Behavioral Health Risk Assessment Tool for Adult Detention
 - Recovery Café
 - Peer Support and Peer Bridgers Pilot
 - Jail-based SUD Treatment
 - Deputy Prosecuting Attorney for Familiar Faces
- **System Improvements**
 - Community Driven Behavioral Health Grants
 - Behavioral Health Services In Rural King County
- **Other**
 - Emerging Needs Initiative
 - Community Court Planning

MIDD 1 programs deemed effective in furthering MIDD policy goals round out the other 31 proposed MIDD 2 initiatives—though some in somewhat different forms. Five programs from MIDD 1 would not be continued with MIDD 2 under the Executive’s proposed MIDD 2 SIP.

MIDD 2 Alignment with Other Human Services Investments

The reauthorization of MIDD 2 comes in the midst of significant activity in the world of county-funded health and human services. In addition to considering investments to be made under the January 1, 2017 renewal of the MIDD sales tax, the King County Council is finalizing an implementation plan for the Best Starts for Kids Levy (See [Item 10 – Best Starts for Kids Implementation Plan](#)) and will soon consider whether to submit the Veterans and Human Services Levy, scheduled to expire December 31, 2017, to voters for renewal and, potentially, expansion.

The King County Department of Community and Human Services (DCHS) is the department leading planning and implementation efforts for each of these levies and has been working to ensure the levies fund complimentary efforts. For instance, Best Starts for Kids—with its focus on prevention-oriented investments for those under age 24—is proposed to fund \$2.9 million annually for prevention-based behavioral health services for children and youth including a program called screening brief intervention and referral to treatment (SBIRT). This is an expansion of the youth-focused SBIRT program currently funded under MIDD 1 and proposed to be continued under MIDD 2.

A [proposed motion](#) before the Regional Policy Committee (RPC), with action slated for September 14, 2016, would direct the King County Executive to further analyze funding trends and major initiatives for basic human services throughout King County as part of planning efforts for a potential renewal of the Veterans and Human Services Levy. If the motion is approved by RPC and the King County Council, a report on the human services funding – among other subjects – would be due to the Council January 19, 2017.

Next Steps

The MIDD 2 SIP has been referred to the Regional Policy Committee for action by October 12, 2016. The King County Council is then slated to complete deliberation on the MIDD 2 SIP in November 2016, concurrent with the 2017-2018 budget process.

Once the MIDD 2 SIPP is approved by the Council and program funding is finalized in the biennial budget, MIDD staff will begin preparing implementation and evaluation plans providing more detailed information about the delivery and assessment of the finalized slate of MIDD 2 initiatives. The implementation and evaluation plans will be transmitted to the King County Council in August 2017.

Online Resources

- [MIDD II Service Improvement Plan Report, as transmitted to the King County Council August 24, 2016](#)
- [MIDD II Service Improvement Plan Appendices \(including Initiative Descriptions, Appendix H, page 23, and Draft MIDD 2 Spending Plan, Appendix M, page 202 as transmitted to the King County Council August 24, 2016](#)



September 14, 2016
SCA PIC Meeting

Item 10:
Best Starts for Kids Levy Implementation Plan
UPDATE

SCA Staff Contact

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

SCA Children and Youth Advisory Board Members

Mayor Nancy Backus, Auburn; Councilmember Jesse Salomon, Shoreline

SCA Regional Policy Committee (RPC) Members

Councilmember Bill Peloza, Auburn (Caucus Chair); Mayor Amy Walen, Kirkland (Vice Caucus Chair); Mayor Suzette Cooke, Kent; Mayor Bernie Talmas, Woodinville; Councilmember Dan Gausz, Mercer Island (alternate); Mayor Dave Hill, Algona (alternate)

Update

At the July 13, 2016 PIC meeting, members were briefed about the Regional Policy Committee's action to amend and approve an Implementation Plan to guide the bulk of investments under the Best Starts for Kids Levy. Since that time, the King County Council's Health, Housing and Human Services Committee has been reviewing the Implementation Plan and, on September 7, approved a striking amendment. The timing of the Committee's action did not allow for analysis of the striking amendment in this staff report. Instead, PIC members will be briefed about the striking amendment and subsequent King County Council action in person at the September 14, 2016 PIC meeting.

