



**GENERAL GOVERNMENT COMMITTEE
MEETING AGENDA**

**Online via Zoom and In Person at
Tumwater City Hall, Council Conference
Room, 555 Israel Rd. SW, Tumwater, WA
98501**

**Wednesday, June 14, 2023
8:00 AM**

1. Call to Order
2. Roll Call
- [3.](#) Approval of Minutes: General Government Committee, May 10, 2023
- [4.](#) Palermo Trail Briefing (Chuck Denney)
- [5.](#) Multifamily Property Tax Exemption Program (Brad Medrud)
- [6.](#) Manufactured Home Park Preservation (Brad Medrud)
- [7.](#) Grant Amendment #3 for Bush Prairie Habitat Conservation Plan Phase 2 (Brad Medrud)
8. Additional Items
9. Adjourn

Meeting Information

All committee members will be attending remotely. The public are welcome to attend in person, by telephone or online via Zoom.

Watch Online

<https://us02web.zoom.us/j/87221704175?pwd=VUJiN1phVnY3WHQ4RjZrWlIHWmFMdz09>

Listen by Telephone

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 872 2170 4175 and Passcode 432581.

Public Comment

The public may submit comments by sending an email to council@ci.tumwater.wa.us, no later than 5:00 p.m. the day before the meeting. Comments are submitted directly to the Committee members and will not be read individually into the record of the meeting.

Post Meeting

Audio of the meeting will be recorded and later available by request, please email CityClerk@ci.tumwater.wa.us

Accommodations

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accommodation or alternate format of communication, please contact the City Clerk by calling (360) 252-5488 or email CityClerk@ci.tumwater.wa.us. For vision or hearing impaired services, please contact the Washington State Relay Services at 7-1-1 or 1-(800)-833-6384. To contact the City's ADA Coordinator directly, call (360) 754-4128 or email ADACoordinator@ci.tumwater.wa.us.

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CONVENE: 8:00 a.m.

PRESENT: Chair Michael Althaus and Councilmembers Joan Cathey and Leatta Dahlhoff.

Staff: Planning Manager Brad Medrud.

**APPROVAL OF MINUTES:
GENERAL
GOVERNMENT
COMMITTEE,
APRIL 12, 2023:**

MOTION: Councilmember Dahlhoff moved, seconded by Councilmember Cathey, to approve the minutes of April 12, 2023 as published. A voice vote approved the motion unanimously.

**REGIONAL HOUSING
COUNCIL FRANZ
ANDERSON PROJECT –
LETTER OF
COMMITMENT:**

Manager Medrud briefed members on the status of the Franz Anderson project to provide permanently supportive housing benefitting the region. The City of Olympia is completing a draft sale and purchase agreement for execution in June 2023, as well as an interlocal agreement with the City of Tumwater, City of Lacey, and Thurston County for the use of funds for the project.

Jacinda Steltjes, Affordable Housing Program Manager with the City of Olympia, reported the Olympia City Council reviewed the letter of commitment. At this time, representatives from the cities of Lacey, Olympia, and Tumwater and Thurston County scored proposals and selected Low Income Housing Institute (LIHI) to complete the project. A draft agreement has been forwarded to LIHI for review. The intent is to execute the purchase and sale agreement at the Council's June 20, 2023 meeting. The purchase and sale agreement is the real estate transaction. The City of Olympia will also execute an operating agreement and restrictive covenants to ensure the site is used in perpetuity for permanent supportive housing. The Olympia City Council wanted to ensure all regional partners were informed about the status of efforts.

Ms. Steltjes said the letter of commitment is for ARPA funding from the City of Tumwater. The City of Tumwater verbally committed to provide ARPA funds during Regional Housing Council meeting discussions on the Franz Anderson project. Thurston County is also contributing ARPA funds while the City of Lacey will contribute funds from another funding source. Following the execution of the purchase and sale agreement, the next step is execution of an interlocal agreement with the jurisdictions for receipt of the funds and for disbursement of those

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funds for the project.

Chair Althausen asked whether a Council worksession has been scheduled to discuss the project. Manager Medrud advised that the letter is scheduled for discussion at the Council's May 16, 2023 meeting. The letter of commitment has been moved as a Council consideration item for additional discussion and action.

MOTION:

Councilmember Cathey moved, seconded by Councilmember Dahlhoff, to schedule the letter of commitment for the May 16, 2023 City Council meeting for Council consideration with a recommendation of approval. A voice vote approved the motion unanimously.

**TREE AND VEGETATION
PRESERVATION
REGULATION UPDATE:**

Manager Medrud briefed the committee on the status of the update of tree and vegetation preservation regulations. He outlined the agenda for the briefing on the proposed amendments. The Tree Board and the Planning Commission received a briefing on the proposed amendments and the structure of the ongoing discussions on the update process over the summer.

The City has not updated the tree and vegetation preservation code since 2006 although a number of actions have occurred since 2006 to include adoption of the Urban Forestry Management Plan in 2021 following a four-year process. The Urban Forestry Management Plan established the importance of the "right tree in the right place" and defined the process and steps to enact the plan. One of the first steps is updating regulations. The purpose of the briefing is to share information on the totality of the update and information on how each element is related as well as identifying important elements of focus.

Manager Medrud asked members to respond to two questions:

- What were the big takeaways for you from the community conversations and public outreach?
- What is the primary issue that you want to see addressed as part of the code amendments?

Member responses included:

- Chair Althausen said some of his main takeaways included how the public resonated with the focus on the "right tree in the right place" because there was little divergence from that philosophy from both personal conversations with the public and other conversations he has learned about. In terms of the primary issue to address within the code

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update, it is still unclear, at least to him, as to how the code provides significant protections from development projects, such as the requirement for the number of trees to retain. It would be helpful to have a greater understanding of where the lines fall in terms of the code because the code is dense and difficult to interpret. Simplification is an important value to him personally to ensure the code is understandable by the public and by the development community.

- Councilmember Cathey commented that the value of the “right tree in the right place” means street trees to many community members during her conversations with neighbors and community members. Many do not connect that value with trees removed because of development because many residents view the removal of trees as “no tree in any right place” and that no one plans to replant trees that have been removed. She noted that she speaks from a perspective where community members expressed frustration and anger surrounding the removal of trees. Some areas in the City have more trees or “significant” trees. However, she is unsure what the definition of a “significant tree” means. There is confusion concerning the terminology as it could also entail a heritage tree. An issue she would like addressed in the code are the requirements for a permit because it appears anyone can receive a permit as the code permits the removal of up to six trees every three years. That is a significant number of trees that could be removed at one time. Additionally, the code does not specify the size of tree that can be removed. Some people believe a tree is a nuisance tree if it drops its leaves at a specific time. She is frustrated because recently, over two, two hundred-foot trees were removed. She contacted staff and asked whether the owner had obtained a permit to remove the trees. Staff confirmed the owner secured a permit. She asked staff whether they had visited the site. She was informed that the owner sent the City a picture of the trees. At least four to five of those types of trees have been removed in her neighborhood in the last 18 months, which troubles her. Many in community are not happy with the replacement tree requirements, as those mature trees cannot be replaced. She is concerned about the number of trees property owners can remove with a permit from the City with no staff oversight visit to the site of the tree(s). She questioned the bright line in terms of the code, as regulations are not effective unless the City enforces them. The code stipulates replacement by some standard that is often not understood by the average person.

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Although she is appreciative of the efforts to update the code, she wants to ensure everyone is aware of the continuing loss of trees in the City.

- Councilmember Dahlhoff said the proposed amendments should provide clear guidance within the code for new development, redevelopment, and existing development. One example is the removal of trees by many of her neighbors several years ago. She also had some trees trimmed and removed to accommodate solar panels. The proposed regulations do not speak to a tree waiver permit. The code requires a photo, identification and measurement of the tree(s), and a waiting period of 28 days. She questioned how a person who has no access to a computer or access to the internet could comply with the code. She questioned the waiting period of 28 days especially when an appeal period is only 14 days. The timeframe is problematic and confusing, as well as the section of the code that is applicable. She questioned why a duplicative process is necessary when she previously applied for the solar panel installation permit that also included an inspection by the City. Adding more bureaucracy impacts the community when many residents are installing solar or protecting other properties from damage caused by trees. The issue surrounding credits is also confusing as to how it applies when dangerous trees are removed or trees over a septic field are removed. She offered to forward notes on additional concerns. The code focuses more on new development and redevelopment. She believes more time should be expended on existing development surrounding single family residential infill and how trees can be retained. Additionally, phrases such as, “as deemed appropriate” or “the City deems necessary because of special circumstances or complexity” are not understandable in terms of how they are applied. More time is warranted to address some of the language.

Councilmember Cathey commented on the numerous instances of tree removal in neighborhoods for various reasons ranging from hazards caused by a tree, owner preference, or clearance to accommodate a new deck or fence. She asked whether City staff visit the sites of an owner requesting a permit to confirm the situation visually or whether staff relies solely on the photograph submitted by the owner.

Manager Medrud advised that he would follow up with permitting staff to verify the process.

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Chair Althausen pointed out that the Gap Analysis identified the possibility of implementing a minor and major tree permit system, which could include more stringent requirements for larger mature trees as opposed to smaller trees.

Councilmember Dahlhoff recommended spending time to review the more complex issues and streamline the smaller issues by incentivizing or supporting solar and other initiatives to avoid adding more bureaucracy, steps, check-ins, and more submittal requirements.

Chair Althausen referred to the recommendation as part of the Gap Analysis to develop a user guide as a simple way for the community to interpret and understand what is and what is not allowed. Manager Medrud advised that the consultant has been asked to prepare a scope of work to develop a user guide.

Manager Medrud reported extensive notes were recorded from the recent joint Tree Board and Planning Commission meeting as similar concerns were echoed in terms of processes.

Councilmember Dahlhoff recommended simplifying the code by compiling sections that are applicable for specific situations, such as tree removal to accommodate solar panel installation or a section on removal of dangerous trees.

Councilmember Cathey questioned whether there are any requirements for removal of trees with respect to age and size and whether the City has identified preservation goals for retaining large trees. The recent incidence in her neighborhood with the removal of the large mature trees have left a gap in the trees that once served as habitat for birds and helped to cool temperature. She questioned the goal of balancing the removal of trees against the City's commitment to combat climate change. There should be some kind of justification for removing trees rather than simply wanting to remove a legacy tree. She acknowledged the importance of balance with respect to the rights of property owners.

Chair Althausen added that the issue is challenging because if the code is overly prescriptive, the City runs the risk of constitutional challenges under the takings clause.

Councilmember Dahlhoff commented on issues associated with many property owners not aware of the requirement to obtain a permit for removal of trees as many of the tree removal companies defer to the property owner to secure the appropriate permits. Regulations that are too onerous and complicated might result in

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clandestine removal of trees.

Councilmember Cathey advocated for more clarity and consistency in the code without violating property rights in addition to enforcement actions when necessary.

Councilmember Cathey surmised that some of the issues surrounding illegal removal of trees could be related to the lack of staff resources to visit sites.

Councilmember Dahlhoff recommended considering a form of documentation by tree service companies when performing work in the City so the City can track the information in support of updating existing tree canopy in the City.

