



City of Lacey, Washington

Lacey City Council Worksession Amended Agenda

Refer to the bottom of the agenda for meeting information.

Thursday, December 14, 2023

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as it has today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of the Amended Agenda*

5. Agenda Items

A. Meeting with State Delegation

Shannon Kelley-Fong, Assistant City Manager

B. Dispute Resolution Center Landlord Tenant Contract Update

Jennifer Adams, Housing Coordinator

C. Growth Management Act Housing Allocations

Ryan Andrews, Planning Manager

D. Reserve Designation Discussion

Troy Woo, Finance Director

E. Executive Session

Pursuant to RCW 42.30.110(1)(g)

*Item added on December 12, 2023

6. Adjourn

Meeting Information:

Attendance (Remote or In-Person)

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: <https://us02web.zoom.us/j/87991452819>

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: <https://www.youtube.com/watch?v=bLUV6Gyzi38>

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 879 9145 2819)

Verbal Public Comment

Verbal public comment is not scheduled for Worksessions. Verbal public comment may be provided at Regular City Council Meetings. Regular Council Meetings are held the first and third Thursdays of the month.

Written Public Comment

Public comments may be submitted for Worksessions by email to PublicComment@ci.lacey.wa.us. The commenting period will close two hours before meeting time. Written comments will be provided to the City Council electronically prior to the Worksession meeting. Comments will not be addressed during the Worksession meeting; however, comments received will be added to the official record.





CITY OF LACEY

2024 LEGISLATIVE POLICY MANUAL



Adopted by the Lacey City Council on December 7, 2023



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LAND ACKNOWLEDGEMENT

We acknowledge the ancestral land we are on today as the traditional territory of the Tribal People of the Treaty of Medicine Creek, signed in 1854, including the Nisqually Indian Tribe and Squaxin Island Tribe.

We acknowledge, remember, and must not forget those Tribal People that are named but not recognized today, and who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here.

We acknowledge, Indigenous People who called the land home before the arrival of settlers and have been here Since Time Immemorial.

We recognize the relationship that exists between Indigenous People and their traditional territories, which include the religious significance, self-determination, identity, and economic factors. The relationship helps all people heal from the past and learn how not to inflict new wounds today.

We recognize and respect Indigenous People as traditional stewards of this land, and acknowledge the Tribal Governments and their role today in taking care of these lands.

We recognize that this land acknowledgement, and the Nisqually-Lacey Accord of 2011, are small steps toward true allyship. We commit to partnering with the Tribal People of the Treaty of Medicine Creek to continue to uplift the voices, experience, and histories of indigenous people of this land and beyond.

We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as it has today. We recommend that community members read the Medicine Creek Treaty of 1854.

Visit www.CityofLacey.org/LandAcknowledgement for more information.



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GENERAL GOVERNMENT

Local Authority

The City supports preserving the authority of local governments regarding local taxation, land use planning, zoning and regulation consistent with the GMA (RCW 36.70A) and SEPA (RCW 43.21C.)

Public Records & Open Meetings

The City respects the right of the public to have access to legitimate public records and documents. The City believes its ability to recover the costs of searching for, gathering and reviewing requested documents is also in the public's interest. The City supports reasonable reforms to the Public Records Act. The City opposes requiring the recording of executive sessions or other restrictions on legitimate uses of executive sessions.

Prevent Liability Expansion, pursue crucial liability reforms

The City is a member of Washington Cities Insurance Authority (WCIA), a risk pool made up of 165 municipal entities across the state. The civil litigation environment is bad and getting worse for public entities in the State of Washington. Multimillion-dollar verdicts, also known as nuclear verdicts, were not common against public entities and were often awarded against large for profit private corporations. Over the last several years public entities have now been hit with nuclear verdicts. Risk pools are shouldering millions of dollars of exposure that are being passed down to their members in terms of additional assessments. The additional costs mean that our community is diverting money from community priorities to fund WCIA's assessment. Our pool relies on partnering with traditional insurance to provide further coverage above their self-funded \$4 million per loss. Those traditional insurance carriers are either refusing to write any coverage or doing so at significant costs. The future outlook is that our communities will have less coverage and will need to redirect money to cover losses rather than providing valuable services, programs and much needed maintenance.

The City requests opposing any efforts to expand tort law liability and/or the remedies available under tort law. If expansions are approved by the legislature, then the State should consider creating a fund to cover those costs. Cities and their risk pools cannot be expected to shoulder the staggering costs imposed by legislative changes. At a minimum that State should provide a reinsurance fund that risk pools and individual entities could utilize. Tort reform for all public entities needs to be addressed and the balance restored between protecting harmed individuals with reasonable verdicts and appropriate defenses. Tort reform could include:



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- Caps on the amount of damages that can be collected against public entities (which is law in 33 States)
- Reinstating immunities that have been eroded by the courts and amending the law on joint and several liability which incentivizes claims against public entities as deep pockets.

Continue funding for Defense Community Compatibility Account (DCCA)

The 2023-25 Capital Budget invests \$35.8 million in defense community compatibility projects throughout the state. This investment leverages over \$126 million in local and federal funds. The City requests the State legislature prioritize ongoing investment in the grant program that supports civilian communities near military installations.

AFFORDABLE HOUSING | HOUSING SERVICES

Develop long-term funding solution to support supportive housing acquisitions.

The City appreciates the state's continued leadership in responding to the homeless crisis. With the Rights of Way Initiative, Thurston County received \$37M to acquire a hotel and turn it into emergency housing, Maple Court. The long-term plan is to convert this enhanced shelter into needed permanent supportive housing. This conversion will require significant capital investment. Although the State committed \$2M to operating costs for the first two years of this project, the City and other local partners are concerned with long-term operating needs and future capital investments. The City requests a sustainable operating and capital funding source(s) for the continued success of supportive housing funded initiatives and other similar projects across the state.

Other Support for Homelessness Services

The City allocates approximately 2% of its general fund to support social services in the community that benefit low-income and vulnerable community members. The City requests the state's partnership in supporting programs and services that help prevent temporary and recurrent homelessness.

Unfunded Social Service Mandates

While recognizing that there is a significant need for enhanced social services throughout Washington, the City strongly opposes any unfunded state mandates regarding behavioral health, crisis relief, housing and shelter, co-responder programs, and employment services. The City supports working with the State Legislature to create state-led, sustainable tools and resources.



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Wildland Urban Interface

The State Building Code Council adopted the International Wildland Urban Interface Code with amendments and maps that will significantly drive up the cost of housing in areas which are not at risk of wildfires, including most of Lacey and its Urban Growth Area. The requirements for fire rated construction materials in areas adjacent to a park or high density but vacant land will add significant costs to housing developers. The requirement for defensible spaces will serve to lower achieved densities, driving the need for more land for the same number of housing units.

The Association of Washington Cities along with the Cities of Lacey, Olympia, and Tumwater as well as Thurston County are working with the Code Council to amend the code to lessen the impacts to housing costs, but a legislative review of the intent of the code is warranted.

Quality Affordable Housing

The City supports legislation that incentivizes developers to build affordable housing, such as the multifamily housing tax exemption, and funding allocated for public and nonprofit affordable housing, including the Housing Trust Fund.

Increasing Housing Density

Housing affordability and access is a high priority issue for Lacey and the greater Thurston County region. The City recently updated its zoning code to allow for at minimum 6 residential units per acre in all residential zones. The City supports continuing to work collaboratively between the state and local jurisdictions to create a variety of affordable housing options and tools. The City supports creating consistent standards between the City and its Urban Growth Area.

COMMUNITY & ECONOMIC DEVELOPMENT

Economic Development Tools

The City supports robust and sustainable funding for the Economic Development Strategic Reserve Fund, Tax Increment Financing, Community Economic Revitalization Board, Public Works Assistance Account, Public Facility Districts, and other programs that assist local governments in neighborhood residential and commercial area rehabilitation. The City also supports legislation that provides optional economic development tools for cities, such as the multi-family housing tax incentive, lodging tax, the Main Street Act, complete streets grant program, community facility financing, shared state revenue for construction of convention and special event centers, additional shared state revenue for public facility improvements, etc.



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Climate Resources & Tools

Climate change is already affecting our communities. Impacts like hotter summers, wildfire smoke, and flooding endanger our homes and affect public health and local business. Lacey, Thurston County, Olympia, and Tumwater partnered to create the Thurston Climate Action Plan to reduce climate polluting greenhouse gases while maintaining - and even improving - quality of life. The Thurston Climate Action Plan includes mitigation and action strategies that are ready for implementation. However, some of the most impactful greenhouse gas reduction projects and programs are not feasible given funding limitations. The City supports the creation of a sustainable state program using unallocated Climate Commitment Act funds, or other state resources, to fund local climate capital projects that enhance community resiliency. The City also supports the state working with local governments for future climate initiatives in the transition to green energy alternatives to ensure solutions are feasible for all parties.

The City supports building electrification programs that complements the funding in the federal Inflation Reduction Act and helps residents and building owners transition to all-electric buildings, with an emphasis on ensuring low- and moderate-income residents, multifamily housing, and small businesses are prioritized.

The City also supports Medium and Heavy-Duty Vehicle electrification incentive programs that would provide vouchers that purchasers can use at participating dealers.

Airport Siting Concerns

The City, along with Thurston County and the cities of Olympia, Tumwater, Rainier, Yelm, Tenino, and town of Bucoda, opposed the former Commercial Aviation Coordination Commission's (CACC) Thurston County two-runway airport expansion site. An airport in Thurston County would endanger environmentally sensitive areas (e.g., wetlands, prairies, and endangered species), further decrease rapidly-dwindling agricultural lands, augment environmental health challenges and exacerbate existing health disparities, and irrevocably damage the quality of life for Thurston County community members. For future study of this issue, the City supports (re)adding previously vetoed language ensuring military compatibility in consideration of increasing commercial aviation.

Regional Request: Lacey MakerSpace

Lacey MakerSpace, currently serving members in Pierce, Thurston, Lewis, and Mason Counties, is a collaborative "innovator's workshop" designed to support small businesses, entrepreneurs, artists, product developers and manufacturers. Lacey MakerSpace endeavors to 1) reduce barriers for community members by offering instruction and access to state-of-the-art fabrication and prototyping equipment, 2) develop new workforce training and apprenticeship programs aimed at growing advanced manufacturing businesses in the



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region, 3) foster collaboration and outreach as a hub of a larger ecosystem of business and networking services. Since opening its doors in 2019, every year Lacey MakerSpace has grown and increased its impact on our region's economic development and workforce readiness. To enhance operations over the next few years to meet future growth and workforce needs, Thurston County partners have diligently worked to obtain funding to expand the footprint of the MakerSpace to over 9500 square feet and obtain additional advanced manufacturing technologies. The Thurston County partners are requesting the creation of a grant program that would allow innovation spaces, like Lacey MakerSpace, to continue to provide and enhance workforce training and development opportunities throughout the state.