Background

As previously reported to the PIC, most recently on [July 13](#) (page 41), Best Starts for Kids (BSK) is a six-year property tax levy approved by King County voters on November 3, 2015 to fund a prevention-oriented regional plan aimed at supporting the healthy development of children and youth, families, and communities across the county. From the first year's levy proceeds, funds necessary to pay for levy election costs are set aside as are \$19 million to fund a Youth and Family Homelessness Prevention Initiative (discussed in detail in the [April 13 PIC meeting materials](#), page 33, and briefly addressed in the [June 8 PIC meeting materials](#), page 27).

The remaining BSK levy proceeds are to be dispersed as follows: 50 percent for children and youth under five; 35 percent for children and youth ages five through 24; 10 percent for continuing the "Communities of Opportunity" partnership; and 5 percent for data and evaluation. As required by the [levy ordinance](#), an Implementation Plan identifying the strategies to be funded and outcomes to be achieved with these levy proceeds was transmitted to the King County Council on June 1, 2016 and approved, with several amendments, by the Regional

Policy Committee (RPC) on July 13, 2016. The PIC was briefed about the RPC amendments—which were proposed by SCA members and unanimously adopted by the committee—on the day of that action (See [draft July 13, 2016 PIC Minutes](#), page 7).

King County Council Action on the BSK Implementation Plan

Following action by the RPC, the King County Health, Housing and Human Services Committee (3HS) began its review of the BSK Levy Implementation Plan. The Committee consists of all King County Council members for the purposes of addressing BSK. Over the course of three meetings in late July through August, Council staff briefed councilmembers about the contents of the proposed Plan and Executive staff answered questions about planned programs.

The 3HS review culminated in the unanimous approval of an amended version of the Implementation Plan on September 7, 2016. Because the amended version had not been finalized, in writing, as of the drafting of this staff report, it is not analyzed or included as an attachment here. SCA staff will provide the PIC with further briefing about the contents of the 3HS striking amendment at the September 14, 2016 PIC meeting. King County Councilmember and 3HS Chair Jeanne Kohl-Welles plans to offer an updated striker amendment, making technical corrections, at the September 19 Council meeting and final approval by the Council is anticipated at that time.

Next Steps

Following anticipated action the King County Council to approve the 3HS striker version of the BSK Implementation Plan, efforts will shift toward implementing the underlying programs.



September 14, 2016
SCA PIC Meeting

Item 11:
Future Levies and Ballot Measures in King County
UPDATE

SCA Staff Contact

Katie Kuciemba, SCA Senior Policy Analyst, Katie@soundcities.org, 206-433-7169

Update

Members will have an opportunity to update the PIC in regards to future ballot measures. SCA staff will update members on the results from the August 2 primary election, which were certified on August 16.

Background

The purpose of this item is to provide information for SCA member cities on upcoming ballot measures. This item will be an ongoing, monthly item on the PIC agenda.

Potential Future Ballot Measures – SCA Cities

Year	Month	Jurisdiction	Measure
2016	November	Bellevue	Levy for Fire Facilities
2016	November	Bellevue	Levy for Neighborhood Safety, Connectivity, and Congestion
2016	November	Bothell	Levy for Safe Streets and Sidewalks
2016	November	Bothell	Sale, Possession and Discharge of Consumer Fireworks Advisory
2016	November	Duvall	Nine Year Levy Lid Lift for Big Rock Ballfield Improvements, Employment of a Full-Time School Resource Officer, and IT System Improvements
2016	November	Duvall	Sale, Possession and Discharge of Consumer Fireworks Advisory
2016	November	Issaquah	Traffic Improvement Bonds (no more than \$50,000,000)
2015	November	Kenmore	General Obligation Bonds Walkways and Waterways Improvements (up to \$19,750,000)
2016	November	Shoreline	Basic Public Safety, Parks & Recreation, and Community Services Maintenance and Operations Levy (renewal)
2016	November	Snoqualmie	Public Safety Levy
2016	November	Tukwila	Public Safety Bond (not to exceed \$77,385,000)