Manager Medrud acknowledged the feedback and affirmed that both the Tree Board and the Planning Commission are committed to figuring out how the update can be effective to achieve both the City's objectives for providing a level of protection and providing the community with a code that is not onerous or trespasses on individual property rights.

Manager Medrud reported environmental and equity issues are very important to ensure that those areas of the City that currently lack tree cover have the ability to add trees over time while ensuring no additional regulatory burdens on those communities to retain trees.

The history of the project began with the City Council establishing four major Strategic Priorities. One priority was actions for urban forestry. Community and urban forestry is defined in the Urban Forestry Management Plan as all trees and vegetation on public and private property in the City. The plan measures success over time by an increase in tree canopy. The Council adopted the Urban Forestry Management Plan in 2021. A number of implementation actions are identified in the plan to ensure the urban forest expands. One important goal and action in the plan is ensuring the City's regulations are updated to match the intent of the actions in the Urban Forestry Management Plan.

Other strategic priorities are supported by goals in the Urban Forestry Management Plan to balance the protection of and support of the community urban forest with other City Strategic Priorities to include providing affordable housing, developing a walkable urban community, economic development, addressing climate change, and protecting endangered species. The update seeks a balance between protections of trees and vegetation and other City strategic priorities.

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Councilmember Cathey stressed the importance of also highlighting the protection of trees and vegetation to preserve habitat for wildlife and birds.

Manager Medrud commented on the likelihood that the proposed amendments will likely result in increased costs to property owners, homeowners, and renters as they comply with the regulations, as well as increased costs to the City for enacting and enforcing the regulations. There are ways to mitigate costs for particular income groups, which is a discussion topic for the Council to consider in terms of resource commitments.

Regulations protecting the City's urban forest do not exist in a vacuum. Regulations support a number of City goals, such as creating a healthy, equitable, and climate-resilient community. However, the proposed amendments could potentially conflict with other priorities, such as reducing sprawl by concentrating growth within the urban area rather than throughout the county. The City is also responsible for allowing the creation and maintenance of affordable housing. The City is required to protect endangered species as well as actions for economic development and redevelopment to ensure that those who live in the City have a place of employment and facilities to recreate.

Actions completed to date include working with the Watershed Company beginning in summer 2022 to assist in the update process. The consultant team played an instrumental role in assisting staff in developing the public engagement process, completing the Gap Analysis, and providing examples of other community processes. Staff anticipates that the update process will continue through September at the Tree Board and Planning Commission level to enable sufficient time to cover all issues. The code adoption process is scheduled to begin at the end of this year for the City Council. The timeline is subject to change.

The project website at tumwatertreecity.com includes social media promotion, print materials, mailing to all property owners and tenants in the City, posters, Community Conversations recordings, external stakeholder meetings, and direct engagement. All City residents received a mailing informing them of the public engagement process for the update.

Community Conversations began in November and concluded in January 2023. The three meetings were offered both online and in-person and were facilitated by staff and the Watershed consultant

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team. Community members provided input on the following:

- Addressing environmental justice and equitable allocation of resources
- Programs and incentives to support the community by tree planting and reforestation on public property
- Preserving and replacing of trees
- Designating special trees and groves
- Allocating tree account funds

The proposed code includes a refinement of groves as a location containing three or more trees. Staff continues to work on assigning a value to groves.

During Community Conversation #2 in December 2022, community members who attended the first Community Conversation were asked if they wanted to participate in specific focus group discussions. Based on stakeholder feedback, five topics were identified for discussion by the focus group:

- Environmental equity and resource allocation
- Protection of large trees and groves
- Tree retention and replacement standards
- Development incentives
- Enforcement and penalties

Community Conversations #3 held in January 2023 included a discussion on the themes shared during the first two Community Conversations. Community members provided input on how to quantify tree retention and incentives for tree preservation.

Overall, Community Conversations themes focused on:

- Protecting large diameter trees
- Considering habitat value of trees, groves, and corridors
- Clear permitting requirements
- Stronger tree retention and replacement requirements
- Incentives for homeowners and developers
- Climate change mitigation and adaptation
- Stricter code enforcement and strong, but fair penalties for violations
- Use a credit system for determining tree retention and replacement

The development of the Gap Analysis by the consultant team identified current regulations and regulatory gaps. The Gap Analysis is posted on the website and includes an Introduction and

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Methods, Analysis of Existing Ordinance, Additional Recommendations, and Coordination with other City Plans & Policies. The Gap Analysis identified potential changes in five categories of reorganization of code sections, early urban forestry review at pre-submittal, arborist reports/site plan requirements, tree retention and replacement standards, and major/minor permit types. Priority topics identified included:

- Tree retention & replacement requirements
- Tree protection designations for large diameter trees
- Update methodology for quantifying tree retention
- Permit types & requirements
- Incentives for development projects & existing property owners
- Maintenance requirements for tree tracts within HOAs & commercial/industrial sites

Manager Medrud reported the staff report includes current and proposed versions of the code. Staff and the consultant team developed the proposed version of the code based on the Gap Analysis and feedback from the community through the three Community Conversations, online open house, and written comments, as well as meetings with the Planning Commission, Tree Board, and General Government Committee. Staff continues to review the details of some proposed code sections. The intent is to present a full version of the staff recommendation for the code to a joint worksession with the Tree Board and Planning Commission on June 13, 2023.

Based on Gap Analysis Sections 2.3 and 2.4 and community feedback, staff and the consultants reviewed definitions to be clear and easy to understand, removed definitions no longer used, reviewed definitions for consistency, added more definitions of trees, and added other definitions as needed.

Particular definitions for review by the Tree Board and the Planning Commission include:

- Buildable area
- Critical root zone
- Development
- Grove tree
- Hazard, unhealthy trees, and nuisance trees
- Landmark trees/heritage trees
- Project permits
- Significant tree
- Tree

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- Vegetation

The section on Heritage Trees was updated adding more information on how the City evaluates heritage trees, specificity for the process for heritage tree removal, and a requirement for a written landowner consent form and the notice on title.

A new section on Landmark Trees was added based on the Gap Analysis and community feedback to recognize that larger trees should be retained more than smaller trees because of greater benefits such as carbon sequestration and habitat. Landmark trees are defined in the Definitions section. Size thresholds for a landmark trees vary in the state. Critical habitat protections for animals and vegetation will continue to be addressed in TMC 16.32 Fish and wildlife habitat protection. Greater protections for landmark trees should be balanced with other City strategic priorities and property owner rights and responsibilities.

Staff explored a number of ways for evaluating the number of trees a property should have, such as a canopy cover approach on individual sites or a tree credit approach. For ease of understanding and implementation, staff prefers the tree credit approach. Tree credits are a general indicator of tree size and canopy cover over time. Tree diameter by species is used to correlate canopy, age, and ultimate size when assessing retention values for specific species. Specific land use zone districts or uses will have specific minimum tree density credits that must be met. During permit review, existing tree credits will be calculated based on trees retained versus removed. Tree credits are used because of the ease of data collection regardless of the expertise as they do not require aerial imagery, online data sources, and trunk size is easily quantifiable. The tree credit method has cost implications, which vary based on the level of staffing available to review permit applications and the rigor of review requirements. The tree credit approach would likely require a tree survey whereby each tree is measured, which requires staff resources and to review the survey to ensure its accuracy.

Manager Medrud cited the City of Burien's code as an example. For a 5,400 square foot single-family residential property, 1 tree credit is required per 1,000 square feet of developable area for 5.4 minimum tree credits. Additionally, existing trees on the site are assigned credits based on tree diameter.

The current version of TMC 16.08 allows for tree removal based on the development proposal. On any parcel of land, 30% of existing trees can be removed within a ten-year period. On sites proposed for development, 20% of existing trees or 12 trees per acre must be

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retained, whichever is greater. Six trees every three years can be removed on developed properties except for heritage trees or in greenbelts or critical areas.

Based on the Gap Analysis and community feedback, the team updated when the Tree Account may be used, especially in support of addressing equity.

A new section on Tree & Vegetation Removal Permits was added:

- Created new permit types that differentiate based on project size and type
- Added more specificity to the permitting types and requirements to streamline the permitting process and more efficiently allocate staff resources for small-scale permit review versus large-scale development projects
- More specificity could also aid in enforcement of TMC 16.08 and monitoring short- and long-term trends in tree removal types and processes
- Updated the types of reports and plans that need to be submitted for a complete application for each permit type, including the level of detail needed for arborist reports
- The proposed version of the code integrates the current land clearing permit process into the proposed minor and major tree removal permit process:
 - Minor tree removal permits would be for tree removal on properties that are not part of a development permit application being reviewed
 - Major tree removal permits would be for tree removal on properties that are a part of a development permit application being reviewed
- Updated the materials required to be submitted with permit applications

Councilmember Cathey said the minor tree removal permit would not prevent the removal of large mature trees. She questioned how the City could control those types of tree removals as it appears the property owner is not required to justify the reason for removing a tree.

Chair Althausser noted that the provision would not allow property owners to remove all trees over a period of time because all properties in the City would need to abide by the rules to include the tree credit program.

Manager Medrud explained that property owners of developed

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properties must also adhere to the minimum tree retention requirement, which would prohibit the removal of all trees on a site. Prohibiting a property owner from removing a tree could be legally challenged. Some level of flexibility is needed. Currently, the City does not have a tree credit system. The proposal improves the current provisions.

Councilmember Dahlhoff asked whether areas of septic systems and drainage fields are subtracted from the parcel size. Manager Medrud explained that staff continues to evaluate those types of issues.

A new section describes major tree removal permits for new development. Major tree removal permits would be required for removing trees on properties that are a part of a development permit application being reviewed. The process establishes permit application submittal requirements and review process that are submitted with and reviewed in conjunction with project permits. A tree retention plan is required as well as replacement plan if property is below required number of tree credits.

The Tree Retention section updates tree retention standards for the number of trees that need to be retained on a property either subject to or not part of a current development, establishes tree condition rating standards, includes tree retention priorities and locations, considers decreasing the removal allowances on properties without a development permit, establishes tree size, species, and location as criteria for retention, and provides additional protections for retention of large diameter trees, such as those equal to or greater than 24 inch dimension at standard height.

The section on tree replacement addresses circumstances where tree retention does not meet code standards for tree credits. the section establishes replacement standards and ratios, the number and the location of the tree species. the current code includes a 1:1 replacement ratio for trees. Trees greater than 24 inches in diameter are valued as two trees. New development requires a 3:1 ratio of replacement trees.

The section on maintenance requirements and how maintenance is established in maintenance agreements. Maintenance covers the initial three-year establishment period to ensure trees planted survive and ongoing maintenance after the initial period. Standards are included for tree punning.

Within the exemptions section, staff reviewed the current level of exemptions and found they are consistent with exemptions in other

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recently update tree preservation codes. The Gap Analysis identifies one exemption addressing the Urban Forestry Management Plan for mitigation and conservation areas created under an approved Habitat Conservation Plan, which would be exempt from tree preservation.

A section on Alternative Plans enables submission of alternative plans that provide better protections than the existing code. Some language has been included in the section on permitting criteria for alternative reports or plans submitted in place of the required site plans and arborist report for a development project or land clearing permit.

The appeal procedure section for both civil and criminal penalties was revised and updated in the proposed version.