Project Timeline Review

The City prides itself in being responsive to all forms of public service, including land use project review. The City has concerns that it will be difficult to demonstrate compliance with shortened state established project review timelines without adequate tracking tools in place. Specifically, there is no efficient and consistent portal for local staff to track the stop clocks when the delay is due to the developer and the time does not count towards the timelines.

PARKS, CULTURE & RECREATION | COMMUNITY SERVICES

The City has worked to create more equitable access to parks for all community members. The City's investments in local parks and requested state partnership reflect work toward this goal.

Capital Request: Regional Athletic Complex LED Replacement lights

The Regional Athletic Complex (RAC) is one of the finest outdoor sporting venues in the state. This 100-acre, regional facility features spectacular views of Mt. Rainier, five softball/baseball fields, and six regulation-size soccer/football/rugby fields, as well as picnic and outdoor event facilities, playgrounds, a concession stand, two miles of walking trails, family restrooms and much more. This project will convert 239 aging high-intensity discharging (HID) lamps to more energy efficient light-emitting diode (LED) lights. This conversion will bring the facility into alignment with the City's adopted climate plan, the Thurston Climate Mitigation Plan, which calls for LED lighting installation in public-sector buildings and infrastructure. Compared to the HID lamps, LEDs are safer, produce brighter lights, provide lighting you can control, last significantly longer and do not contain mercury. The City requests \$300,000 to make these improvements and help support environmental resilience, energy conservation, youth sports, and economic development.



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Future Project: Lacey Museum and Cultural Center

The City is developing a new museum and cultural center that aims to enrich the community and engage visitors by sharing vibrant stories of the past through the preservation and celebration of Lacey and the South Sound's cultural heritage. The museum project will serve as the east anchor of the City's new Depot District, which is near the historically rich and significant Saint Martin's University. Design is currently 100 percent complete with an estimated cost to complete of \$15 million.

Future Project: Early Learning Access - Young Child and Families Center of Lacey

There is a critical need for early learning and indoor recreation resources in Lacey. The demand for high-quality childcare programs has outpaced industry growth for several years with a nation-wide decrease in supply starting in 2019. The City supports policies and programs that increase access to affordable, quality childcare in Washington and policies that expand access to preschool. The COVID-19 pandemic exacerbated this crisis. Beginning in the spring of 2020, COVID-related operating restrictions and decreased enrollment caused over 30% of childcare centers to close. According to the Washington State Department for Children, Youth & Families (DCYF), most North Thurston Public Schools (NTPS) service area falls within an "extreme childcare access desert." The City, NTPS, and South Sound YMCA are partnering to assess the feasibility of a Young Child and Families Center, estimated to cost around \$50 to \$70 million.

Park and Recreation Funding

The City supports ongoing funding for the Washington Wildlife and Recreation Program (WWRP), Aquatic Land Enhancement Account (ALEA), Land and Water Conservation Fund (LWCF), and the Youth Athletic Facilities (YAF) grant programs. The City supports ongoing funding for the following:

- Washington Wildlife and Recreation Program (WWRP)
- Aquatic Land Enhancement Fund (ALEA)
- Land and Water Conservation Fund (LWCF)
- Youth Athletic Fund (YAF)
- Community Outdoor Athletic Facilities program (COAF): The City supports this funding with assurances of carryforward of the \$12.5M for future biennium.
- Additional State Funding: The City supports additional funding to help local parks agencies address severe operations and maintenance issues.



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- **No Child Left Inside (NCLI):** The City supports operating funding for this initiative.
- **Expanded Outdoor Learning Grants:** The City supports increasing the amount of funding included for OSPI and RCO to award Outdoor Learning Grants without compromising other existing outdoor learning and recreation grant opportunities.

Parks Rx programs

There are currently more than 400 studies that demonstrate the numerous health benefits of spending time in nature. Park Rx programs involve health or social service providers who encourage people to spend time in nature to encourage physical activity and improve health and well-being. These programs often include collaboration between park and public land agencies, public health, healthcare providers, and community partners. The City supports the advancement of Park Rx programs.

Active Transportation Funding

The City supports the inclusion of parks in future funding allocations of “Active Transportation” components of the Move Ahead Washington package to support local trails and projects that extend out of the road right of way for safe routes to schools, parks and other business and community centers that can reduce local travel.

TRANSPORTATION & INFRASTRUCTURE

Continue to focus on Interstate 5 Corridor between Mounts Road to Tumwater and the Nisqually River Delta

Interstate 5 (I-5) is the lifeline of commerce, transportation, and JBLM’s mission readiness in the Puget Sound Region. However, the current design of I-5 impedes critical ecological functions of the Nisqually River Delta critical to salmon survival, is at risk of being flooded by the Nisqually River resulting in national security concerns, and is inadequate to meet the growing commerce and transportation demands of our state.

The City remains committed to long-term solutions along this corridor which is essential to the state’s environmental, commerce, and transportation priorities, as well Joint Base Lewis-McChord’s mission readiness.

In 2022, the State Legislature allocated \$75 million in the Move Ahead Washington package specifically to the Nisqually River delta (Mounts Road to Marvin Road) and in 2023, continued advocacy resulted in programming of these funds, \$32.5 million in 2025-2027 and \$26M in 2027-2029.



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These are important steps but more work is necessary in the future.

While continuing to work with Washington State Department of Transportation (WSDOT) and regional partners on a holistic approach to the I-5 corridor, the City supports planning for and implementing practical solutions, like prioritizing the design and construction of the funded State Route 507 roundabouts. The City also supports a future part-time shoulder use project on southbound I-5 between Sleater-Kinney and Henderson Boulevard.

Stormwater & Culvert Funding

Cities have significant stormwater and culvert funding needs. The City joins AWC in requesting secure, ongoing and sufficient funding for city culvert repair and replacement. The City supports funding for current and new grant programs for local stormwater and culvert projects.

Public Property & Rights of Way Control

The City opposes any efforts that would diminish the City's control of public property and rights of way.

Definition of Public Works

The City opposes the expansion of public works projects to include work supported in part or in whole by grants or loans of public dollars, or by tax deferral or reimbursement. This would cause significant increased costs for local governments without adding any substantial public benefit. Additionally, the proposed changes would be a disincentive to non-profits and developers looking to utilize property tax exemptions and other financial tools that were developed to specifically incentivize the construction of multi-family housing and other affordable housing options.

Vehicle miles traveled (VMT) Model

As the State Legislature considers VMT, the City requests that City perspectives be included in future stakeholder discussions.

FINANCE

Business Tax Simplification

The City supports business tax simplification across the state provided changes are, at minimum, revenue neutral for the City.



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State-Shared Revenues

Cities have relied on state-shared revenues to provide critical funding for essential public services. Recognizing the state is facing a budget shortfall, it is critical that commitments to sharing revenues with local governments be honored. During the last recession, the state reduced state-shared revenues when many local governments were already struggling to maintain basic services. The City joins AWC in supporting restoration and continued appropriation of committed state shared funds, such as Liquor Excise Taxes and Profits, City-County Assistance Account, Municipal Criminal Justice Account, Annexation Sales Tax Credit, and public health funding. State shared revenues are used to support city activities, including police, infrastructure development, public defenders, municipal court, etc.

General Fund Revenue

The City supports legislation that will increase, expand, or favorably restructure its revenue-raising ability. In consideration of 1) the continued growth in demand for services that exceed revenue growth and inflation, and 2) intimate knowledge of individual community needs, the City supports unrestricted uses of all general government tax revenue.

City Financial Liability for Indigent Defense

Indigent defense is a constitutional right that should be funded by the state. The City supports state funding for indigent defense that is standardized and non-competitive in order to ensure more equitable funding.

Unfunded Mandates (general)

Mandates from the Federal and State governments are rarely accompanied with adequate new revenues or taxing authority, but instead force the City to reduce funding levels for other services. The City opposes efforts by the State Legislature to balance budgets by shifting responsibilities to cities.

PUBLIC SAFETY

CAPITAL REQUEST: Emergency Coordination Center

The City is currently planning for a new police station that will include a fully equipped Emergency Coordination Center (ECC). Like many local jurisdictions around the country, the City was underprepared for the global pandemic. Currently, the City is also inadequately prepared to handle other major emergency incidents, natural or human-made. The ECC would support the community by enabling multi-agency coordination which ensures the City is more efficient at providing resources, coordinating communications and advance warnings, prioritizing response during an emergency, and implementing recovery programs.



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The ECC is anticipated to include over 1,440 square feet of mission-critical equipment, including: workstations, monitors, radios, emergency generator, emergency management software, and more. This project will break ground in Winter of 2024 and open in the Fall of 2025. The City requests \$500,000 to help develop a new ECC to better serve the community in times of crisis.

FUTURE: Joint Animal Services: Regional Animal Facility

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County. JAS serves over 303,976 community members in 774 square miles of urban and rural terrain. JAS provides humane law enforcement, sheltering and medical care of strays (intake of over 2,600 animals in 2022), impounded and surrendered animals, adoption services, licensing, temporary emergency housing, and more. In 1996, JAS moved into their existing facility which was formerly a warehouse. A recent study found that the facility is failing and requires significant investment to maintain. In addition, the facility was not purpose built and the spaces do not meet current industry stands of care. Finally, JAS operations have outgrown the space. JAS partners, Lacey, Tumwater, and Olympia, and Thurston County, are starting efforts to construct a new JAS shelter facility, estimated to cost around \$20 to \$25 million.

Expand Behavioral health access and funding

With AWC, the City supports greater access to the entire continuum of behavioral health services and substance use disorder (SUD) treatment for adults and juveniles, including crisis treatment, inpatient, intensive outpatient, and ongoing behavioral and mental health treatment and SUD treatment. This includes, but is not limited to, support to improve workforce and staffing issues at community treatment centers, and additional state funding for establishment and expansion of treatment facilities.

Address Law Enforcement Vehicle Pursuits

The City supports further expanding crimes eligible for pursuit to include auto theft and some property crimes to include all crimes consisting of serious felony crimes including crimes of sexual assault, violence, commercial and residential burglary, and auto theft. Cities will continue to support safety standards and training for officers who engage in vehicle pursuits.

Non-moving Traffic Stops

The City opposes any effort to restrict or eliminate the ability of local law enforcement to conduct traffic enforcement for non-moving violations. This would remove the ability of the City to ensure that all vehicles operating on our public roadways are mechanically safe, as well as, being properly registered and licensed. Further, the City has a public safety interest to reduce injuries from traffic collisions by confirming that drivers are wearing their seatbelts and are not operating vehicles while distracted. The City is committed to protecting the



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environment and has a vested interest in ensuring that vehicles operating upon its public roadways are not producing excessive audible or climate altering exhaust pollution due to vehicle operators bypassing manufacturer installed pollution control systems.

Auto-theft prevention and enforcement programs

The City supports additional tools to address auto theft and property crime including additional investment in auto-theft prevention and enforcement programs, regional property crimes task forces, and prosecution, public defense, and judicial resources.

School Resource Officers

The City supports legislation that would allow for (not mandate) School Resource Officers (SRO) at school campuses. The City supports state funding that would fully cover SRO salaries and benefits.