Potential Future Ballot Measures – Other Cities

Year	Month	Jurisdiction	Measure
2016	November	Seattle	Initiative 124: Health, safety, and labor standards for Seattle hotel employees
2018		Seattle	Families and Education Levy (renewal)
2019		Seattle	Library Levy (renewal)
2019		Seattle	Transportation Levy (renewal)

Potential Future Ballot Measures – Countywide

Year	Month	Jurisdiction	Measure
2016	November	Sound Transit	ST3: Light-Rail, Commuter-Rail, and Bus Service Expansion (\$53.8 billion estimated cost)
2016	November	King County	Charter Amendment 1: Nonpartisan Prosecuting Attorney
2016	November	King County	Charter Amendment 2: Gender-Neutral Language
2017		King County	Veterans and Human Services Levy (renewal)
2017		King County	Cultural Access/Affordable Housing/Mental Health
2018		King County	AFIS Levy (renewal)
2019		King County	Medic One
2019		King County	Regional Parks

Potential Future Ballot Measures – School & Special Purpose Districts

Year	Month	Measure
2016	November	Auburn School District: School Construction and Replacement General Obligation Bonds (\$465,056,000)
2016	November	Highline School District: Bonds to Construct New Schools and Replace and Renovate Deteriorating Schools
2016	November	Kent School District: Capital Improvement and School Construction General Obligation Bonds (\$252,000,000)
2016	November	King County Fire Protection District 27: Levy of General Tax for Maintenance and Operations (\$475,000/year for four years)
2016	November	South King Fire & Rescue: Levy of General Tax \$2,750,000 for Maintenance and Operations
2016	November	Proposed Eastside Regional Fire Authority (King County Fire Protection District 10 and Fire District 38)
2018		Shoreline School District Operations Levy
2018		Shoreline School District Capital Levy

August 2, 2016 Ballot Measure Results (certified on August 16, 2016)

Normandy Park	Property Tax Levy for Basic Services	Yes: 70.49% No: 29.51%
Seattle	Property Tax Levy Renewal for Affordable Housing – Proposition 1	Yes: 70.60% No: 29.40%
Seattle	Alaskan Way Park – Initiative 123	Yes: 17.13% No: 82.87%
King County Fire District 2 (Burien/Normandy Park Fire Department)	Re-authorizing and Maintaining Property Tax Levy Rate, 2017 – 2022	Yes: 57.94% No: 42.06%
King County Fire District 43 (Maple Valley Fire & Life Safety)	Benefit Charge for Six Years <i>*Required 60% for Approval</i>	Yes: 58.72% No*: 41.28%
Public Hospital District 2 (EvergreenHealth)	Increase in Number of Board Members from Five to Seven	Yes: 74.61% No: 25.39%

Next Steps

SCA staff will update this document on a regular basis. Please share this information with your city, and provide information on upcoming elections in your city to Katie Kuciemba, SCA Senior Policy Analyst, at Katie@soundcities.org.



September 14, 2016
SCA PIC Meeting

Item 12:
Potential Upcoming SCA Issues
UPDATE

SCA Staff Contact

Deanna Dawson, SCA Executive Director, deanna@soundcities.org, (206) 433-7170

Update

This is an ongoing, monthly PIC item noting issues that SCA members have asked to be brought to 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 PIC for discussion

- Regional response to increase in property crime rates
 - Identified at November 12, 2015 PIC meeting and December 17, 2015 North and Snoqualmie Valley Caucus meeting
 - Violent crime and/or gun violence was identified as a potential issue at the May 11, 2016 PIC meeting

- King County Bridges and Roads
 - The Bridges and Roads Task Force concluded their work in January 2016 with final recommendations that were presented to Executive Constantine
 - SCA staff is coordinating with King County staff on next steps
 - In a related regional work effort, the PSRC's Transportation 2040 Preservation and Maintenance Working Group began meeting in late-June 2016 to provide oversight and guidance on the T2040 plan update. SCA staff and a number of city staff are working group members

If you or your city has additional items to be added to this list, please contact Deanna Dawson, deanna@soundcities.org.