Other related issues not reflected in the proposal include the process for regulating businesses that prune and remove trees. Staff and the consultant team are reviewing processes for regulating businesses that prune and remove trees. Those processes could include the following:

- Requiring registration and education with penalties if trees are pruned or removed improperly or without a permit.
- Requiring any arboriculture or forestry professional working within the City to be licensed and bonded, obtain a City endorsement to their State Business License, as well as submit a signed statement declaring their understanding of the City's urban forestry regulations.

Another issue was identified earlier in the year during the update of the Thurston Hazard Mitigation Plan, a FEMA required document that considers all potential natural disasters. Urban wildlife fire has been identified as a risk. The new State Building Code Council adopted the International Wildland Urban Interface Code, which establishes minimum requirements for land use and built environment in designated wildland-urban interface areas, such as limiting the amount and type of trees and vegetation that are near structures. The City will likely adopt the Code as part of its state-required Building Code update to be completed by July 1, 2023. More than half the City will be affected by the new requirements. Staff is evaluating how the adoption of the Code will affect the update to TMC 16.08, as well as the update to the City's landscaping code that may result in changes to the proposed version of TMC 16.08.

Updates to the Street Tree Code and the Street Tree Plan Update

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follow a similar process. Staff is drafting code amendments to for review during the summer with the ordinance scheduled for adoption by the end of the year. A similar schedule has been adopted for the Landscaping Code update.

Next steps include SEPA Review and Notice of Intent in late May or June.

The joint Planning Commission and Tree Board worksession on Tuesday, June 13, 2023 will focus on definitions, landmark trees, tree credits, and tree account. A Planning Commission worksession scheduled on Tuesday, June 27, 2023 will follow up on questions addressed at the June 13, 2023 joint worksession. The next joint Planning Commission and Tree Board worksession is scheduled on Tuesday, July 11, 2023 to review tree retention and replacement, tree and vegetation removal permits system, exemptions, and alternative plans. A joint worksession on Tuesday, August 8, 2023 will focus on remaining sections of the code. Staff proposes scheduling a public hearing on the proposed ordinance at the Commission's meeting on September 26, 2023. The committee will receive another update at its August meeting. The formal adoption process will start in January 2023 by the City Council.

Councilmember Cathey announced that during the review another tree was removed in her neighborhood.

**SERVICE PROVIDER
AGREEMENT FOR BUSH
PRAIRIE HABITAT
CONSERVATION PLAN
PHASE 3:**

Manager Medrud reported the recommended action is to review and schedule the Service Provider Agreement for the May 16, 2023 City Council consent calendar with a recommendation of approval. The Service Provider Agreement is with ICF Jones & Stokes, LLC for Phases 1 and 2. The Council approved the grant for Phase 3 to complete work on the Habitat Conservation Plan (HCP). The grant provides additional funds to complete the HCP and initiate and complete the environmental review process. Additional funds are available in the Phase 2 grant. Staff plans to apply for an extension of the grant to cover the costs of environmental review. Additionally, staff will identify actions needed for implementation of the HCP. The grant is for \$225,000. The Service Provider Agreement is for \$304,000, which includes the required match by the City and the Port to complete the work.

MOTION:

Councilmember Dahlhoff moved, seconded by Councilmember Cathey, to schedule the Service Provider Agreement for the May 16, 2023 City Council consent calendar with a recommendation of approval. A voice vote approved the motion unanimously.

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ADJOURNMENT: **With there being no further business, Chair Althausen
adjourned the meeting at 9:46 a.m.**

Prepared by Valerie L. Gow, Recording Secretary/President
Puget Sound Meeting Services, psmsoly@earthlink.net

TO: General Government Committee
FROM: Chuck Denney, Parks and Recreation Director
DATE: June 14, 2023
SUBJECT: Palermo Trail Briefing

1) Recommended Action:

Recommendation to the Council to authorize the Palermo Trail project to be funded from Park Impact Fees.

2) Background:

The City of Tumwater's watershed through the Palermo Valley has had an informal trail system for several decades. As a part of the development of the Deschutes Valley Trail Plan, the Palermo Trail system was identified as a spur trail to move pedestrians from Tumwater Valley to the Capitol Blvd area. The City had a trail head parking lot constructed for this connection several years ago and it is being relocated as a part of the Capitol/Trosper Road improvement project. Constructing the trail in coordination with the timing of the street improvements will limit continued construction impacts to the neighborhood.

Improvements to the Palermo Trail system will provide improved and dedicated access from Tumwater Valley and the Palermo neighborhood to Capitol Blvd. Increased use and pedestrian traffic will also improve the City's ability to manage the trail and limit the unintended uses that occur in the watershed.

3) Policy Support:

Council Goal: Bike and pedestrian system improvements

4) Alternatives:

Recommend the Council authorize the Palermo Trail project to be funded from Park Impact Fees

Recommend changes to existing plan

Do not recommend project funding

5) Fiscal Notes:

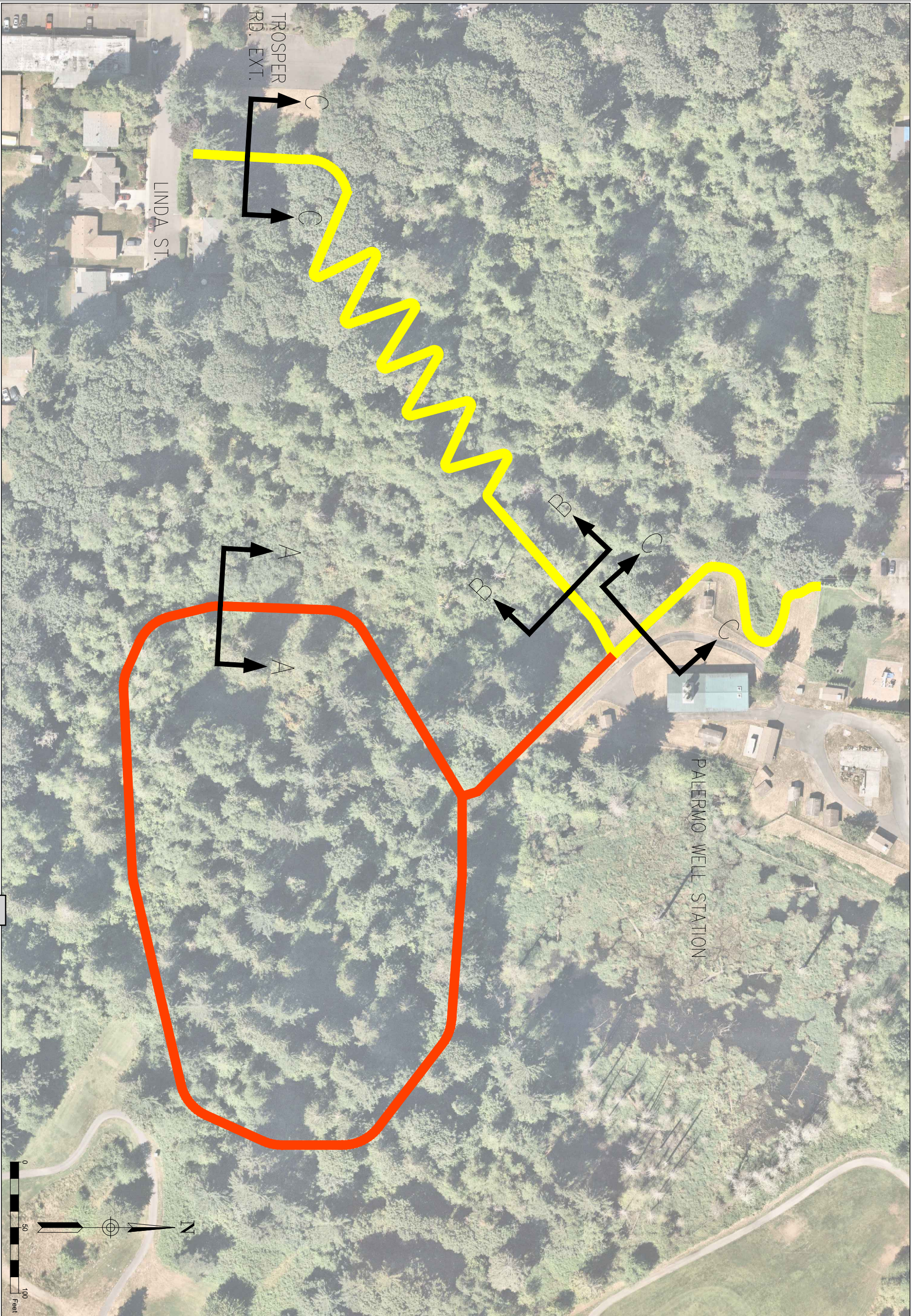
Park Impact Fees/Deschutes Valley Trail: \$500,000.

6) Attachments:

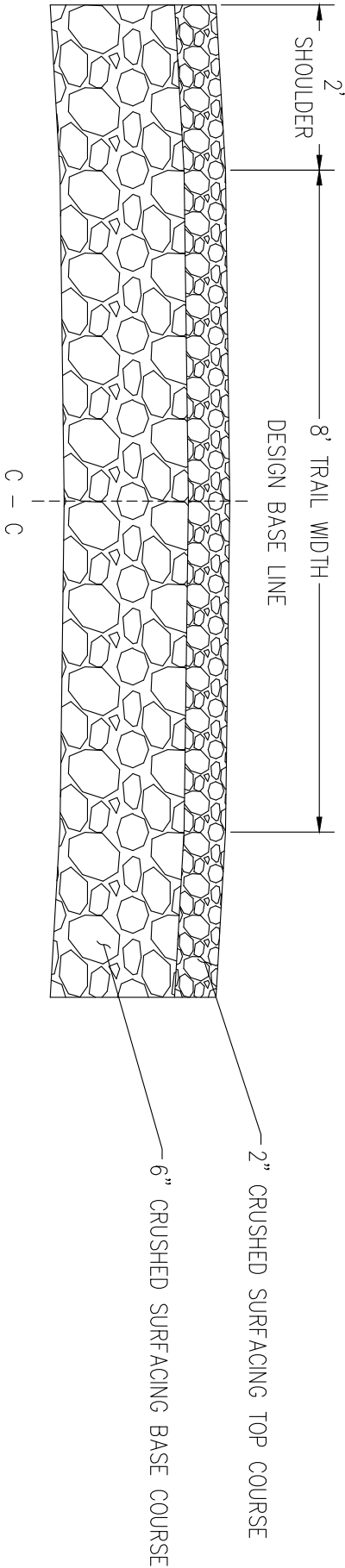
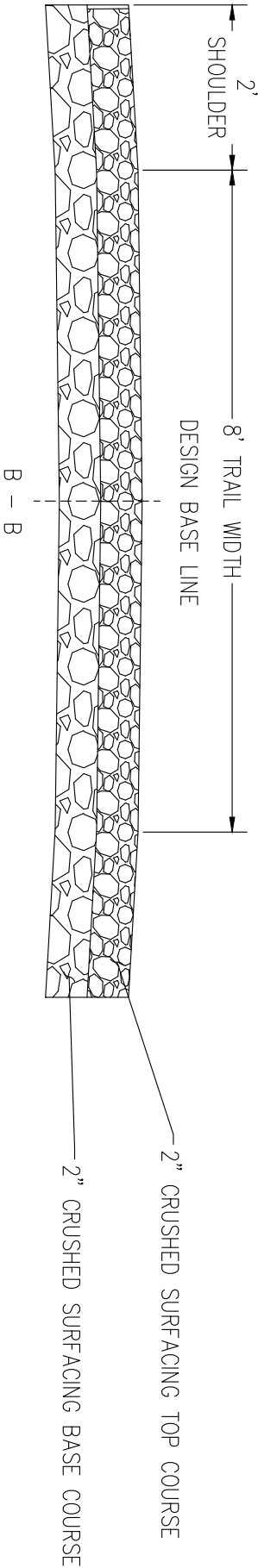
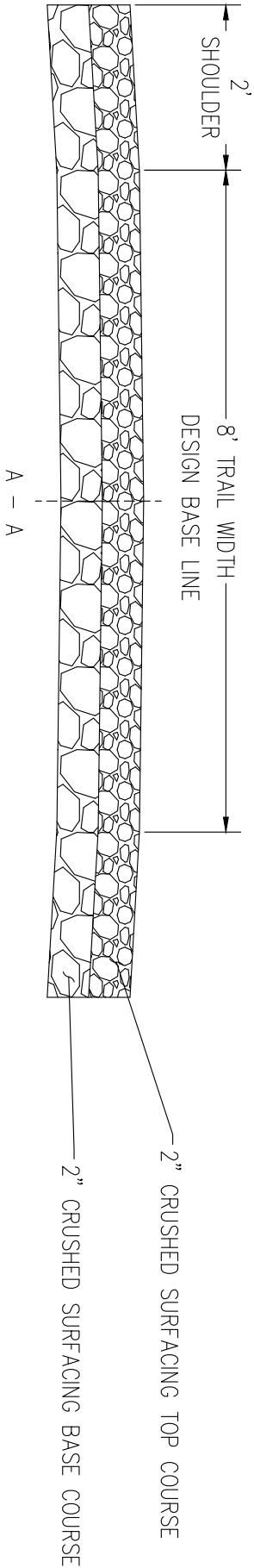
A. Engineer's Estimate