Binding Interest Arbitration

The City recognizes the importance of having a tool to help resolve potentially devastating strikes by essential service personnel, such as police and firefighters. The City opposes expanding binding arbitration and supports revising the current arbitration system, including creating a system to review the qualifications, standards, and performance of appointed arbitrators to reduce bias, enhance equity, and achieve objective decision making.

Public safety – Officer recruitment and retention

The City supports additional funding tools and resources to support officer recruitment and retention, including but not limited to pursuing changes to eligibility requirements to allow those in DACA status to serve as police officers.

Future Request: Thurston County Regional BLEA Training Academy & Training Center
Police departments across Washington state are experiencing significant police staffing shortages. The City supports ongoing and enhanced funding for Basic Law Enforcement Academies (BLEA). As communities continue to grow and increasing numbers of law enforcement personnel retirement, it is imperative this program receive adequate funding to provide training opportunities for new hires. The City supports the creation of more regional BLEA academies and requests future funding be allocated to provide a training center and two BLEA classes in Thurston County to expedite the training of police officers once hired.



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Jail and Court Costs

The City supports legislative proposals that reduce jail and court costs, and maintain its flexibility in providing jail and court services. The City also supports maintaining the flexibility to select the most appropriate way to provide jail services.

MILITARY AFFAIRS

South Sound Military & Communities Partnership (SSMCP) & Joint Base Lewis-McChord

The City of Lacey is a strong partner with Joint Base Lewis-McChord (JBLM) and a founding member of the South Sound Military & Communities Partnership (SSMCP), a nationally recognized organization that gives unique voice to a range of issues affecting Thurston and Pierce Counties and their cities as well as JBLM, the largest military installation in Washington State. JBLM is a regional employment hub and a major statewide economic driver. The City supports the ongoing efforts of SSMCP and supports policy and financial decisions that assist JBLM's operational readiness and sustainability.

Lacey supports the SSMCP's Legislative Priorities, which are:

Military Family Quality of Life

One of the greatest challenges facing military families in the South Sound are access to housing, childcare and spousal employment. SSMCP is working regionally to remove barriers to these necessities and supports state level action through 1) incentives, 2) increased investment and/or 3) reduction in administrative burdens that drive up costs.

Military/Defense Sector Statewide Economic Impact Analysis

SSMCP is grateful the Legislature has directed the Legislative Committee on Economic Development and International Relations (LCEDIR) to conduct a statewide analysis on the military/defense sector's impact. SSMCP has coordinated two regional economic impact analyses over the last several years and is working closely with the Lieutenant Governor's office to support this statewide study. The report is due to the Legislature in September 2024. SSMCP requests the report be used to inform future regional and statewide policy decisions

Defense Community Compatibility Account (DCCA)

The 2023-25 Capital Budget invests \$35.8 million in defense community compatibility projects throughout the state. This investment leverages over \$126 million in local and federal funds. The City requests the State legislature prioritize ongoing



CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 7, 2023

investment in the grant program that supports civilian communities near military installations.

I-5 Mounts Road to Tumwater & Nisqually River Delta

SSMCP appreciates the Legislature's commitment of \$75 million over the next 6 years to address the challenges along I-5 from Mounts Road to Tumwater and through the Nisqually River Delta. The current design of I-5 restricts critical ecological functions impacting salmon survival, is at a high risk of being overtopped by a major flooding event and has limited capacity to handle the growing South Sound economy and population - a key component to national security since 30% of the JBLM workforce live south of the Nisqually River. Additional state or federal funds are required to finalize engineering work. This includes \$1.5 million for preliminary engineering of part time shoulder use on southbound I-5 between Sleater-Kinney and Henderson Boulevard. This practical solutions approach would improve the transportation outcomes of the initial investment the state has made in the Nisqually River delta.

CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:

Association of Washington Cities

Thurston County Shared Legislative Agenda

Regional Housing Council – Top Three legislative priorities:

Increase funding to meet the continued need for rent assistance for low-income renters in Thurston County.

Thurston County awarded approximately \$53.5 million in rent assistance from late 2020 through mid-2023 primarily with COVID-related funding under the CARES and American Rescue Plan Acts. These programs have exhausted the funding and permanently closed. Just over 70% of 541 respondents to a survey of Thurston County households who received rent assistance from this program indicated that they are currently in need of additional rent assistance. The Eviction Prevent Rent Assistance program currently funded by document recording fees at less than \$1.5 million for Thurston County in 2023-2024 is woefully inadequate to meet the current demand. Thurston Regional Housing Council recommends that the Legislature provide increased funding for rent assistance programs.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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Provide long-term operational funds for programs established and paid for by the Governor's Rights of Way Initiative.

In Thurston County, Rights of Way Initiative funds have supported operations at an existing continuous stay shelter, a new enhanced shelter, a tiny home village, and hoteling and rent assistance for those fleeing domestic violence and for families. Current funding is only secured through June 30, 2025. Securing operational funding after this date is critical to ensure that residents of temporary housing are not displaced when funding ends. Thurston Regional Housing Council recommends that the Legislature identify long-term funding to continue Rights of Way-supported projects.

Increase capital funding through the Housing Trust Fund for the development and preservation of affordable housing.

There is a substantial need and demand for affordable housing in Thurston County. Under the analysis of affordable housing needs developed under HB 1220-Housing Amendments to the Growth Management Act, Thurston County needs to develop over 51,000 units of net new housing between 2020-2045. This affordable housing will not be created by the private sector on its own. Thurston Regional Housing Council recommends that the Legislature identify substantial and sustainable state resources to develop significant number of new affordable housing units.



2024 Federal Legislative Priorities

COMMUNITY PROJECTS

- 1 Emergency Coordination Center
 - 2 College Street Corridor Safety Improvements
 - 3 I-5 Corridor from Tumwater to Mounts Road and the Nisqually River Delta
- FUTURE: Lacey Museum and Cultural Center in Depot District
- FUTURE: Joint Animal Services: Regional Animal Facility
- FUTURE: Childcare and Early Learning Access: Young Child and Family Center

POLICY POSITIONS

- 4 Support Build America, Buy America
- 5 Support Septic-to-Sewer Conversion Program
- 6 Support a National Housing and Homeless Outreach Strategy to Help Communities Address an Ongoing and Growing Crisis of Unsheltered Populations
- 7 Support the Defense Community Infrastructure Program (DCIP) and Encourage the Department of Defense to Fund Projects that Enhance Military Family Quality of Life
- 8 Continued Support of Community Programs, such as Community Development Block Grant Program, COPS Grant, and more.
- 9 Support the Homes for Every Local Protector, Educator, and Responder (HELPER) Act



Adopted by the Lacey City Council on December 7, 2023

LACEY CITY COUNCIL

Andy Ryder, Mayor
Malcolm Miller, Deputy Mayor
Lenny Greenstein, Councilmember
Michael Steadman, Councilmember
Carolyn Cox, Councilmember
Ed Kunkel, Councilmember
Robin Vazquez, Councilmember

COMMUNITY PROJECTS

1 EMERGENCY COORDINATION CENTER



The City is planning for a new police station that will include an Emergency Coordination Center (ECC) to replace the current makeshift 300-square-foot meeting room serving this role. Like many local jurisdictions around the country, the City was underprepared for the global pandemic and remains inadequately prepared to handle other major emergency incidents. The ECC will support the community by providing resources, coordinating communications and advance warnings, prioritizing response during an emergency, and implementing recovery programs. The ECC is anticipated to include over 1,440 square feet of mission-critical equipment, including: radios, an emergency generator, state-of-the-art technologies, and systems, and more.

The City seeks federal funding for equipment to develop a new ECC that better serves the community in times of crisis.

2 COLLEGE STREET CORRIDOR IMPROVEMENTS

The College Street corridor carries an estimated 32,000 vehicles each day and is the primary north south link connecting the City, as well as other Thurston County communities. The corridor serves as a vital access point to local schools, services, and multimodal transportation options for many, including several low-income communities. College Street has over 130 driveways, many T-sections and inefficient four-way intersections that result in serious vehicle safety hazards. Other users of the corridor (including elementary school children traveling to school) face narrow sidewalks, the absence of bike infrastructure, and a scarcity of welcoming infrastructure that compounds these safety challenges.



The City intends to apply for a RAISE grant again and is evaluating other federal funding opportunities such as a Safe Streets for All implementation grant.

3 I-5 CORRIDOR FROM TUMWATER TO MOUNTS ROAD AND THE NISQUALLY RIVER DELTA



Interstate 5 (I-5) is the lifeline of commerce, transportation, and Joint Base Lewis McChord's (JBLM) mission readiness in the Puget Sound Region. However, the current I-5 design impedes critical ecological functions of the Nisqually River Delta critical to salmon survival, is at risk of being flooded by the Nisqually River resulting in national security concerns, and is inadequate to meet the growing commerce and transportation demands of our state.

In 2022, the Washington State Legislature recognized the need to address the challenges of this corridor and allocated \$75 million in the Move Ahead Washington package specifically for planning of the Nisqually River delta (Mounts Road to Marvin Road) portion of the corridor.

The City remains committed to long-term solutions along this corridor, which is essential to the state's environmental, commerce, and transportation priorities, as well JBLM's mission readiness. The City continues to work with local partners to advocate for advancement of this project as a unified voice and recognizes the need for federal investments.



LACEY MUSEUM AND CULTURAL CENTER IN THE DEPOT DISTRICT

For over a decade, the City has worked on creating a new museum and cultural center in the Depot District where community members can meet-up, learn, connect with Lacey's rich history, and experience Lacey amenities and community events. The City has already made

considerable investments to establish the Depot District, including constructing a replica of the historic train depot with a train-themed playground, as well as adding picnic tables and public restrooms. The museum and cultural center will serve as the east anchor of the Depot District and will add significant civic value and enhance community identity in the area. To date, the City has leveraged multiple funding sources to complete the facility's design and in 2022 focused on bringing the site to a pre-development state. In the future, the City anticipates requesting federal funding to leverage its local and state investments for construction of the museum and cultural center.

FUTURE PROJECTS

JOINT ANIMAL SERVICES: REGIONAL ANIMAL FACILITY

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County and serves over 303,976 community members in 774 square miles of urban and rural terrain. JAS provides critical community services such as humane law enforcement, sheltering and medical care of strays (intake of over 2,600 animals in 2022), impounded and surrendered animals, adoptions, licensing, temporary emergency housing, and more. JAS moved into their existing facility in 1996 which was formerly a warehouse and wasn't built to meet industry standards of care or to grow with the community. A recent study of the facility found that it is failing and requires significant investment to maintain. JAS partners, Lacey, Tumwater, and Olympia, and Thurston County, are starting efforts to construct a new JAS shelter facility that will allow them to continue to provide this critical community need. Preliminary cost estimates are approximately \$20 million.

POLICY POSITIONS

4 SUPPORT BUILD AMERICA, BUY AMERICA

While the City supports the underlining goals of the Build America, Buy America Act (BABA), it presents significant challenges for communities like Lacey that are eager to put federal investments from the Infrastructure and Jobs Act and the Inflation Reduction Act to use. Inflexibility and ongoing global supply chain disruptions are leaving many projects out of consideration or unable to move forward as procuring eligible components is time consuming and can become cost prohibitive.

