

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

THURSDAY, SEPTEMBER 9, 2021

4:00 P.M. – 5:24 P.M.

REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBERS
GREENSTEIN, COX, STEADMAN, KUNKEL, MILLER

STAFF PRESENT: S. SPENCE, S. KELLEY-FONG, D. SCHNEIDER, R. WALK, R. ANDREWS,
J. BRANDT, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND STEADMAN

2021 COMPREHENSIVE PLAN AMENDMENTS

STAFF: RICK WALK, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
RYAN ANDREWS, PLANNING MANAGER
JESSICA BRANDT, ASSOCIATE PLANNER

ACTION: INFORMATION ONLY

Jessica Brandt, Associate Planner, presented on the Urban Forest Management Plan and Tree Regulations.

Discussions highlighted tree removal in HOA open spaces, pathways for the permitting process and replanting standards. Council expressed support in drafting stronger standards.

Ryan Andrews, Planning Manager, reviewed the Housing Action Plan that is scheduled for action at the September 16, 2021, Council meeting.

The following was identified within the Housing Action Plan to meet the greatest needs:

- Reduce the cost of housing for low-income and cost-burdened households.
- Increase the inventory of housing for all households.
- Increase the variety of housing sizes and types.
- Increase the stock of housing options needs for seniors.
- Maintain the existing stock – energy efficiency and air quality.
- Increase stable rental housing and pathways to homeownership.

- Increase permanent housing for people with disabilities or those at risk of or experiencing homelessness.

Staff highlighted that actions fall into two categories; Policies and Programs

- City sets policies and implements programs that support all income levels
- City does not build housing but does partner with others that provide
- City has limited influence over market rate

Policy Initiatives

1. Adopt zoning changes to single-family residential zones to permit duplexes and triplexes (pending approval).
2. Adopt zoning changes for emergency housing facilities (pending approval).
3. Reduce fees for private sector development of affordable units. Extend the fee waiver currently granted to community-based housing development organizations to the private sector building affordable units.
4. Reauthorize the multifamily tax exemption program for the Woodland District zone, which is currently set to expire at the end of 2024. This is an action that is also recommended by the Lacey Midtown Housing Strategy.
5. Increase funding for low-income housing and support a housing levy. Utilize the state legislature in HB 1590 to use councilmanic authority to increase local sales and use tax to support affordable housing.

Program Initiatives

1. Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities.
2. Establish a program to preserve and maintain healthy and viable manufactured home parks.
3. Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job training.
4. Identify and develop partnerships with organizations that provide or support low-income, workforce, and senior housing as well as other populations with unique housing needs.

Next Steps:

- Final consideration at the September 16, 2021, Council Meeting
- Supplements Housing Element of Comprehensive Plan
- Complete policy initiatives that prioritizes pending items
- Establish dedicated funding for programs

HB 1590 OVERVIEW

STAFF: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER

ACTION: INFORMATION ONLY

Shannon Kelley-Fong, Assistant City Manager, presented an overview of HB 1590, the Affordable Housing Sales & Use Tax.

In 2015, Washington Legislature enacted legislation allowing any county, then cities, to levy a sales and use tax for addable housing and related services, and mental and behavioral health services with a maximum of one-tenth of one percent (0.1%) and required voter approval.

In 2019, Washington Legislature enacted new legislation updating the Affordable Housing Tax, allowing for councilmanic approval, in addition to voter approval. Counties had first right of refusal, with a deadline of September 30, 2020.

In 2021, Washington Legislature enacted new legislation, further changing the Affordable Housing Tax. The most recent update included the following:

- Adds acquiring in addition to constructing & includes emergency, transitional, and supportive housing.
- Includes acquiring land for affordable housing and behavioral health related facilities.
- Adds requirement to provide 15% of units to individuals living in or near the city the facility is located.

Thurston County did not impose the Affordable Sales Tax by September 30, 2020, thus any city in Thurston County may now impose the Affordable Sales Tax. Staff highlighted that the City of Olympia imposed the Affordable Sales Tax in 2018 by vote, and Thurston County is considering the potential of an Affordable Sales Tax.

It was noted that any city that had the Affordable Housing Tax in place prior to Thurston County's adoption would receive a credit for their share of the tax from Thurston County. Thurston County would not be obligated to allocate any level of revenue collected within a city to that city.

A review of allowable uses pursuant to RCW 82.14.530, sales tax collection, potential outcomes and fiscal impact was also presented. Staff concluded that the purpose of the overview is information only and no action is recommended at this time.