B. Site Map

Palermo Trail Engineer's Estimate - 6/7/2023					
Item No.	Item Description	Quantity	Unit	Unit Price	Total/Extension
1	Mobilization	1.00	LS	\$ 28,000.00	\$ 28,000.00
2	Minor Change	1.00	EST	\$ 28,000.00	\$ 28,000.00
3	SPCC Plan	1.00	LS	\$ 500.00	\$ 500.00
4	Erosion Control and Water Pollution Prevention	1.00	LS	\$ 15,000.00	\$ 15,000.00
5	Clearing and Grubbing	1.00	LS	\$ 15,000.00	\$ 15,000.00
6	Crushed Surfacing Base Course	430.00	TON	\$ 100.00	\$ 43,000.00
7	Crushed Surfacing Top Course	280.00	TON	\$ 100.00	\$ 28,000.00
8	12" Corrugated HDPE Storm Pipe	50.00	LF	\$ 200.00	\$ 10,000.00
9	8"x8"x6' Long Pressure Treated Timbers	90.00	EA	\$ 300.00	\$ 27,000.00
10	Split Rail Fence	60.00	LF	\$ 65.00	\$ 3,900.00
11	Bench	5.00	EA	\$ 5,000.00	\$ 25,000.00
12	Cement Concrete for Bench	90.00	SY	\$ 300.00	\$ 27,000.00
13	Bollard	3.00	EA	\$ 2,000.00	\$ 6,000.00
14	Trail Sign	2.00	EA	\$ 5,000.00	\$ 10,000.00
15	Single Leaf Swing Barrier Gate	1.00	EA	\$ 7,500.00	\$ 7,500.00
16	Pet Waste Receptacle	2.00	EA	\$ 500.00	\$ 1,000.00
17	Trash Receptacle	2.00	EA	\$ 1,000.00	\$ 2,000.00
18	Trimming and Cleanup	1.00	LS	\$ 5,000.00	\$ 5,000.00
19	Wetland Mitigation	1.00	LS	\$ 50,000.00	\$ 50,000.00
20	Contingency	1.00	LS	\$ 80,000.00	\$ 80,000.00
				Subtotal - Construction Cost	\$ 411,900.00
				Sales Tax @ 9.5%	\$ 39,130.50
				Total	\$ 451,030.50
Geotechnical					\$7,500.00
Topographical Survey					\$20,000.00
Engineering					\$50,000.00
Permitting					\$8,000.00



PROJECT Palermo Trail		REVISIONS: _____ _____ _____ _____ _____	DATE: _____ _____ _____ _____ _____	CITY OF TUMWATER TRANSPORTATION AND ENGINEERING DEPARTMENT 555 ISRAEL ROAD SW, TUMWATER, WA 98501 Phone: (360) 754-4140	DESIGNED BY: _____ DRAWN BY: DJE CHECKED BY: _____ APPROVED BY: _____ SCALE: H _____ V _____
JOB : _____ DATE: _____ INDEX: _____ SHEET: _____ OF _____	Aerial				



DESIGNED BY: _____
DRAWN BY: DJE
CHECKED BY: _____
APPROVED BY: _____
SCALE: H
V

CITY OF TUMWATER
TRANSPORTATION AND
ENGINEERING DEPARTMENT
555 ISRAEL ROAD SW, TUMWATER, WA 98501
Phone: (360) 754-4140

REVISIONS:	DATE:
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_____	_____

PROJECT	Palermo Trail
Sections	

JOB : _____
DATE: _____
INDEX: _____
SHEET: _____ OF _____

TO: General Government Committee
FROM: Brad Medrud, Planning Manager
DATE: June 14, 2023
SUBJECT: Multifamily Property Tax Exemption Program

1) Recommended Action:

This is a discussion item. Please review the attached materials and be prepared to discuss.

2) Background:

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues. In September 2021, the City Council adopted the Tumwater Housing Action Plan, which informs the City's Comprehensive Plan policies and development regulations and guides implementation strategies to help the City meet its housing needs.

The General Government Committee has requested information about the City's Multifamily Property Tax Exemption program. The intent of this item is to provide that information and put it into the context of the City's broader efforts to create and preserve affordable housing in the City. In addition, this information will be useful background for the update of the Housing Element in the City's Comprehensive Plan in 2024-25.

3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with a goal of "Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness"

Housing Element Goal H-3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

4) Alternatives:

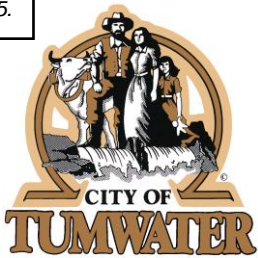
☐ None.

5) Fiscal Notes:

N/A

6) Attachments:

1. Memorandum
2. Presentation



City Hall
 555 Israel Road SW
 Tumwater, WA 98501-6515
 Phone: 360-754-5855
 Fax: 360-754-4138

Memorandum

Date: June 14, 2023

To: General Government Committee

From: Brad Medrud, Planning Manager

Subject: City of Tumwater Affordable Housing Actions –
 Multifamily Property Tax Exemption Program and Manufactured Home Park
 Preservation

This memorandum summarizes past and current affordable housing actions the City has taken since 2018 that in turn will inform the 2025 Comprehensive Plan and development code update. It is also intended to examine the City's multifamily property tax exemption program and discuss the ways that the City can support the preservation of affordable housing in manufactured home parks in the City.

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 Multifamily Property Tax Exemption Program and Manufactured Home Park Preservation
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I. Background

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

Applicable City Council Revised Strategic Priorities and Goals (December 6, 2022) include:

- A. *Build a Community Recognized for Quality, Compassion and Humanity*
 - 1. *Support and advance intergenerational housing opportunities*
 - 2. *Implement the Tumwater Housing Action Plan*
 - 3. *Support housing stability policies/programs*

See Appendix 1 *Comprehensive Plan Policies* for details on Comprehensive Plan housing and land use goals, policies, and actions that support the City’s affordable housing plans.

See Appendix 2 *Timeline of Affordable Housing Actions* for a timeline of the work the City has undertaken to address affordable housing since 2018.

II. Resolution No. R2018-016

In 2017 and 2018, the City Council devoted considerable time to discussions about the causes of and resources available to address homelessness and the lack of affordable housing in the City. On July 17, 2018, the City Council adopted Resolution No. R2018-016, which described the actions that the City would undertake to begin to address these issues. These actions fell under three broad goals: reduce homelessness, boost housing affordability, and increasing ongoing regional actions.

GOAL: Reduce Homelessness -- Increase resources / actions to combat / decrease regional homelessness

Actions

- 1 Review, and clarify as necessary, policies related to homelessness for first responders
- 2 Develop strategies with the Tumwater School District and nonprofit partners to house homeless students / families
- 3 Better understand and describe the extent and general location of Tumwater poverty and low-income areas
- 4 Commit more current City resources to targeted regional homelessness actions
- 5 Act to better connect people to services
- 6 Continue to participate in homeless count each year
- 7 Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness
- 8 Assess and track homeless / low-income services in Tumwater

GOAL: Boost Housing Affordability -- Actions to increase affordable housing

Actions

- 1 Pursue grants for affordable housing
- 2 Strengthen incentives for affordable housing within the Capitol Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor
- 3 Evaluate and, if necessary, propose amendments to City code and zoning to support smaller scale affordable housing in neighborhoods to offer a greater variety of housing options

Actions

- 4 Promote actions property owners can take to increase affordable housing such as accessory dwelling units
- 5 Participate in regional discussions to understand factors affecting housing affordability and what steps can be taken to mitigate new housing costs
- 6 Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents
- 7 Encourage more housing development overall
- 8 Encourage abandoned houses moving back into the active housing inventory
- 9 Enact policies to protect tenants experiencing housing instability, which may include:
 - a. Review current eviction/renter protection policies, laws, and legal services and assess possible actions.
 - b. Assess need for/knowledge of landlord-tenant conflict resolution services.
 - c. Support renter resources (mediation, etc.).
- 10 Inventory and track affordable housing units in Tumwater

GOAL: Ongoing Regional Actions – Continue work with other jurisdictions and agencies to explore regional solutions to homelessness and affordable housing.

The Planning Commission and the City Council undertook a significant effort from September 2018 to May 2019 to develop Affordable Housing Work Plans for the City Council to use in make informed decisions when prioritizing the next steps to implement Resolution No. R2018-016. Starting in 2019, the City spent a substantial amount of time implementing the 2019 Affordable Housing Work Plans through ordinances and process changes.

III. Regional Housing Council

To meet the City Council's goal of exploring regional solutions to homelessness and affordable housing issues, in 2020 the City worked with the other jurisdictions in the Thurston County to establish the Regional Housing Council, which took over the role of Health and Human Services Council and added some additional tasks.

The primary purpose of the Regional Housing Council is to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing. "Affordable housing" in this context means housing that is affordable to families at or below 80 percent of area median income.