The City has significant concerns about meeting daunting BABA requirements. The City urges efforts to provide increased BABA flexibility for infrastructure projects.

A few examples of how BABA impacts the City's infrastructure programs:

- For a recent electric vehicle charger project, the City could not acquire equipment that met the City's needs and BABA requirements. This resulted in removing Type II chargers from the federal project with the City assuming the cost of this infrastructure.
- The City estimates that BABA requirements could double the cost of materials for the upcoming Lacey Police Station. This effectively makes federal funding that requires BABA impractical.



5 SEPTIC-TO-SEWER CONVERSION PROGRAM



The City is committed to finding collaborative ways to convert aging, and in many cases failing, septic systems to the City's wastewater system. The City estimates there are 1,981 septic systems within Lacey and 7,852 within the Urban Growth Area. Eliminating these septic systems protects the environment and benefits community health by reducing effluent from entering into groundwater. Recently, the City Council approved over \$5 million for water and wastewater improvements, including septic to sewer conversions, in a neighborhood where contaminants from septic systems were impacting groundwater and aquifers in the area. The City is looking to continue investing in these types of conversions in future years.

The City urges Congress to appropriate funding to the Connections to Publicly Owned Treatment Works grant program, which was authorized in the IIJA but not funded. This program is an ideal funding stream for the City's Septic-to-Sewer Conversion Program.

LAND ACKNOWLEDGEMENT

We are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as it has today. We recommend that community members read the Medicine Creek Treaty of 1854.

CHILDCARE AND EARLY LEARNING ACCESS: YOUNG CHILD AND FAMILY CENTER

Research consistently shows high-quality, early-learning programs have a real, sustained impact on the life outcomes of children and families. At the same time, demand for high-quality childcare programs has outpaced industry growth for several years. COVID-related operating restrictions and decreased enrollment have caused over 30% of childcare centers to close. North Thurston Public Schools service area falls within an "extreme childcare access desert." This area is in dire need of additional recreation facilities. In a recent City study, community members clearly communicated this need. Specifically, residents ranked the addition of a public aquatic facility and more indoor recreation opportunities as two of the highest local needs. This center will combine a state-of-the-art, early-learning center with a family recreation facility focused on providing developmentally appropriate recreation activities for youth ages 3 to 5 and their families. The City, North Thurston Public Schools, and South Sound YMCA are partnering to see the feasibility of a Young Child and Families Center, estimated to cost around \$50 to \$70 million.



POLICY POSITIONS - CONT'D

6 SUPPORT A NATIONAL HOUSING AND HOMELESS OUTREACH STRATEGY TO HELP COMMUNITIES ADDRESS AN ONGOING, GROWING CRISIS OF UNSHELTERED POPULATIONS

The nation is confronted with a homeless crisis on a scale not seen since the Great Depression that has deepened with the continuation of the COVID-19 pandemic. The lack of affordable housing plays a substantial role in the rise of homelessness. For many others, behavioral health issues, such as mental illness or an addiction to drugs and alcohol, is the entry into homelessness. The lack of a consistent, coordinated strategy means the impact of homelessness is disproportionately borne by local communities and jurisdictions across the nation. Direct participation by the federal government is needed, due to the magnitude and the complexity of the problem, requiring new federal programs and solutions to affectively address homelessness.



The City strongly supports legislation like the Ending Homeless Act to provide resources programs need to effectively address the housing and homeless crisis in America, in addition to increasing the Low-Income Housing Tax Credit, a critical tool to encourage private investment in the production and preservation of affordable housing. The City also believes investments in our nation's mental health systems are critical to combating the homeless crisis and supports efforts such as the Bipartisan Addiction and Mental Health Task Force.

7 SUPPORT THE DEFENSE COMMUNITY INFRASTRUCTURE PROGRAM (DCIP) AND ENCOURAGE THE DEPARTMENT OF DEFENSE TO FUND PROJECTS THAT ENHANCE MILITARY FAMILY QUALITY OF LIFE

The Defense Community Infrastructure Program (DCIP) is designed to address deficiencies in infrastructure for communities that support military installations in order to enhance military value, installation resilience, and military family quality of life. An estimated 70% of the active-duty members serving at Joint-Base Lewis-McChord live off base and in communities across the South Sound. Approximately, 10% of off-base, active-duty members call Lacey home.



The City urges continuing support for the DCIP program and that the program remain eligible for needed capital investments on and off military installations that improve the mission readiness of the base and the quality of life of military families.

8 CONTINUED SUPPORT OF COMMUNITY PROGRAMS — COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, COPS GRANT, AND MORE LIFE

The City urges continuing support to provide and enhance funding for community programs such as CDBG and COPS, critical funding streams for communities like Lacey seeking to enhance public safety and the community's quality of life.

9 SUPPORT THE HOMES FOR EVERY LOCAL PROTECTOR, EDUCATOR, AND RESPONDER (HELPER) ACT

The City strongly supports the HELPER Act which would create a home loan program within the Federal Housing Administration allowing first responders across the country to obtain a low-interest, fully insured home loan with no down payment and no monthly mortgage insurance costs. This program would make homeownership more affordable for our community's law enforcement officers, fire fighters, EMTs, paramedics, and pre K-12 teachers.

Government
Relations webpage:



FOR MORE INFORMATION

CITY OF LACEY

Shannon Kelley-Fong, Assistant City Manager
SKelley@ci.lacey.wa.us | 360.412.2890

GOVERNMENT AFFAIRS

Joel Rubin, Partner, CFM Advocates
joelr@cfmdc.com | 202.347.9171



CITY OF **LACEY**



2024 State Legislative Priorities

CAPITAL BUDGET REQUESTS

See inside pages for more details.

1 EMERGENCY COORDINATION CENTER

The City is currently planning for a new police station that will include a fully equipped Emergency Coordination Center (ECC). Like many local jurisdictions around the country, the City was underprepared for the global pandemic. Currently, the City is also inadequately prepared to handle other major emergency incidents, natural or human-made. The ECC would support the community by enabling multi-agency coordination which ensures the City is more efficient at providing resources, coordinating communications and advance warnings, prioritizing response during an emergency, and implementing recovery programs. The ECC is anticipated to include over 1,440 square feet of mission-critical equipment, including: workstations, monitors, radios, emergency generator, emergency management software, and more. This project will break ground in Winter of 2024 and open in the Fall of 2025.

The City requests \$500,000 to help develop a new ECC to better serve the community in times of crisis.

2 REGIONAL ATHLETIC COMPLEX LED REPLACEMENT LIGHTS

The Regional Athletic Complex (RAC) is one of the finest outdoor sporting venues in the state. This 100-acre, regional facility features spectacular views of Mt. Rainier, five softball/baseball fields, and six regulation-size soccer/football/rugby fields, as well as picnic and outdoor event facilities, playgrounds, a concession stand, two miles of walking trails, family restrooms and much more. This project will convert 239 aging high-intensity discharging (HID) lamps to more energy efficient light-emitting diode (LED) lights. This conversion will bring the facility into alignment with the City's adopted climate plan, the Thurston Climate Mitigation Plan, which calls for LED lighting installation in public-sector buildings and infrastructure. Compared to the HID lamps, LEDs are safer, produce brighter light, provide lighting you can control, last significantly longer, and do not contain mercury.

The City requests \$300,000 to make these improvements and help support environmental resilience, energy conservation, youth sports, and economic development.

3 DEVELOP LONG-TERM FUNDING SOLUTION TO AID SUPPORTIVE HOUSING ACQUISITIONS

The City appreciates the state's continued leadership in responding to the homeless crisis. With the Rights of Way Initiative, Thurston County received \$37M to acquire a hotel and turn it into emergency housing, Maple Court. The long-term plan is to convert this enhanced shelter into needed permanent supportive housing. This conversion will require significant capital investment. Although the State committed \$2M to operating costs for the first two years of this project, the City and other local partners are concerned with long-term operating needs and future capital investments.

The City requests a sustainable operating and capital funding source(s) for the continued success of supportive housing funded initiatives and other similar projects across the state.

4 CONTINUE FUNDING FOR DEFENSE COMMUNITY COMPATIBILITY ACCOUNT (DCCA)

The 2023-25 Capital Budget invests \$35.8 million in defense community compatibility projects throughout the state. This investment leverages over \$126 million in local and federal funds.

The City requests the State legislature prioritize ongoing investment in this grant program that supports civilian communities near military installations.

5 CONTINUE FOCUSING ON I-5 CORRIDOR BETWEEN MOUNTS ROAD & TUMWATER

Interstate 5 (I-5) is the lifeline of commerce, transportation, and JBLM's mission readiness in the Puget Sound Region. However, the current design of I-5 impedes critical ecological functions of the Nisqually River Delta critical to salmon survival, is at risk of being flooded by the Nisqually River resulting in national security concerns, and is inadequate to meet the growing commerce and transportation demands of our state.

The City remains committed to long-term solutions along this corridor which is essential to the state's environmental, commerce, and transportation priorities, as well Joint Base Lewis-McChord's mission readiness.

In 2022, the State Legislature allocated \$75 million in the Move Ahead Washington package specifically to the Nisqually River delta (Mounts Road to Marvin Road) and in 2023, continued advocacy resulted in programming of these funds, \$32.5 million in 2025-2027 and \$26M in 2027-2029.

These are important steps but more work is necessary in the future.

While continuing to work with Washington State Department of Transportation (WSDOT) and regional partners on a holistic approach to the I-5 corridor, the City supports planning for and implementing practical solutions, like prioritizing the design and construction of the funded State Route 507 roundabouts. The City also supports a future part-time shoulder use project on south-bound I-5 between Sleater-Kinney and Henderson Boulevard.

LACEY CITY COUNCIL

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Government
Relations webpage:



Adopted by Lacey City Council on December 7, 2023

CITY OF LACEY: CAPITAL BUDGET REQUEST

1 EMERGENCY COORDINATION CENTER

CAPITAL BUDGET REQUEST: The City requests \$500,000 to develop a new Emergency Coordination Center (ECC) to better serve the community in times of disaster and crisis.

Project Description

Over the past two years, the City has been working on developing a new Lacey Police Station. The new station will be approximately 40,000 square feet to meet community needs now and for the next 30-40 years. The project includes a plan to construct a dedicated space for an ECC, which the City does not currently have.

Currently, during a major emergency or public safety incident, the City uses a makeshift 300-square-foot meeting room within City Hall. This space can only accommodate ten people at a time. This set-up slows down and limits the City's emergency management and preparedness capabilities. In addition, the space does not meet recommended FEMA design functions for an ECC as it is not flexible, sustainable, secure, strategically located, or fully interoperable.

The City plans to include an ECC that is at least 1,440 square feet and built to current category IV standards in the new police station. The ECC would have enough space to maintain City operations for over 72 hours and serve as the City's central coordination point for:

- All Large-scale Emergency Operations.
- Information Gathering and Dissemination, Including Meeting all Main Functions within National Incident Management Systems (NIMS) Command and Coordination.
- Coordination with Local Governments, Outside Contractors, Mutual Aid, and Volunteer Organizations Active in Disaster (VOADs).
- And more!