The Regional Housing Council considers issues specifically related to funding a regional response to homelessness and affordable housing and coordinating existing funding programs, assists in monitoring the implementation of the County’s five-year Homeless Crisis Response Plan, and setting priorities and making funding decisions on projects and programs that implement the Homeless Crisis Response Plan. Additionally, the Regional Housing Council provides a forum for consideration of policy options related to homelessness and encourages development of regional approaches to planning for, responding to, and funding homeless services and facilities and expanding affordable housing options.

Two Tumwater City Councilmembers sit on the Regional Housing Council and the City’s has committed 0.25 FTE in City staffing to Regional Housing Council work.

IV. Tumwater Housing Action Plan

The Tumwater Housing Action Plan adopted by the City Council in 2021 builds on the affordable housing work the City completed under the 2019 City Council Housing Affordability Work Plans to increase the amount of affordable housing in the City.

The intent of the Tumwater Housing Action Plan is to create one set of actions that the City will undertake to facilitate the creation of more affordable housing.

Seven housing gaps were identified through the Regional Housing Needs Assessment, including:

1. Reduce housing costs for low-income and cost-burdened households.
2. Increase the overall housing supply.
3. Increase the variety of housing sizes and types.
4. Increase senior housing options.
5. Maintain in good condition and improve the existing housing stock.
6. Provide safe, stable options for both renters and homeowners.
7. Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

To address these seven housing gaps, the Plan identified six strategies for addressing housing needs in the City:

1. Increase the supply of permanent, income-restricted affordable housing.
2. Make it easier for households to access housing and stay housed.
3. Expand the overall housing supply by making it easier to build all types of housing projects.
4. Increase the variety of housing choices.
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

6. Establish a permanent source of funding for low-income housing.

Under each of these strategies were specific actions for the City to consider implementing. It is important to note that the City had done a great deal of work prior to 2021 to achieve some of the actions, and more work is underway, including the actions described below.

V. Multifamily Property Tax Exemption Program

A. Summary of the Multifamily Property Tax Exemption Program

The state's multifamily property tax exemption program (Chapter 84.14 RCW) provides opportunities for cities and counties to encourage the development of multifamily housing in designated areas. When originally codified by the state in 1995, the program focused on economic development and the creation of new multifamily housing. Over time, the program became an important tool to support the development of affordable housing and implement the goals of the Growth Management Act.

The program is intended to encourage the construction of new, rehabilitated, or converted multifamily housing within designated areas. It is limited to multifamily housing developments with four or more housing units.

The City's multifamily property tax exemption program exempts taxes on improvements made for multifamily development to encourage the development of multifamily housing units within designated targeted areas of the City. The multifamily property tax exemption applies to the new housing improvement portion of the property taxes.

Under state law, property owners who make eligible housing improvements are exempt from any tax increases related to those improvements for a period of eight years. An exemption period of twelve years is possible if the property owner or developer commits to renting or selling at least 20 percent of the units to households with an income at or below 115 percent of the area median family income during the same period. Owners continue to pay the pre-improvement taxes on both the land and structure. Once the multifamily property tax exemption lapses, the property owner is free to rent or sell units at market rate.

An approved multifamily property tax exemption is a shift in revenue from property tax. When the City Council sets the City's property tax levy, the City levies a total dollar amount that will be collected for City operations. When certain property owners get discounts, such as through the multifamily property tax exemption program, that cost is re-distributed to the other property owners in the City. No matter how many multifamily property tax exemption discounts the City provides, the City still collects the same amount of property tax dollars.

B. Purpose of the Multifamily Property Tax Exemption Program

Comprehensive Plan Housing Element Action H-3.3.3 states:

Establish a multi-family tax exemption program that gives financial incentive for developers to create multi-family structures in target areas and to set aside a percentage of units as low-income housing.

The City's multifamily property tax exemption program serves multiple purposes. It is an economic development tool identified in the City's Brewery District Plan and Capitol Boulevard Corridor Plan to spur private investment for redevelopment of these areas. In addition, it is one of the many tools identified in Resolution No. R2018-016 and the Tumwater Housing Action Plan to support the development of more affordable housing in specific areas of the City served by transit.

The program does the following:

- Provides a catalyst to promote development within targeted areas.
- Encourages increased residential opportunities within targeted areas.
- Stimulates new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing.
- Assists in directing future population growth to designated residential targeted areas, thereby reducing development pressure on existing single-family residential neighborhoods.
- Provides the needed residential densities in order to support retail and other services within the target areas.
- Helps to achieve residential densities, which are more conducive to transit use in designated residential targeted areas.
- In the case of the twelve-year exemption, 20 percent of the new housing units are affordable to 80 to 115 percent of area median income for the twelve-year exemption.

C. Benefits of the Multifamily Property Tax Exemption Program

There are multiple benefits for the multifamily property tax exemption program. Most generally, the reduction in property taxes is shared among consumers and developers in the form of lower prices or rents and in the form of increased project income, respectively. This will encourage the development of more housing units and make housing more affordable overall.

The program also provides the following benefits:

- Increases housing choice for consumers due to the increase in supply.
- Increases densities in areas suited for higher density.
- Aids sustainability and walkability efforts by locating housing near services and transit.
- Reduces risk, which increases the ability of a developer to secure debt financing.
- Stimulates development by reducing costs, which increases the development return on a marginal project, which increases project feasibility.

- Benefits the consumer in a competitive market, where savings are passed down.
- Ensures that the tax exemption remains with the property so that it will benefit the right owner in the targeted area regardless of turnover.

D. City's 2017 and 2019 Ordinances

The original purpose of the City Council's adoption of a multifamily property tax exemption program in 2017 (Ordinance No. O2017-004 and Resolution No. R2017-002) was to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor. The City's subarea plans adopted in 2015 were based on studies that indicated that the City needed to consider a variety of financial incentives in order to see the redevelopment that those plans envisioned. Adding more people living in those areas through the multifamily property tax exemption program was expected in turn to encourage the development of retail, services, and employment. See Appendix 3 *Multifamily Property Tax Exemption Target Areas* for maps of the Brewery District and Capitol Boulevard corridor target areas.

The expansion of the program to the Littlerock Road Subarea and the Town Center in 2019 (Ordinance No. O2019-023) was done for different reasons. In 2018, the City Council started to focus on how the City should address homeless and the lack of affordable housing. One of the action items in R2018-016 was to strengthen incentives for affordable housing within the Capitol Corridor and Brewery District and explore extending these incentives to the entire InterCity Transit #13 bus corridor. See Appendix 3 *Multifamily Property Tax Exemption Target Areas* for maps of the Littlerock Road Subarea and the Town Center corridor target areas.

Expanding the program to the Town Center and the Littlerock Road area was one of the many code changes and programs that the City started at that time to encourage more housing to be built overall in the City to meet demand and to provide some level of affordable housing. Because of that, in the Town Center and the Littlerock Road Subareas the City's multifamily property tax exemption program was limited to the twelve-year option that required 20 percent of those housing units to be affordable to 80 to 115 percent of area median income. The Planning Commission recommended that 30 percent of the housing units be affordable, but the City Council decided that it wanted to make sure that the program created affordable housing units first and kept the affordable housing unit requirement at 20 percent.

E. Approval Process

TMC 3.30 *Multifamily Housing Tax Exemptions* establishes the review and approval process for multifamily property tax exemption applications:

1. An applicant files a complete Conditional Certificate Application with the City.
2. City staff reviews the application.
3. If the application is complete and meets the requirements of TMC 3.30, the Community Development Director approves the Conditional Certificate.

4. To complete the Conditional Certificate approval process, the applicant must enter into a contract with City that is approved by City Council, under which the applicant agrees to complete the development as outlined in the contract.
5. An approved Conditional Certificate and contract are valid for three years from the date of approval.
6. The City can issue an extension of an approved Conditional Certificate up to 24 months subject to City approval.
7. Upon completion of the improvements agreed upon in the contract and issuance of a certificate of occupancy, the applicant then files a Final Certificate Application.
8. The complete Final Certificate Application is reviewed and approved by the Community Development Director.
9. The Community Development Director files a Final Certificate of Tax Exemption with the Thurston County Assessor.

F. Use of the Multifamily Property Tax Exemption Program to Date

In the ten years prior to 2019, multifamily development only accounted for a small portion of the new housing units built in the City. During the COVID-19 related building boom in 2020, the City experienced an increase in new multifamily housing development. By 2022, there were more housing units in multifamily developments than single-family houses being permitted in the City.

To date, the City has had 441 total multifamily housing units approved at least through the conditional approval process, of which 66 are affordable multifamily housing units and the rest are market rate. The affordable multifamily housing units must comply with the low- to moderate-income levels (80 to 115 percent of area median income) requirements in TMC 3.30.

Table 1. Units by Conditional and Final Approvals

Approvals	All Units	Market Rate Units	Affordable Units
Conditional	300	263	37
Final	141	112	29
Total	441	375	66

Table 2. Units Approved By Target Area

Target Areas	All Units	Market Rate Units	Affordable Units
<i>Eight- and Twelve-Year Options</i>			
Brewery District	119	119	0
Capitol Corridor	0	0	0

Target Areas	All Units	Market Rate Units	Affordable Units
<i>Twelve-Year Option Only with 20% Affordable</i>			
Littlerock Subarea	322	256	66
Town Center	0	0	0
Total	441	375	66

- Rockwell Place received final approvals in November 2022 after a Certificate of Occupancy was issued. It is a twelve-year multifamily property tax exemption program project in the Littlerock Road subarea target area. It has three buildings with 141 total housing units of which 29 of which are affordable and the rest are market rate.
- The 350 North Apartments and Craft District Apartments received conditional approvals in December 2022 and they are under construction. Construction will need to be completed in three years in order to receive final approvals. Both are eight-year multifamily property tax exemption program projects in Brewery District target area with no affordable housing units. The 350 North Apartments has 24 market rate housing units and Craft District Apartments has 95 market rate housing units.
- The Kingswood Apartments received conditional approval in February 2023 and it is in permit review. Construction will need to be completed in three years in order to receive final approval. It is a twelve-year multifamily property tax exemption program project in Littlerock Road subarea target area. It has 181 total housing units of which 37 are affordable housing units and the rest are market rate.

G. Next Steps

The Washington State Joint Legislative Audit and Review Committee completed a preliminary review of the multifamily property tax exemption program in the summer of 2019. Based on the findings of the Joint Committee, in 2021 the state legislature expanded the multifamily property tax exemption program.

In 2021, E2SHB 5287 amended several elements of Chapter 84.14 RCW, including the following:

- Allow a wider number of cities and counties to develop twelve-year multifamily property tax exemption programs.
- Permit twelve-year extensions to existing tax exemptions in exchange for the provisions of income and rent-restricted housing units.
- Supply tenant relocation assistance at the end of the multifamily property tax exemption program period for tenants of rent-restricted housing units in projects approved after July 25, 2021, and projects receiving a twelve-year extension.
- Require an evaluation of the risk of physical and economic displacement as the result of the program.

- Provide new reporting requirements for the City.
- Allow for a 20-year exemption in exchange for permanently affordable rental and owner-occupied housing.
- Require more comprehensive reporting and auditing processes.

Under RCW 84.14.040, the City may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of housing units, than the minimum conditions for an extended exemption period.

The City's multifamily property tax exemption program will expire at the end of 2026 (TMC 3.30.130), so the City has a deadline to evaluate if the program is doing what was originally intended.

Staff believes the multifamily property tax exemption program is functioning as intended to encourage multifamily housing in selected areas, and has added 66 much needed affordable units into the housing supply that we likely would not have seen otherwise. Because the economics of housing construction are always unique to a particular area, to get a more definitive answer about whether these units would have been developed absent the multifamily property tax exemption program would require a consultant study similar to what the City of Olympia completed last year.

ECONorthwest, a consulting firm, prepared a study for Olympia in December 2022. The ECONorthwest study was done to understand its effect on the likelihood of encouraging private sector development, including both market rate and low-income affordable units, within specific areas. The study provided recommendation for how to best structure the City of Olympia's multifamily property tax exemption program in the future. The study found that development in Olympia's downtown area was currently not feasible today without the existing 8-year multifamily property tax exemption program option and that use of the twelve-year option would be more likely coupled with other incentives such as reduced parking requirements.

It is important to note that similar to the City's inclusionary zoning regulations discussed in Section VIII below, the City's multifamily property tax exemption program is a voluntary program. As noted in the ECONorthwest study, this means that to see the development community use the City's multifamily property tax exemption program for any of the options, the program needs to create more value than would be created by the baseline market feasibility to create an incentive for a developer to participate in the program.

The Washington State Department of Commerce guidance recommends that multifamily property tax exemption program initiatives that intend to deliver income-restricted units to promote housing affordability should focus on the twelve- and 20-year exemptions and the twelve-year extension. This could also potentially include an eight-year multifamily property tax exemption with affordability requirements customized to the City.

The base requirements for affordability under state law are that:

- For the twelve-year exemption, at least 20 percent of units must be income-restricted, with a mix of units affordable to households at 80 percent area median income or below and units affordable to households at 115 percent area median income or below.
- For the twelve-year extension, at least 20 percent of units must be income-restricted to be affordable to households at 80 percent area median income or below.
- For the 20-year rental option, at least 20 percent of units must be income-restricted to be affordable to households at 80 percent area median income or below.

The City may choose to amend its multifamily property tax exemption program. Amendments could include the following:

- Expand the target areas where a multifamily property tax exemption program project could occur in the City, such as in all multifamily designated areas.
- Change the length of the exemptions to eight, twelve, or 20 years.
- Require a higher set-aside of required income-restricted units beyond 20 percent.
- Require other public benefits in exchange for the exemptions.
- Coordinate with other local incentives, such as inclusionary zoning.
- Establish new affordability requirements for designated income-restricted units to lower incomes.
- Base affordability requirements on unit sizes, with higher levels of affordability and lower area median income requirements for smaller units.
- Require a mix of affordable units to be proportionate to the overall unit mix and configuration of all units.
- Require the designated affordable units to be intermingled with market-rate units.

The City Council can add work on further study and amendments to the City's multifamily property tax exemption program to the 2024 long range planning work program and provide a budget for a supporting study.

VI. Manufactured Home Park Preservation

A. Background

A manufactured home is a site under single ownership where ground space is made available for mobile homes or manufactured homes, or a combination of the two. Mobile homes and manufactured homes are both factory-built and considered dwellings for habitation rather than vehicles, such as a recreational vehicle. Mobile homes refer to those housing units that were factory-constructed prior to June 15, 1976, while manufactured homes are housing units were factory-constructed after that date.

Since 2004, state law has recognized the value of manufactured housing for affordable housing. As such, the City treats manufactured housing the same as it does traditionally built housing and must allow mobile and manufactured homes to locate in existing manufactured home parks.

Manufactured home parks preservation is a City goal. The City sees manufactured home parks as a way to address housing affordability for low-income and cost-burdened households, maintain existing housing stock, and increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.

To support that goal, the City implemented the designation of the MHP Manufactured Home Park zone district in 2008 to promote preservation of manufactured home parks through Ordinance No. O2008-009. The ordinance was subsequently challenged before the growth management hearings board and upheld.

While the conversion of existing manufactured home parks is restricted under City zoning regulations, the City does not have regulatory authority under state law to place limits on what a manufactured home park owner may charge for the ground space occupied by a manufactured home. The City does have the ability to educate and support actions that allow tenants to work together with manufactured home park owners to address ground space leases.

Resolution No. R2018-016 Action # 6 under the affordable housing in states:

Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents.

Since 2018, the City has discussed with local nonprofits at the process for facilitating moving manufactured home parks into a land trust or a residential nonprofit cooperative arrangement.

In 2020, after its 2020 retreat, the City Council directed staff to maintain current efforts for this action.

In 2021, the City Council adopted the Tumwater Housing Action, which included the following action related to manufactured home parks:

Strategy 1: Increase the supply of permanent, income-restricted affordable housing.

Action 1.j. Establish a program to preserve and maintain healthy and viable manufactured home parks.

The City has determined that the rental housing protections in TMC Title 5 and Dispute Resolution Services related to these protections also apply to ground space leases in manufactured home parks. For more details on the City's rental housing protections, see Section VII.

B. Next Steps

The City can consider assisting manufactured home owners with the following programs:

- Maintaining and repairing individual manufactured homes.
- Funding to replace manufactured housing units that would be better replaced than repaired.

- Funding for relocation when a manufactured home park cannot be preserved.
- Purchasing a manufactured home park outright with a land trust.

The City can consider assisting manufactured home parks owners with the following programs:

- Making service and utility upgrades to a manufactured home park.
- Converting from manufactured home parks from septic to sewer service and / or from well to water systems.

In April 2023, the state legislature passed and the Governor approved E2SSB 5198, which amended the state's manufactured home park regulations to address manufacture home park closures and conversions. E2SSB 5198 becomes effective July 23, 2023. The new state regulations will increase the notice requirements for a sale of a manufactured home park from one year to two years, improve relocation assistance, and add requirements that property owners who sell their manufacture home parks be required to negotiate in good faith with any qualified tenant or other eligible organization that wants to purchase the park.

In addition, the City can work with other jurisdictions as part of its state legislative agenda to amend the Manufactured/Mobile Home Landlord-Tenant Act (Chapter 59.20 RCW), such as in HB 2610 and E2SSB 5198, to provide additional protections for tenants.

The Tumwater Housing Action Plan notes that the City will consider the work necessary to implement Action 1.j., but the work has not been scheduled and the following City resources would be needed to start such work:

- Funding through the City Council's biennial budgeting process.
- Time for staff to develop and run such a program.
- Time for staff to manage the annual reporting for such projects.

The City Council can add work on this program to the 2024 long range planning work program.

VII. Rental Housing

As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed.

At its March 22, 2022 worksession, the City Council discussed potential actions that the City could undertake alone or on a regional basis to address tenant protection. At the conclusion of that discussion, the City Council asked staff to prepare the three following priority items for further consideration:

- 1) Ordinances to address tenant protections in Title 5 *Business Taxes, Licenses and Regulations*;
- 2) An ordinance to establish a rental registration program in Title 5 *Business Taxes, Licenses and Regulations* to communicate with tenants and landlords about rental regulations and

to consider using the program in the future for regular inspections of rental housing units;
 and

- 3) A scope for a contract with the Dispute Resolution Center for tenant and landlord conflict resolution services.

A. Washington State Residential Landlord-Tenant Act (RCW 59.18)

Landlords and tenants have legal responsibilities to each other under state law. The Washington State Residential Landlord-Tenant Act (RCW 59.18, RLTA) outlines the rights and responsibilities for landlords and tenants.

[Your Rights as a Tenant in Washington State: An Overview](#) prepared by the Northwest Justice Project for the Washington State Attorney General's office is designed to help landlords and tenants gain an understanding of the state rules and regulations affecting housing.

B. Washington State Forcible Entry and Forcible and Unlawful Detainer (59.12 RCW)

The Washington State Forcible Entry and Forcible and Unlawful Detainer (RCW 59.12) details the legal process for a landlord to evict a tenant and the steps that need to be followed.

[Your Rights as a Tenant in Washington State: An Overview](#) prepared by the Northwest Justice Project for the Washington State Attorney General's office contains a summary of the eviction process under RCW 59.12 in Part 5 Evictions.

C. The City's Building and Property Maintenance Code (TMC 15.18)

The City has adopted the International Property Maintenance Code (IPMC). This code establishes basic quality of life standards that property owners must follow and that occupants of buildings should expect. These standards apply to the exterior site as well as the interior of buildings.

The City uses this code to ensure that properties do not become attractive to rodents and pests, a site is safe, basic water and heat are provided to occupants, and interior spaces are not overcrowded, unhealthy, or unsafe.

D. Unfair Housing Practices (TMC 5.70)

It is the policy of the City to assure equal opportunity to all persons to live in decent housing facilities regardless of race, creed, color, religion, ancestry, national origin, citizenship or immigration status (unless authorized by federal or state law, regulation, rule, or government contract), honorably discharged veteran or military status, gender, the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, families with children status, age, marital status, sexual orientation, genetic information, or source of income.

TMC 5.70 prohibits discrimination in housing by any person and establishes civil and criminal penalties for such actions.

E. Rental Housing (TMC 5.75)

In the spring of 2022, staff integrated the *Tumwater Housing Action Plan* actions and City work group measures for City Council consideration into a suggested order of priority items to address Action #9 in Resolution No. R2018-016.

The priority item list included actions and potential measures that were amendments to the Tumwater Municipal Code as well as actions and potential measures addressed through education and communication efforts led by the City. For most of the actions and potential measures, staff recommended that the City Council discuss developing a communications strategy to let landlords and tenants know what the City is doing, a schedule for staff to develop and run the programs, and allocate funding for staffing and other costs.

City staff prepared a communication strategy to let landlords know about the information that landlords are required to distribute to tenants under Ordinance No. O2022-012 *Rental Housing Code* that became effective April 8, 2023 through a new City website, postcard mailings to landlords, and a social media campaign.

1. Distribution of Information (TMC 5.75.030)

To ensure tenants have the information needed to assist them in both seeking and living in rental housing, TMC 5.75.030 requires landlords to provide tenants with the following specific housing-related information at the time a prospective tenant applies to live in a dwelling unit:

- The landlord's written rental criteria
- Summaries of the unfair housing practices chapter (TMC 5.70), the rental housing code chapter (TMC 5.75), the state RLTA (59.18 RCW), the state Forcible Entry and Forcible and Unlawful Detainer (59.12 RCW), and fair housing laws contained in *Renting in Tumwater: A Guide for Landlords and Tenants* and *Your Rights as a Tenant in Washington State: An Overview* prepared by the Northwest Justice Project
- City informational website address

2. Renting in Tumwater: A Guide for Landlords and Tenants

Owners of residential rental property located in the City must provide tenants with the *Renting in Tumwater: A Guide for Landlords and Tenants* and [Your Rights as a Tenant in Washington State: An Overview](#) prepared by the Northwest Justice Project to fulfill the requirements of TMC 5.75.030.

The *Renting in Tumwater: A Guide for Landlords and Tenants* summarizes the following City regulations:

- Unfair Housing Practices Code (Tumwater Municipal Code (TMC) 5.70)
- Rental Housing Code (TMC 5.75)
- Rental Housing Registration Code (TMC 5.80)

- International Property Maintenance Code (IPMC) (TMC 15.18)

The Guide is for general educational and informational use only. It is not a substitute for the advice of an attorney.