EOC FEATURES:

- 1,440 sq.ft. Facility @ approximately \$750 per sq.ft.
- Laptop Work Stations
- Large, Wall-mounted Monitors
- Storage Space for Technology and Equipment
- Operational Supplies and Equipment Outlets, Network Drops, Wiring and Infrastructure Required for an EOC
- Communication Equipment for Local and Areawide Information Management
- Kitchenette
- IT Server Closet
- Emergency Generator
- State-of-the-art Technology Solutions



During non-emergency periods, the ECC would serve as an ADA-accessible event and meeting space for the community and City.

CITY OF LACEY: CAPITAL BUDGET REQUEST

2 REGIONAL ATHLETIC COMPLEX LED REPLACEMENT LIGHTS

CAPITAL BUDGET REQUEST: The City requests \$300,000 for these improvements and to help support environmental resilience, energy conservation, youth sports, and economic development.

Project Description



The Regional Athletic Complex (RAC) is one of the finest outdoor sporting venues in the state. This 100-acre, regional facility features spectacular views of Mt. Rainier, five softball/baseball fields, and six regulation-size soccer/football/rugby fields, as well as picnic and outdoor event facilities, playgrounds, a concession stand, two miles of walking trails, family restrooms and much more. This project will convert 239 aging high-intensity discharging (HID) lamps to more energy efficient light-emitting diode (LED) lights. This conversion will bring the facility into alignment with the City's adopted climate plan, the Thurston Climate Mitigation Plan, which calls for LED lighting installation in public-sector buildings and infrastructure.

This project will convert 239 aging high-intensity discharging (HID) lamps to more energy efficient light-emitting diode (LED) lights to bring the facility into alignment with the City's adopted climate plan, the Thurston Climate Mitigation Plan, which calls for LED lighting installation in public-sector buildings and infrastructure. Compared to the HID lamps, LEDs are safer, produce brighter lights, provide lighting you can control, last significantly longer and do not contain mercury.

PROJECT FUNDING SOURCES

City of Lacey	\$1,000,000
RCO Youth Athletic Field Funding or WWRP (2024)	\$329,000
Other funding sources	\$771,000
State of Washington - Capital Projects	\$300,000
TOTAL	\$2,100,000



LAND ACKNOWLEDGEMENT

We are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as it has today. We recommend that community members read the Medicine Creek Treaty of 1854.

During the 2023 Legislative session, several significant City-championed achievements were accomplished, including:

- Secured total investments of \$1.15 million for the new Greg Cuoio Park for an ADA-accessible path and inclusive playground.
- Secured investment of \$103,000 to upgrade a transformer at the Regional Athletic Complex to meet community demand for electric vehicle charging stations.
- Helped address some of the City of Lacey's public safety concerns, including: the commercial airport citing process; law enforcement vehicle pursuits to allow peace officers to return to a reasonable suspicion standard for certain dangerous crimes; and reaching an agreement to permanently address the criminality of drug possession and use in Washington.
- Continued state leadership on the homeless crisis by adopting an operating budget that supplied \$60 million to local governments and non-profits to provide housing and other wrap-around services to unhoused individuals residing in state rights-of-ways.
- Continued advocacy for Interstate 5 Corridor improvements between Mounts Road & Tumwater resulting in the transportation budget programming \$32.5 million in 2025-2027 and \$26M in 2027-2029 for this project.

THANK
YOU

CITY OF LACEY: 2024 STATE LEGISLATIVE PRIORITIES

FUTURE PROJECTS:

6 CHILDCARE AND EARLY LEARNING ACCESS: YOUNG CHILD AND FAMILY CENTER

There is a critical need for early learning and indoor recreation resources in Lacey. **The demand for high-quality childcare programs has outpaced industry growth for several years with a nationwide decrease in supply starting in 2019.** The City supports policies and programs that increase access to affordable, quality childcare in Washington and policies that expand access to preschool. The COVID-19 pandemic exacerbated this crisis. Beginning in the spring of 2020, COVID-related operating restrictions and decreased enrollment caused over 30% of childcare centers to close. According to the Washington State Department for Children, Youth & Families (DCYF), most North Thurston Public Schools (NTPS) service area falls within an "extreme childcare access desert." The City, NTPS, and South Sound YMCA are partnering to assess the feasibility of a Young Child and Families Center, estimated to cost around \$50 to \$70 million.



7 JOINT ANIMAL SERVICES: REGIONAL ANIMAL FACILITY

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County and serves over 303,976 community members in



774 square miles of urban and rural terrain. JAS provides humane law enforcement, sheltering and medical care of strays (intake of over 2,600 animals in 2022), impounded and surrendered animals,

adoption services, licensing, temporary emergency housing, and more. In 1996, JAS moved into their existing facility which was formerly a warehouse. **A recent study found that the facility is failing and requires significant investment to maintain.** In addition, the facility was not purpose built and the spaces do not meet current industry standards of care. Finally, JAS operations have outgrown the space. JAS partners, Lacey, Tumwater, and Olympia, and Thurston County, are starting efforts to construct a new JAS shelter facility, estimated to cost around \$20 to \$25 million.

8 THURSTON COUNTY REGIONAL BASIC LAW ENFORCEMENT ACADEMIES AND TRAINING CENTER

Police departments across Washington state are experiencing significant police staffing shortages.

The City supports ongoing and enhanced funding for Basic Law Enforcement Academies (BLEA). As

communities continue to grow and increasing numbers of law enforcement personnel retire, it is imperative this program receive adequate funding to provide training opportunities for new hires. **The City supports the creation of more regional BLEA academies and requests future funding be allocated to provide a training center and two BLEA classes in Thurston County to expedite the training of police officers once hired.**

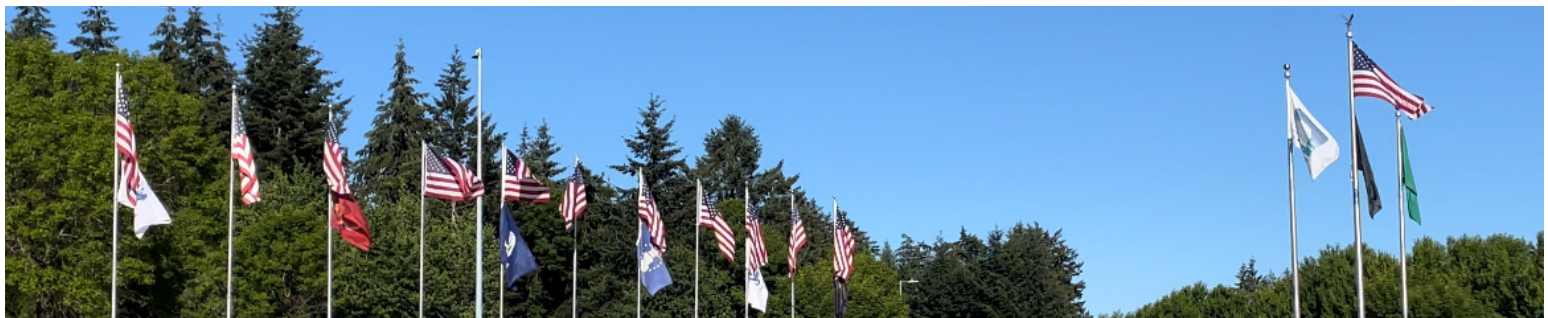


CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:

Association of Washington Cities
South Sound Military & Communities Partnership
Thurston County Shared Legislative Agenda

Regional Housing Council - Top Three Legislative priorities:

1. Increase funding for rent assistance and low-income renters
2. Long-term operational funds for Rights-of-Way Initiative projects
3. Increased funding for Housing Trust Fund



FOR MORE INFORMATION

CITY OF LACEY

Shannon Kelley-Fong, Assistant City Manager
SKelley@ci.lacey.wa.us | 360.412.2890

GOVERNMENT AFFAIRS

Brian Enslow, Arbutus LLC
Brian@arbutusllc.com | 360.489.8121





LACEY CITY COUNCIL WORKSESSION STAFF REPORT December 14, 2023

SUBJECT: Contract Modification with Dispute Resolution Center of Thurston County

RECOMMENDATION: Brief the City Council on the opportunity to extend the contract between the City of Lacey and the Dispute Resolution Center of Thurston County and include an amendment to expand the scope of services to include services to resolve additional types of housing and neighborhood disputes.

TO: Lacey City Council

STAFF CONTACT: Rick Walk, City Manager *RW*
Grant Beck, Planning and Development Services Manager *GB*
Ryan Andrews, Planning Manager *RA*
Jennifer Adams, Housing Coordinator *JA*

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: None.

FISCAL NOTE: The original contract specified a limit of \$50,000 which will not increase as a result of the contract amendment.

PRIOR REVIEW: The City Council approved the original contract with the Dispute Resolution Center on August 17, 2023.

BACKGROUND:

On August 17, 2023, the City Council approved a request to authorize the City Manager to enter into a professional services agreement with the Dispute Resolution Services of Thurston County (DRC) in order to provide landlords and tenants in Lacey with conciliation and mediation services - should both parties in a conflict choose to explore this option - prior to parties seeking legal advice and incurring excessive costs.

The request was approved by motion and a contract was thereafter entered between the City of Lacey and Dispute Resolution Services. Currently, contract terms and scope of services only serve disputes between landlords and tenants and only within the Lacey city boundaries.

The Professional Services Agreement includes the following terms and associated costs:

- Contract to expire December 31, 2023
- \$1,250.00 monthly fixed costs billed by the DRC and payable by the city

- \$175.00 (per party, per session) billed for conciliation services
- \$315.00 (per party, per session) billed for mediation services
- \$50,000 cap on contract services
- Remaining funds eligible to roll into the next contract year

At this time, the city has been billed monthly for the fixed costs, however, only one charge of \$175.00 for conciliation services has been billed to date. This could indicate that the contract is young and it takes time for public outreach and program awareness. This could also indicate that tenants in Lacey are experiencing less conflict in their rental situations and less threat of eviction - as compared to previous years.

Recently, the City has seen an increase in housing concerns that are not specific to a landlord/tenant relationship. For example, the Aldea Glen Home Owner's Association (HOA) is experiencing conflicts between members - as expressed during public comment at the November 16, 2023 City Council meeting. Concerns were voiced regarding grievances with the current HOA board acting in ways "violating RCW's" specifically RCW 64.38.035. Residents shared feelings of increased frustration within the 127-home neighborhood, and requested the City proactively provide assistance to identify a path toward resolve.

While issues specific to Homeowner's Associations (HOA) may fall under civil matters beyond the City's authority, considering mediation services like those provided by the DRC, could offer a constructive resolution. This approach might not only address disputes effectively but also potentially spare homeowners from incurring expensive court fees.

At the work session, staff will brief the City Council on expanding the City of Lacey's collaboration with the DRC as an opportunity to enhance service offerings. Adjusting the language from solely focusing on "landlord-tenant" issues to a more inclusive "housing stability" framework – could broaden the assistance provided to individuals grappling with various housing-related concerns. In addition, Lacey's Housing Action Plan contains an overarching goal to foster household stability through actions that further that goal.

Expanding the scope of services would not impact the established monthly fixed rate or per-person fees for conciliation or mediation services, nor would such changes necessitate any adjustments to the current funding cap for the city. The current contract with DRC expires on December 31, 2023 which would be extended through 2024.



LACEY CITY COUNCIL WORKSESSION

December 14, 2023

SUBJECT: Comprehensive Plan - Housing Need Allocations

RECOMMENDATION: City and Thurston Regional Planning Council staff will provide a briefing on the housing need allocations study that provides foundation data supporting the Comprehensive Plan update. No action is necessary.

STAFF CONTACT: Rick Walk, City Manager *RW*
Grant Beck, Planning and Development Services Manager *GB*
Ryan Andrews, Planning Manager *RA*

ORIGINATED BY: Community and Economic Department by requirement of Section RCW 36.70A.070

ATTACHMENTS:

1. GMA Housing Allocations Recommendation Letter
2. Housing Allocation Method Technical Memo

FISCAL NOTE: None.

WORK PLAN GOAL AND STRATEGY: Coordinated & Collaborative Planning – (B)(7)

PRIOR REVIEW: None.

BACKGROUND:

In 2021, the Washington State Legislature passed HB 1220 (codified at Section 36.70A.070 RCW) which amended the Growth Management Act to require cities, towns and counties to plan for and accommodate future housing by documenting the projected housing need each jurisdiction is responsible to plan for based on the jurisdiction's projected population estimate. The amendment also required that each jurisdiction accommodate within its jurisdiction housing for various income levels.

Thurston County jurisdictions, including Lacey, recently completed a process to reach regional agreement on the housing allocation methodology and the housing allocations for the jurisdictions. Thurston Regional Planning staff will provide the methodology and will review the allocations at the work session. The results of this process will be used in updates to the Comprehensive Plan due in 2025.



MEMBERS:

City of Lacey
City of Olympia
City of Rainier
City of Tenino
City of Tumwater
City of Yelm
Confederated Tribes of the
Chehalis Reservation
Nisqually Indian Tribe
Town of Bucoda
Thurston County
North Thurston Public Schools
Olympia School District
Tumwater School District
Intercity Transit
LOTT Clean Water Alliance
Port of Olympia
PUD No. 1 of Thurston County

ASSOCIATE MEMBERS:

Lacey Fire District #3
Puget Sound Regional Council
The Evergreen State College
Thurston Conservation District
Thurston Economic
Development Council
Timberland Regional Library



Marc Daily
Executive Director

2411 Chandler Court SW
Olympia, WA 98502
360-956-7575
360-741-2545 Fax
www.trpc.org

MEMORANDUM

TO: Thurston Regional Planning Council

FROM: Allison Osterberg, Planning Manager

DATE: November 15, 2023

SUBJECT: Recommended Housing Need Allocations to Support Comprehensive Plan Updates

In 2021, the Washington State Legislature passed HB 1220 which requires cities, towns, and counties to “plan for and accommodate” future housing affordable to a range of incomes and to document the projected housing need each jurisdiction is responsible for planning for in its comprehensive plan. As laid out in that legislation, the state Department of Commerce identified the countywide housing need by income range and recommended cities, towns, and counties work collaboratively to allocate the countywide housing need to individual jurisdictions.

In 2023, Thurston County and the cities of Lacey, Olympia, Tumwater, and Yelm contracted with Thurston Regional Planning Council (TRPC) to facilitate a process to reach regional agreement on the housing allocation method and housing allocations for the Thurston region. TRPC convened a workgroup consisting of planning directors and staff from these jurisdictions, and invited staff from the City of Rainier, City of Tenino, and Town of Bucoda to participate. This group met four times between August and October to review different methods and results and reached consensus on both a preferred allocation method and next steps for adopting allocations for use in Comprehensive Plan periodic updates due in 2025 and beyond. This analysis is documented in a technical memo (Attachment B). The workgroup recommends that:

1. Thurston County jurisdictions use the preferred allocation method documented in the technical memo and the 2045 housing allocations by income generated by that method (Attachment A) to meet requirements for Comprehensive Plan updates due in 2025, including the number of housing units necessary for moderate, low, very low, and extremely low-income households, and emergency housing, emergency shelters, and permanent supportive housing.
2. TRPC adopt these allocations, as the agency charged in the County Wide Planning Policies to develop countywide and smaller area population projections.
3. The Urban Growth Management Subcommittee review the County Wide Planning Policies and recommend updates to the Board of County Commissioners that incorporate changes to state law that require planning for affordable housing and document the process for approving housing allocations for use in future years. This review should be initiated after the current round of periodic Comprehensive Plan updates is completed in 2025.

ao:bl

Attachments:

- A: Thurston County Housing Allocations by Income, 2020-2045
B: GMA Housing Need Allocation Methods Technical Memo

Attachment A
Thurston County Housing Allocations by Income, 2020-2045

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	7	13	0	5	39	24	47	0	2
Lacey	City	5,154	335	849	1,053	210	0	466	2,241	0	89
	UGA	8,970	650	1,599	1,552	1,395	0	750	3,024	0	154
Olympia	City	12,644	818	2,011	2,777	264	973	1,087	4,714	0	218
	UGA	1,651	128	226	397	0	103	136	661	0	28
Rainier	City	571	41	100	0	79	22	107	222	0	10
	UGA	23	2	4	0	2	0	5	10	0	0
Tenino	City	519	32	62	0	0	115	102	208	0	9
	UGA	9	1	2	1	1	1	1	3	0	0
Tumwater	City	6,676	513	1,211	1,033	541	400	636	2,342	0	115
	UGA	2,516	181	439	364	439	190	199	704	0	43
Yelm	City	7,504	549	1,341	1,196	1,062	274	817	2,266	0	129
	UGA	144	8	19	25	0	0	34	58	0	2
Grand Mound	UGA	310	21	52	34	97	40	16	50	0	5
Rural Unincorporated		7,531	311	832	0	4,174	2,214	0	0	0	130
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Note: Analysis based on jurisdiction boundaries as of September 1, 2023. Numbers may not add to totals due to rounding.



MEMBERS:

City of Lacey
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City of Rainier
City of Tenino
City of Tumwater
City of Yelm
Confederated Tribes of the
Chehalis Reservation
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Thurston County
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Olympia School District
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Intercity Transit
LOTT Clean Water Alliance
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PUD No. 1 of Thurston County

ASSOCIATE MEMBERS:

Lacey Fire District #3
Puget Sound Regional Council
The Evergreen State College
Thurston Conservation District
Thurston Economic
Development Council
Timberland Regional Library

MEMORANDUM

TO: Housing Allocation Project Partners
FROM: Michael Ambrogi, Senior Planner
DATE: November 15, 2023
SUBJECT: GMA Housing Need Allocation Methods
Technical Memo

OVERVIEW

In 2021, the Washington State Legislature passed HB 1220 which requires cities, towns, and counties to “plan for and accommodate” future housing affordable to a range of incomes and to document the projected housing need each jurisdiction is planning for in its comprehensive plan. The state Department of Commerce (Commerce) identified the countywide housing need by income range and recommended cities, towns, and counties work collaboratively to allocate the countywide housing need to individual jurisdictions.

In 2023, Thurston County and the cities of Lacey, Olympia, Tumwater, and Yelm (the “project partners”) contracted with Thurston Regional Planning Council to:

- Convene a workgroup consisting of planning directors and staff from the project partners. Staff from the city of Rainier, city of Tenino, and town of Bucoda were also invited to participate.
- Review options for allocating the housing need among jurisdictions.
- Facilitate a process among workgroup members to reach consensus on a preferred allocation method that meets the values of the project partners.

This memo documents the housing need allocation process and the workgroup’s preferred allocation method.



Marc Daily
Executive Director

2411 Chandler Court SW
Olympia, WA 98502
360-956-7575
360-741-2545 Fax
www.trpc.org

HOUSING NEED ALLOCATION PROCESS

Between August and October, TRPC convened a workgroup that included Planning Directors and staff from Thurston County and the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. This group identified the following shared values to assess different housing need allocation methods and select a preferred approach:

- **Fair**
 - Distributes new low-income units across all jurisdictions
 - Recognizes the differences among jurisdictions and existing housing distribution
 - Recognizes needs of community members – especially people who rely on permanent supportive housing and emergency housing
- **Clear**
 - Easy to communicate to public and elected officials
 - Tailored to jurisdiction boundaries (including UGAs)
 - Uses established methods to limit risk of legal challenges
- **Cooperative**
 - Builds on existing structures and processes – including the Regional Housing Council, Comprehensive Plan updates, Countywide Planning Policies
 - Supported by all workgroup members

The workgroup reviewed two allocation methods provided by Commerce (Method A and Method B), plus the allocation methods used by King, Kitsap, Pierce, and Snohomish Counties (See Appendix I). The workgroup preferred the method used by Snohomish County because it best achieves the values described above. This method is described in the following sections.

COUNTYWIDE HOUSING NEEDS

HB 1220 builds on existing requirements for jurisdictions to plan for population growth. TRPC's most recent population and employment forecast (adopted in 2018) estimates that 54,356 new housing units will be needed between 2020 and 2045 to support projected population growth (88,707 new people). Table 1 shows the number of housing units projected for each jurisdiction. These projections were developed consistent with Thurston County's Countywide Planning Policies.

Table 1: TRPC Projected Housing Need by Jurisdiction

		Housing Units			Population		
		2020 Census	2045 TRPC Projection	2020-2045 Projected Need	2020 Census	2045 TRPC Projection	2020-2045 Projected Need
Bucoda	Town	241	375	134	600	800	200
Lacey	City	23,042	28,196	5,154	53,526	60,900	7,374
	UGA	13,562	22,532	8,970	37,733	52,540	14,807
Olympia	City	25,642	38,286	12,644	55,605	72,040	16,435
	UGA	5,093	6,744	1,651	12,480	15,610	3,130
Rainier	City	850	1,421	571	2,369	3,165	796
	UGA	54	77	23	133	160	27
Tenino	City	780	1,299	519	1,870	2,790	920
	UGA	5	14	9	26	45	19
Tumwater	City	11,064	17,740	6,676	25,350	37,380	12,030
	UGA	1,210	3,726	2,516	3,357	8,690	5,333
Yelm	City	3,456	10,960	7,504	10,617	25,890	15,273
	UGA	515	659	144	1,514	1,670	156
Grand Mound	UGA	424	734	310	1,358	2,745	1,387
Rural Unincorporated		35,500	43,031	7,531	88,255	99,085	10,830
Total		121,438	175,794	54,356	294,793	383,500	88,707

Note: Data for jurisdiction boundaries as of September 1, 2023

HB 1220 adds a requirement that jurisdictions plan for a specific number of housing units affordable for moderate, low, very low, and extremely low-income households; and emergency housing, emergency shelters, and permanent supportive housing. Commerce's Housing for All Planning Tool (HAPT)¹ provided the estimates of housing need for each income range and housing type shown in Table 2. Income ranges are expressed as a percent of the area median income; the equivalent household incomes for the Thurston region in 2023 are shown in Table 3. While HB 1220 does not require jurisdictions to plan for housing affordable to households earning more than 120% of the area median income, this need is included so the number of units can be summed up to the total.