A landlord is required to provide a copy of the Guide to every tenant or prospective tenant when a rental agreement is offered, whether or not the agreement is for a new or renewal agreement.

After the initial distribution of the Guide to tenants, a landlord is required to provide existing tenants with an updated Guide by the City on an annual basis and when the City updates its housing regulations, which may be in electronic form unless a tenant requests a printed Guide.

3. *Rental Property Noticing Requirements*

TMC 5.75.030 requires landlords to provide tenants with specific notices as described below.

- Notice of Recurring Fees (TMC 5.75.050)
- Notices to Increase Rent (TMC 5.75.070)
- Notices to Vacate (TMC 5.75.090)

F. Rental Registration (TMC 5.80)

As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed.

Some of the potential *Tumwater Housing Action Plan* actions and City work group measures involved registration of property owners providing rental housing units as a first step to gather information on number of housing units and contacts for education and updates on City programs. A list will be needed to make the regulations effective.

The long-term intent of the program is to educate property owners, property managers, and tenants about City housing codes (TMC 5.70 *Unfair Housing Practices* (Ordinance No. O2022-010 (update)), TMC 5.75 *Rental Housing Code* (Ordinance No. O2022-012), TMC 5.80 *Rental Housing Registration* (Ordinance No. O2022-014), and the TMC 15.18 *International Property Maintenance Code* and their rights and responsibilities.

The program could be expanded in the future to require property owners to verify that their properties meet City maintenance codes and standards when registering with the City and then on a regular basis, such as every three years, thereafter.

G. Dispute Resolution Center

The City and Dispute Resolution Center approved a contract in March 2023 for tenant and landlord conflict resolution services.

The intent of the contract is to provide direct City support for the mediation of landlord-tenant disputes by an independent third party (RCW 59.18.315). The Dispute Resolution Center serves this purpose in Thurston County and provides a way to avoid the cost and time of going through the court system.

The Dispute Resolution Center services cover intake and mediation for housing related cases that either does not qualify for the Early Resolution Pilot Program or that come after its end. The Dispute Resolution Center provides services as communication issues, conflict or rent-owed issues arise. City will pay up to \$50,000 of ARPA funds as part of the contract.

VIII. Housing Text Amendments

The intent of the housing affordability text amendments (Ordinance No. O2020-005) approved by the City Council 2021 was to increase the amount of privately and publicly funded residential development in the City and to bring the supply and demand for housing more into balance as required under the state Growth Management Act.

In addition, some of the housing affordability text amendments increased the amount of affordable housing units in the City through inclusionary zoning for very low- and low-income households with incomes less than or equal to 80 percent of Thurston County's area median household income as determined by the state Office of Financial Management.

The following seven potential housing affordability text amendments were a part of the City Council's 2019 Housing Affordability Work Plan. These items were considered citywide or in particular areas of the City:

1. Provide an affordable housing density bonus in addition to the maximum density permitted in residential zone districts in limited areas of the City, if the proposed project provides permanently affordable housing.
2. Expand the locations where special residential development types such as accessory dwelling units and cottage housing and smaller types of housing such as micro-housing, tiny houses, and smaller lot single-family development are permitted.
3. Add duplexes or other smaller types of housing units as permitted uses to single-family residential zone districts.
4. Increase height limits in the Knoll subdistrict of the Brewery District (BD) zone district for permanently affordable housing projects.
5. Reduce required off-street parking ratios in residential areas near transit service and where there is sufficient on street parking to increase the buildable land available for housing.
6. Vary development standards, such as parking, open space, and setbacks, by certain housing types to provide permanently affordable housing.

7. Require new housing created specifically as permanently affordable housing to remain permanently affordable housing in perpetuity with protective covenants and deed restrictions.

IX. Housing Fee Amendments

In 2019, the City Council approved the Affordable Housing Text and Fee Amendment Work Plans, which included the following actions to reduce development fees:

1. Lower, delay, or adjust the timing of development fees, such as impact fees and connection charges, such as:
 - a. Transportation impact fees where there is a nexus between the location of affordable housing and access to transit and after working with the Public Works Department to assess transportation demand in these neighborhoods;
 - b. Park impact fees;
 - c. Water and sewer connection fees; and
 - d. Sewer capacity development charges for permanently affordable housing.
2. Exempt emergency housing from impact fees (SHB 2538)
3. Expand the multifamily property tax exemption program to other areas of the City, such as the Town Center, and the Littlerock Road Subarea, and look at expanding the percentage of permanently affordable housing units that need to be provided.
4. Cut, reduce, or cap fees for nonprofits building permanently affordable housing.
5. Reduce fees for private-sector development of permanently affordable homes and housing units.
6. Make infrastructure investments for infill areas needing upgrades with follow-up by City staff to develop potential scenarios with emphasis on areas where affordable housing is most likely to occur.
7. Reduce fees for affordable, single-family homes (under 1,500 sq. ft.) and manufactured homes.

Staff was asked to investigate ways to encourage and increase the amount of low-income housing as well as increase the variety of housing available citywide to amendments to regulations and reviewing fees changed for new development.

The City Council's original development code fee amendments work plan was to provide more housing focused in the Brewery District, the Capitol Boulevard Corridor, the Town Center, and

the Littlerock Road Subarea of the City. Staff expanded the area being considered to include residential development throughout the City.

A draft proposal addressing reducing fee amendments for permanently affordable housing was presented to the General Government Committee, City Council, and Planning Commission during spring and summer of 2021. After these discussions, staff prepared the annual fee resolution for approval by the City Council.

The proposal adjusted impact fees, connections charges, and permit fees for permanent low-income housing and it included a fee reduction for smaller homes as a way to encourage a variety of homes available citywide. Low-income housing is that which is affordable to those making 80 percent of the area median income.

X. Other Actions

- A. Work with Tumwater School District and nonprofit partners to house homeless students / families.
- B. Continue to participate in homeless count each year.
- C. Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness.
- D. Pursue grants for affordable housing.
- E. Further amend the City's regulations concerning accessory dwelling units.
- F. Encourage abandoned houses moving back into the active housing inventory.

XI. 2025 Comprehensive Plan – Housing Element Update

In 2021, the State Legislature amended the Growth Management Act related to housing in Comprehensive Plans. HB 1220 changed the Growth Management Act housing goal to mandate that Comprehensive Plans “plan for and accommodate housing affordable to all economic segments of the population...”

HB 1220 required the Washington State Department of Commerce with providing countywide housing need projections for moderate, low, very low, and extremely low-income households, permanent supportive housing, emergency housing, and emergency shelters. Jurisdictions within a County are collectively responsible for meeting the projected housing needs of each type.

Comprehensive Plans must demonstrate sufficient land capacity to accommodate housing projections at the specific levels of affordability and must address racially disparate impacts, displacement, and exclusion in housing.

Commerce continues to develop guidance and tools to identify housing needs and allocate housing responsibilities across jurisdictions.

City of Tumwater Affordable Housing Actions –

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The staffs of TRPC, Thurston County, and the cities of Tumwater, Olympia, Lacey, and Yelm have been meeting to discuss HB 1220, the preliminary housing projections, and the process for allocating housing need in a manner similar to how population projections are addressed under the Countywide Planning Policies. That work is expected to be completed by the end of the summer of 2023.

See Appendix 1 *Comprehensive Plan Policies* for the current goals, policies, and actions that support the City's affordable housing plans.

Appendix 1: Comprehensive Plan Policies

A. Housing Element

The applicable goals, policies, and actions of the Housing Element of the Comprehensive Plan that support the City's affordable housing plans are as follows:

Housing Element Goal H-1 states:

To conserve and improve the existing city housing stock and neighborhoods.

Housing Element Policy H-1.1 states:

Assist city neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary, and affordable housing.

Housing Element Policy H-1.2 states:

Encourage a range of housing, economic development, and community revitalization in the city.

Housing Element Policy H-1.3 states:

Promote the conservation of existing communities and community housing goals through the preparation of comprehensive plans and the development review process.

Housing Element Goal H-2 states:

To provide a sufficient number of single family dwelling units, multi-family dwelling units, manufactured homes, and group housing to provide an affordable selection of housing to each economic segment of the Tumwater population.

Housing Element Policy H-2.2 states:

Provide opportunities for a range of housing types to provide for all economic segments of Tumwater's population.

Housing Element Goal H-3 states:

To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

Housing Element Policy H-3.3 states:

Tumwater should assume its "fair share" of housing for low and moderate income groups, in cooperation with other jurisdictions in Thurston County.

Housing Element Action H-3.3.3 states:

Establish a multi-family tax exemption program that gives financial incentive for developers to create multi-family structures in target areas and to set aside a percentage of units as low-income housing.

Housing Element Goal H-4 states:

To provide adequate opportunities for housing for all persons regardless of age, race, color, national origin, ancestry, sex, sexual orientation, familial status, marital status, ethnic background, source of income use of federal housing assistance, or other arbitrary factors.

Housing Element Policy H-4.1 states:

Support the inclusion of living opportunities for families with children throughout the city.

Housing Element Policy H-4.2 states:

Support and encourage a variety of housing types and price ranges through appropriate policies and regulations.

Housing Element Goal H-6 states:

To promote a selection of housing that is decent, safe, and sound, in close proximity to jobs and daily activities, and varies by location, type, design, and price.

Housing Element Policy H-6.2 states:

Provide for a dynamic mix of residential land uses and zones in order to create a diverse mix of sites available for different housing types.

Housing Element Policy H-6.3 states:

Support increasing housing opportunities along urban corridors and centers.

Housing Element Policy H-6.4 states:

Encourage provision of affordable housing near public transit routes to promote efficient transportation networks.

Housing Element Goal H-8 states:

To support healthy residential neighborhoods which continue to reflect a high degree of pride in ownership or residency.

Housing Element Policy H-8.1 states:

Support the stability of established residential neighborhoods.

Housing Element Goal H-10 states:

To provide housing that is compatible and harmonious with existing neighborhood character through use of innovative designs that enhance the appearance and quality of Tumwater's neighborhoods.

Housing Element Policy H-10.1 states:

Encourage innovation and variety in housing design and development. Tumwater will support efforts to build housing with unique individual character, which avoids monotonous neighborhood appearance.

Housing Element Policy H-10.2 states:

Multi-family residential housing should be subject to design criteria that relate to density, structure bulk, size and design, landscaping, and neighborhood compatibility.

Housing Element Goal H-11 states:

To provide housing to accommodate Tumwater's housing needs in the urban growth area and make the most efficient use of infrastructure and services.

Housing Element Policy H-11.3 states:

Encourage the construction of affordable housing, including cottage housing and accessory dwelling units, within a half mile or twenty minute walk of an urban center, corridor or neighborhood center with access to goods and services to provide access to daily household needs.

Housing Element Goal H-13 states:

Ensure consistency with RCW 36.70A.070(2)(c) which requires sufficient land be available for all types of housing including manufactured housing.

B. Land Use Element

The applicable goals, policies, and actions of the Land Use Element of the Comprehensive Plan that support the City's affordable housing plans are as follows:

Land Use Element Goal LU-2 states:

Ensure development takes place in an orderly and cost-efficient manner in order to best utilize available land and public services, conserve natural resources, protect critical areas, preserve open space, and reduce sprawl.