While cities, towns, and counties have discretion over how this need is allocated among the jurisdictions, the countywide housing need identified by Commerce for each income range cannot be changed.

¹ <https://deptofcommerce.app.box.com/s/48o8fzedzxn63xth6aofi2jc2npcjoa>

Table 2: Dept. of Commerce Housing Needs by Income Level for Thurston County

	Estimated Supply (2020)	Total Future Supply (2045)	Net Need (2020-2045)	Estimated Supply (2020)	Total Future Supply (2045)	Net Need (2020-2045)
Housing Units						
0-30% AMI (PSH)	180	3,774	3,594	0.1%	2.1%	6.6%
0-30% AMI (Non-PSH)	2,874	11,632	8,758	2.4%	6.6%	16.1%
30-50% AMI	12,405	20,836	8,431	10.2%	11.9%	15.5%
50-80% AMI	38,285	46,555	8,270	31.5%	26.5%	15.2%
80-100% AMI	26,403	30,776	4,373	21.7%	17.5%	8.0%
100-120% AMI	15,489	19,870	4,381	12.8%	11.3%	8.1%
120%+ AMI	24,476	41,025	16,549	20.2%	23.3%	30.4%
Other	1,327	1,327	0	1.1%	0.8%	0.0%
Total	121,438	175,794	54,356	100.00%	100.00%	100.00%
Emergency Housing (Beds)	626	1,562	936	—	—	—

Note: "AMI" refers to the area median family income, which HUD estimates was \$102,500 in 2023 for Thurston County. Income ranges are expressed relative to the AMI. "PSH" is permanent supportive housing. "Other" includes recreational, seasonal, or migrant labor housing. Numbers may not add up to totals due to rounding. Housing types are defined in [RCW 36.70A.030](#).

Table 3: Household Incomes Associated with Area Median Income (AMI) Percentages

Household Income Category	Percent of Area Median Family Income	Equivalent Household Income (2023 HUD Estimates)
Emergency Housing/Shelter	N/A	N/A
Permanent Supportive Housing	0-30% AMI	Less than \$30,750
Extremely Low-Income Household		
Very Low-Income Household	30-50% AMI	\$30,750 to \$51,250
Low-Income Household	50-80% AMI	\$51,250 to \$82,000
Moderate-Income Household	80-100% AMI	\$82,000 to \$102,500
	100-120% AMI	\$102,500 to \$123,000
Other	>120% AMI	\$123,000 and greater

Note: Housing types are defined in [RCW 36.70A.030](#).

BASELINE HOUSING SUPPLY

The workgroup agreed that it was important to plan for housing in both the incorporated and unincorporated urban growth areas of each jurisdiction. Since the tools provided by Commerce did not provide estimates for UGAs, TRPC revised the baseline housing supply estimates provided by Commerce using the assumptions listed below. In addition, TRPC revised the baseline supply to reflect current (September 1, 2023) jurisdiction boundaries.

- Use TRPC's parcel-level housing estimates where newly annexed jurisdiction boundaries do not align with 2020 Census blocks.
- The percentage of housing by income range in each UGA is the same as what Commerce estimated in the HAPT tool for its adjacent incorporated area.
- There is no permanent supportive housing or emergency housing in the unincorporated UGA.
- Any permanent supportive housing units where Commerce was unable to determine the jurisdiction (68 units total) were assumed to be in Olympia based on data provided by Olympia staff in the 2023-2027 Thurston-Olympia Consolidated Plan.
- The revised housing supply uses newly released 2020 decennial census data on seasonal and migrant housing instead of American Community Survey (ACS) estimates used in the Commerce HAPT tool. (While HB 1220 does not require jurisdictions to plan for seasonal and migrant housing, these units are removed from the available housing supply.)

ALLOCATION METHOD A

Method A is one of two allocation methods described in Commerce's guidelines. Commerce provided jurisdiction-level data for this method in the Housing for All Planning Tool (HAPT). Method A assumes that each jurisdiction will plan for an equal share of new housing units affordable to each income range. Jurisdictions that currently have a lower-than-average share of affordable housing will remain less affordable in 2045. The results of Method A are shown in Table 7.

Kitsap and Pierce Counties chose to use Method A.

ALLOCATION METHOD B

Method B is one of two allocation methods described in Commerce's guidelines. Commerce provided jurisdiction-level data for this method in the Housing for All Planning Tool (HAPT). Method B assumes that jurisdictions that are less affordable now will be allocated a higher-than-average share of affordable housing. By 2045, the share of total housing — both new and existing — affordable to households in each income range will be the same in every jurisdiction. The results of Method B are shown in Table 8.

This method may result in negative allocations. This occurs when a jurisdiction's current supply of housing in an income range exceeds the total need in 2045.

No counties have chosen to use Method B.

PREFERRED ALLOCATION METHOD

The workgroup preferred the method used by Snohomish County, which is a hybrid of Method A and Method B. The preferred method best achieves the shared values identified above out of the options reviewed. The preferred method:

- Begins with an expectation that each jurisdiction should plan for the same share of the new housing need in each income range, but credits jurisdictions that currently have a higher-than-average share of low-income housing.
- Results in allocations that are positive and consistent with the housing need projected for each jurisdiction (Table 1) and for each income range countywide (Table 2).
- Is consistent with the Countywide Planning Policies and is supported by all workgroup members.

This process for calculating the preferred housing allocations is described on page 6; Table 4 shows the calculations for the very low-income housing need. Emergency housing is allocated proportionally to each jurisdiction's projected housing growth.

Table 9 at the end of the memo shows the 2020-2045 housing need allocation preferred by the workgroup.

Table 4: Preferred Method Sample Calculation of the Very-Low-Income (30-50% AMI) Housing Need.

	2020 Very Low-Income Housing Supply	Step 1 Equal-Share Housing Need	Step 2 Theoretical 2020 Supply	Step 3 Adjustment Factor	Step 4 Initial Allocation	Step 5 Final Allocation
Bucoda	120	21	25	-96	Less than 0	0
Lacey	1,832	799	2,371	539	1,338	1,053
Olympia	1,782	1,961	2,635	853	2,814	2,777
Rainier	211	89	88	-123	Less than 0	0
Tenino	211	80	81	-130	Less than 0	0
Tumwater	1,099	1,036	1,138	39	1,075	1,033
Yelm	247	1,164	356	109	1,273	1,196
UGAs ^A	1,654	2,113	2,139	486	2,599	2,373
Rural	5,249	1,168	3,573	-1,677	Less than 0	0
Total	12,405	8,431	12,405	0	9,099^B	8,431

Notes: A) The need is calculated separately for each jurisdiction's UGA. They are aggregated here for simplicity. B) Sum of positive values.

Preferred Housing Allocation Method

The following steps describe the method used to calculate the preferred housing allocations. The calculations for the City of Lacey are provided to illustrate the process.

Step 1: Same-Share Housing Need

Calculate each jurisdiction's 2020-2045 housing need, assuming the same percentage is affordable in every jurisdiction. This is the same as Allocation Method A in Commerce's HAPT tool.

Under Method A, Lacey needs to plan for 799 housing units affordable to a very low-income household. That is 15.5% of the city's overall housing need of 5,154 units (the same percentage in every jurisdiction).

Step 2: Housing Need Adjustment Factor

Calculate the theoretical 2020 housing supply. This is the number units a jurisdiction would have if every jurisdiction had the same share of housing in each income range.

Currently only 8.0% of housing units in Lacey are affordable to a very-low-income household, lower than the countywide average of 10.3%. Lacey would have 2,371 housing units affordable to a very low-income household if its share was the same as the county average.

Step 3: Theoretical Housing Baseline

Subtract the theoretical 2020 housing supply (Step 2) from the actual 2020 housing supply.

Lacey currently has 1,832 housing units affordable to a very-low-income household. Lacey's housing need adjustment factor for the very-low-income range is 539 housing units (2,371 minus 1,832).

Step 4: Initial Housing 2020-2045 Need

Add the housing need adjustment (Step 3) to the Method A allocation (Step 1). Set any negative allocations (oversupply) in Step 4 to zero.

Lacey's initial housing need is 1,338 housing units (799 plus 539). If this number had been negative, it would be set to zero.

Step 5: Final 2020-2045 Housing Need

Removing the negative allocations results in total housing numbers that are higher than Commerce's estimate of housing need. Reduce the allocations generated in Step 4 using iterative proportional fitting (IPF) to match both TRPC's housing projections for each jurisdiction and the countywide housing need in each income range identified by Commerce.

After the negative allocations in Step 4 are set to zero, the total housing allocation is 6,191 units too high. The initial allocations are reduced proportional to the initial allocation to match the housing totals in Tables 1 and 2.

Step 6: Emergency Housing

Each jurisdiction's 2020-2045 emergency housing and shelter need is proportional to jurisdictions' projected share of countywide housing growth.

9.5% of countywide housing growth is projected to occur in Lacey, so 9.5% of the emergency housing need — 89 beds — is allocated to Lacey.

MEMORANDUM

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Table 6: 2020 Housing Supply by Income

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	241	0	10	120	92	7	3	7	2	0
Lacey	City	23,042	10	461	1,832	7,926	6,815	2,782	3,130	85	0
	UGA	13,562	0	271	1,075	4,652	3,999	1,633	1,837	96	0
Olympia	City	25,642	164	913	1,782	9,880	5,745	3,205	3,822	131	626
	UGA	5,093	0	182	356	1,971	1,146	639	763	36	0
Rainier	City	850	0	17	211	300	211	36	76	0	0
	UGA	54	0	1	13	18	13	2	5	2	0
Tenino	City	780	0	34	211	416	82	12	26	0	0
	UGA	5	0	0	1	3	1	0	0	0	0
Tumwater	City	11,064	0	266	1,099	4,159	2,588	1,296	1,612	45	0
	UGA	1,210	0	29	120	454	283	142	176	6	0
Yelm	City	3,456	0	76	247	1,500	1,102	178	347	7	0
	UGA	515	0	11	37	222	163	26	51	4	0
Grand Mound	UGA	424	0	8	52	107	76	60	116	4	0
Rural Unincorporated		35,500	6	594	5,249	6,585	4,173	5,475	12,509	909	0
Thurston County		121,438	180	2,874	12,405	38,285	26,403	15,489	24,476	1,327	626

Note: Numbers may not add to totals due to rounding.

MEMORANDUM

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Table 7: Method A 2020-2045 Housing Unit Need

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	9	22	21	20	11	11	41	0	2
Lacey	City	5,154	341	830	799	784	415	415	1,569	0	89
	UGA	8,970	593	1,445	1,391	1,365	722	723	2,731	0	154
Olympia	City	12,644	836	2,037	1,961	1,924	1,017	1,019	3,850	0	218
	UGA	1,651	109	266	256	251	133	133	503	0	28
Rainier	City	571	38	92	89	87	46	46	174	0	10
	UGA	23	2	4	4	3	2	2	7	0	0
Tenino	City	519	34	84	80	79	42	42	158	0	9
	UGA	9	1	2	1	1	1	1	3	0	0
Tumwater	City	6,676	441	1,076	1,036	1,016	537	538	2,033	0	115
	UGA	2,516	166	405	390	383	202	203	766	0	43
Yelm	City	7,504	496	1,209	1,164	1,142	604	605	2,285	0	129
	UGA	144	10	23	22	22	12	12	44	0	2
Grand Mound	UGA	310	21	50	48	47	25	25	94	0	5
Rural Unincorporated		7,531	498	1,213	1,168	1,146	606	607	2,293	0	130
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Note: Numbers may not add to totals due to rounding.

MEMORANDUM

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November 15, 2023

Table 8: Method B 2020-2045 Housing Unit Need

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	8	15	-76	8	59	39	80	1	3
Lacey	City	5,154	595	1,404	1,510	-459	-1,879	405	3,450	128	251
	UGA	8,970	484	1,220	1,596	1,316	-55	914	3,421	74	200
Olympia	City	12,644	658	1,620	2,756	259	957	1,122	5,113	158	-286
	UGA	1,651	145	264	444	-185	34	123	811	15	60
Rainier	City	571	30	77	-43	76	38	125	256	11	13
	UGA	23	2	4	-4	2	1	7	13	-1	1
Tenino	City	519	28	52	-57	-72	145	135	277	10	12
	UGA	9	0	1	0	1	2	2	3	0	0
Tumwater	City	6,676	381	908	1,004	539	518	710	2,529	89	158
	UGA	2,516	80	217	322	532	370	280	693	22	33
Yelm	City	7,504	235	649	1,052	1,403	817	1,061	2,211	76	97
	UGA	144	14	32	42	-48	-48	48	102	1	6
Grand Mound	UGA	310	16	40	35	87	53	23	55	2	7
Rural Unincorporated		7,531	918	2,253	-149	4,811	3,360	-612	-2,466	-584	382
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Note: Numbers may not add to totals due to rounding.

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Table 9: Preferred Method 2020-2045 Housing Unit Need

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	7	13	0	5	39	24	47	0	2
Lacey	City	5,154	335	849	1,053	210	0	466	2,241	0	89
	UGA	8,970	650	1,599	1,552	1,395	0	750	3,024	0	154
Olympia	City	12,644	818	2,011	2,777	264	973	1,087	4,714	0	218
	UGA	1,651	128	226	397	0	103	136	661	0	28
Rainier	City	571	41	100	0	79	22	107	222	0	10
	UGA	23	2	4	0	2	0	5	10	0	0
Tenino	City	519	32	62	0	0	115	102	208	0	9
	UGA	9	1	2	1	1	1	1	3	0	0
Tumwater	City	6,676	513	1,211	1,033	541	400	636	2,342	0	115
	UGA	2,516	181	439	364	439	190	199	704	0	43
Yelm	City	7,504	549	1,341	1,196	1,062	274	817	2,266	0	129
	UGA	144	8	19	25	0	0	34	58	0	2
Grand Mound	UGA	310	21	52	34	97	40	16	50	0	5
Rural Unincorporated		7,531	311	832	0	4,174	2,214	0	0	0	130
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Note: Numbers may not add to totals due to rounding.

APPENDIX I: SUMMARY OF HOUSING NEED ALLOCATION METHODS REVIEWED

Method A (Kitsap County, Pierce County)

Method A is one of two allocation methods described in Commerce's guidelines. Commerce provided jurisdiction-level data for this method in the Housing for All Planning Tool (HAPT). Method A assumes that each jurisdiction will plan for an equal share of new housing units affordable to each income range. Jurisdictions that currently have a lower-than-average share of affordable housing will remain less affordable in 2045.

Kitsap and Pierce counties chose to use Method A. Both counties were adopting new housing targets which left less time and resources available to develop their own methodologies.

- Kitsap County housing allocations (Adopted at the June 1, 2023 Kitsap Regional Coordinating Council meeting):
<https://static1.squarespace.com/static/5660ba88e4b0e83ffe8032fc/t/6479445a95234d31724d8ac9/1685668956655/0.+6.6.23+Board++Action+packet.pdf>
- Pierce County housing allocations (Adopted at the June 20, 2023 Pierce County Council meeting):
https://online.co.pierce.wa.us/cfapps/council/iview/proposal.cfm?proposal_num=2023-22s

Method B (Not used by any counties)

Method B is one of two allocation methods described in Commerce's guidelines. Commerce provided jurisdiction-level data for this method in the Housing for All Planning Tool (HAPT). Method B assumes that jurisdictions that are less affordable now will be allocated a higher-than-average share of affordable housing. By 2045, the share of total housing — both new and existing — affordable to households in each income range will be the same in every jurisdiction.

While several of the counties TRPC staff met with liked the intent of Method B, in some jurisdictions the method produced allocations that were less than zero, which made communicating the allocations and developing policies challenging.

King County

King County developed its own housing need allocation method. The method started with the Method A allocations, and adjusted them up or down based on three factors:

- Percent share of housing that is currently affordable (0-80% AMI)
- Percent share of housing that is currently income-restricted at 0-80% AMI
- Ratio of low-wage jobs to low-wage workers

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This was intended to give jurisdictions some credit for existing low-income housing. It also sought to allocate more affordable housing in places with a large number of low-wage jobs to reduce transportation costs for low-income households.

- King County housing allocations (Adopting at the June 27, 2023 King County Council meeting):
<https://kingcounty.legistar.com/LegislationDetail.aspx?ID=6267191&GUID=FA36CEE0-0E16-4874-9F5D-E880DB3BFFD3>
- King County Housing Needs Dashboard:
<https://tableaupub.kingcounty.gov/t/Public/views/AllocationMethodComparisonsUpdated/AllocationsStory?%3Aembed=y&%3AisGuestRedirectFromVizportal=y>

Snohomish County

Snohomish County used a simplified version of King County's method, adjusting the allocations in Method A based on the distribution of existing affordable housing. The Snohomish County method was preferred by the project partners and is described in this memo.

- Snohomish County *Housing Characteristics and Needs Report*, aka "HO-5" (Adopted at the May 24, 2023 Snohomish County Tomorrow Steering Committee meeting):
https://www.snohomishcountywa.gov/AgendaCenter/SCT-Steering-Committee-21/?#_05242023-2089
<https://snohomishcountywa.gov/6039/Housing-Characteristics-and-Needs-Report>



LACEY CITY COUNCIL WORKSESSION

December 14, 2023

SUBJECT: Reserve Designations Discussion

RECOMMENDATION: Review proposed committed reserve designations.

STAFF CONTACT: Rick Walk, City Manager *RW*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. Ordinance No. 1631 (current reserve designations)

FISCAL NOTE:

**WORK PLAN GOAL
AND STRATEGY:** None

PRIOR REVIEW:

BACKGROUND:

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. Since that time, the City Council has taken actions to commit certain fund balances in alignment with City's priorities and vision. Since the current designations were adopted: (1) there are additional fund balances available for the City Council to designate, (2) some designations have been expended as intended, and (3) new priorities have been identified.

GASB Statement No. 54 provides the following classifications for fund balances:

- **Nonspendable**
 - This classification includes fund balances that are not in a spendable form, such as inventories, long-term receivables, and property held for resale. Fund balances that are legally or contractually required to remain intact, such as a corpus of a permanent fund, are also included in this classification.
- **Restricted**
 - Restricted fund balances include resources that are constrained for a specific purpose by external parties, constitutional provisions, and enabling legislation. Contractual agreements and bond covenants are examples of external parties

that could require constraints that would be considered restricted fund balances.

- **Committed**

- Committed fund balances include resources that are constrained by the highest level of decision-making authority of a government. For the City of Lacey, the highest level is the City Council.

- **Assigned**

- Amounts that are intended to be used for a specific purpose would be considered assigned fund balance. The intent is expressed by the governing body, a subcommittee, or an official authorized by the governing body.

- **Unassigned**

- Unassigned fund balances are available for any purpose. All remaining fund balances will automatically be classified as unassigned.

The fund balances that will be reported as nonspendable and restricted are classified automatically by the nature of the fund balance, so no action is required to classify fund balances as nonspendable or restricted.

The City Council, as the governing board, has the authorization to classify fund balances as committed by a formal action. The City Council has full discretion regarding the committed fund balances, but the action must meet specific purpose criteria standards. Committing fund balance to a specific project such as the replacement of a building meets the criteria, but a generic rainy day (stabilization) reserve does not meet the criteria. To meet the specific purpose criteria the formal action needs to identify and describe with sufficient detail the specific circumstances under which a need for restriction occurs. For example, a City Council formal action that constrains \$1 million for a rainy day fund to be used only in an emergency is not allowed to be reported as a committed fund balance. This action does not provide sufficient detail to determine what would constitute an emergency. In addition, the following rules apply to committed fund balances:

- A committed fund balance constraint imposed by the City Council can only be changed or removed by the same formal action.
- In order to be reported on the face of the annual financial statements, the constraints must be adopted prior to the end of the fiscal year to be reported.
- The adoption of the budget document does not qualify as formal action to constrain the resources, because the budget authorization is only for one year.

Assigned fund balances include amounts that are *intended* to be used for specific purposes. This intent can be expressed by the City Council, a City Council Committee, or an official authorized by the governing body such as the City Manager. The residual amounts in governmental funds other than the General Fund are considered assigned. Governmental

funds include the General, special revenue, capital, debt service, and special assessment funds. For example, the residual fund balance in the Lodging Tax Fund (special revenue) will be considered assigned for tourism purposes.

Historically, the City Council previously authorized the City Manager and City Finance Director to assign funds based on the intent expressed by the City Council. This provides flexibility to designate funds as priorities arise or additional funds become available. Staff recommends the same provision be included in the next ordinance.

Unassigned fund balances include all the remaining fund balances. Unassigned fund balances can be used for any purpose and typically are only reported in the General Fund.

Staff will present suggested committed fund balance designations to the City Council on December 14, 2023, and will receive any direction for changes before the full City Council considers an updated committed reserve ordinance on December 21, 2023. To provide timely guidance for the City's 2023 annual financial report and coordination with the 2024 Budget adoption, it is necessary for the City Council to adopt a new reserve designation ordinance prior to December 31, 2023.

ADVANTAGES:

1. Review and adoption of the ordinance will help ensure the City's financial reporting remains compliant with GASB Standards and Generally Accepted Accounting Principles (GAAP).
2. The City's Annual Comprehensive Financial Report (ACFR) will more accurately reflect the City Council's vision and intent.
3. Periodic reviews by the City Council will better align fund balances with the annual priorities included and long-term goal and vision of the City and will ensure the City Council's commitments are still valid.

DISADVANTAGES:

1. None identified.