Land Use Element Policy LU-2.3 states:

Encourage innovative land use management techniques such as density bonuses, cluster housing, zero-lot-line development, planned unit developments, and transfer of development rights to create vibrant centers, corridors, and neighborhoods while accommodating growth.

Land Use Element Goal LU-4 states:

Encourage land use patterns that increase the availability of affordable housing for all economic segments of the Tumwater population.

Land Use Element Policy LU-4.2 states:

Encourage innovative techniques for providing affordable housing resulting in an attractive product that will be an asset to the Tumwater community.

Land Use Element Policy LU-4.5 states:

Encourage higher density residential uses in order to provide affordable housing. These uses should blend with the existing character of the community.

Appendix 2: Timeline of Affordable Housing Actions

- **2008:** The City Council adopts Ordinance No. O2008-009, which establishes the MHP Manufactured Home Park zone district.
- **2017:** The City Council adopted Resolution No. R2018-016 in the summer of 2018, which outlined 18 actions that the City would take to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.
- **2017:** The City Council adopted the multifamily property tax exemption program to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor and provide more options for affordable housing.
- **2018 – 2019:** City Council undertook a significant effort from September 2018 to May 2019 to develop Affordable Housing Work Plans.
- **2019:** The City Council expanded the City’s multifamily property tax exemption program to the Town Center and the Littlerock Road Subareas to extend affordable housing incentives to meet demand and to provide some level of affordable housing.
- **2019 – 2021:** Work on the Tumwater Housing Action Plan with the Cities of Lacey and Olympia as the next step in the process of trying to increase the amount of affordable housing by identifying specific actions the City should undertake to help facilitate the creation of more affordable housing.
- **2020:** To meet the City Council’s goal of exploring regional solutions to homelessness and affordable housing issues, the City worked with the other jurisdictions in the County to establish the Regional Housing Council in 2020. The Regional Housing Council took over the role of Health and Human Services Council and added some additional tasks. The Regional Housing Council considers issues specifically related to funding a regional response to homelessness and affordable housing and coordinating existing funding programs
- **2021:** The City Council adopted housing text amendments to increase the amount residential development to balance they supply and demand for housing.
- **2021:** The City Council adopted housing fee amendments as part of the City’s annual fee resolution to reduce development fees, connection charges, and impact fees for permanently affordable housing developments.
- **2021:** The State Legislature amended the Growth Management Act related to housing in Comprehensive Plans. HB 1220 changed the housing goal to mandate that Comprehensive Plans “plan for and accommodate housing affordable to all economic segments of the population...”
- **2022:** The City Council adopted Ordinance No. O2022-012 *Rental Housing Code*.
- **2023:** The City Council established rental registration regulations for all multifamily developments of five or more housing units.
- **2022 – 2023:** Multifamily property tax exemption program applied:

- Final approvals were granted for a twelve-year multifamily property tax exemption program project in the Littlerock Road subarea with 141 total housing units, 29 of which are affordable and the rest are market rate.
- Conditional approvals were granted in December 2022 for two eight-year multifamily property tax exemption program projects in Brewery District for 119 market rate housing units.
- Conditional approvals in February 2023 were granted for a twelve-year multifamily property tax exemption program in Littlerock Road subarea for 181 total housing units of which 37 are affordable housing units and the rest are market rate.

Appendix 3: Multifamily Property Tax Exemption Target Areas

Figure 1. Brewery District Target Area

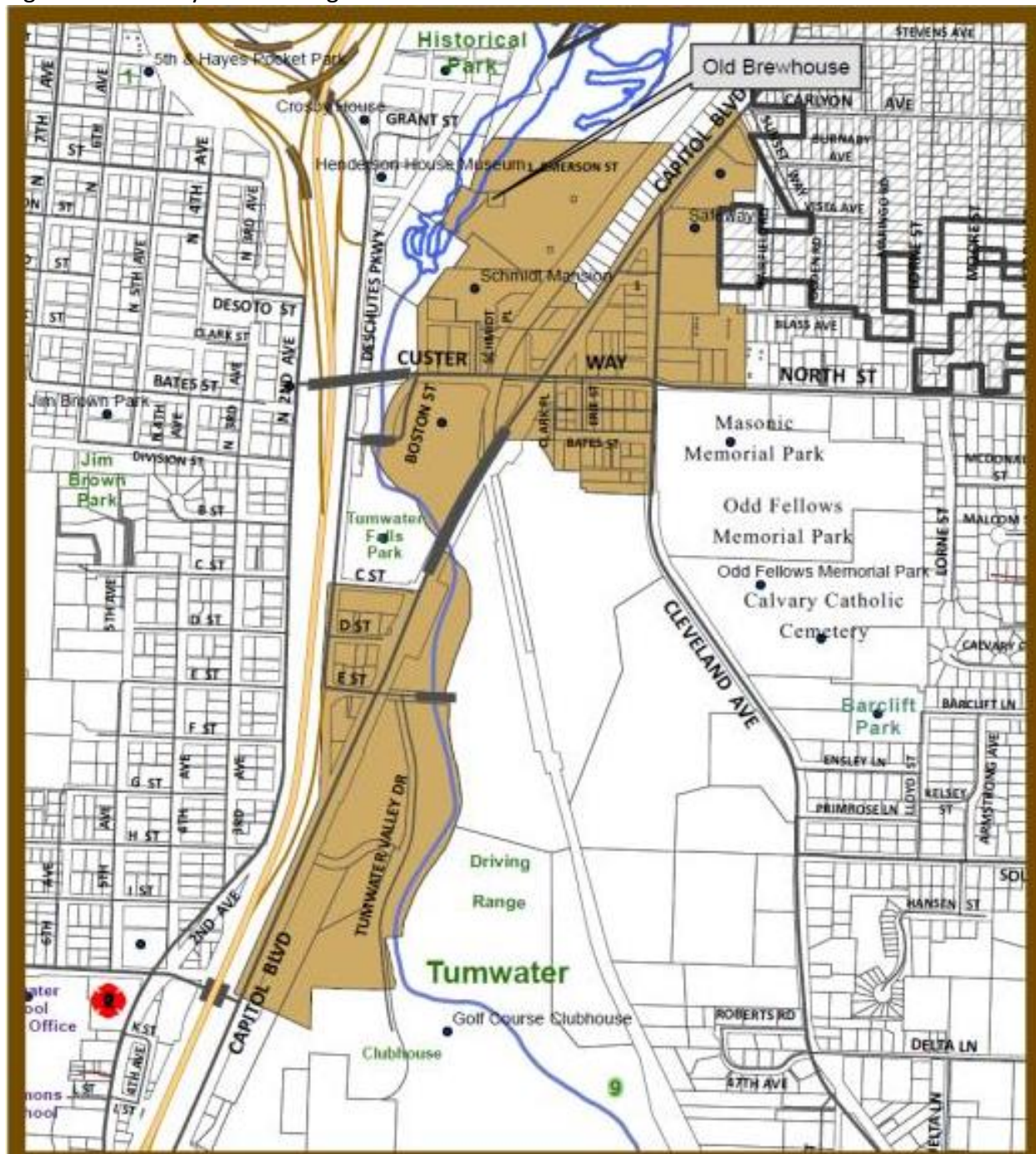
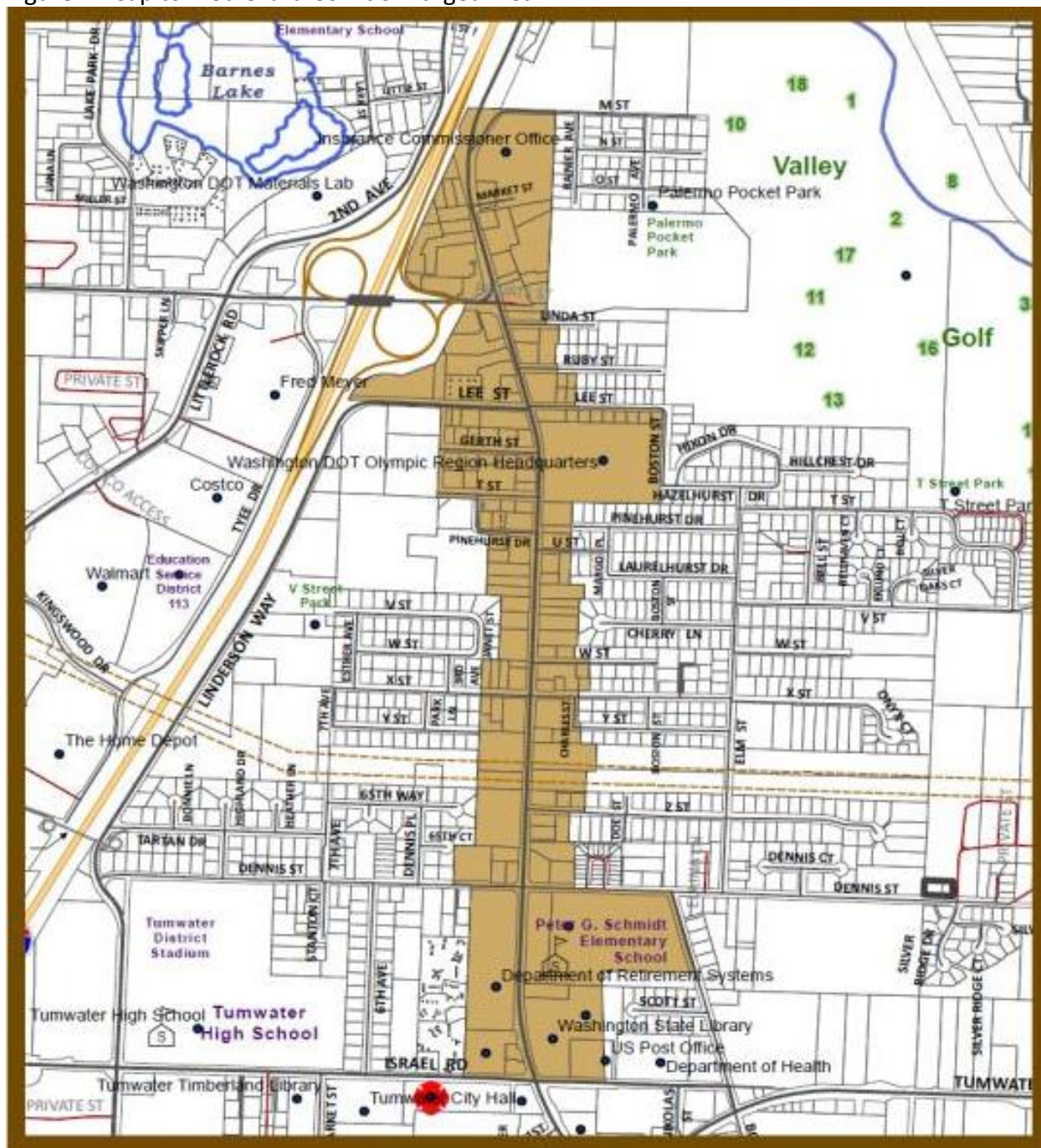


Figure 2. Capitol Boulevard Corridor Target Area



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Figure 3. Littlerock Road Subarea Target Area

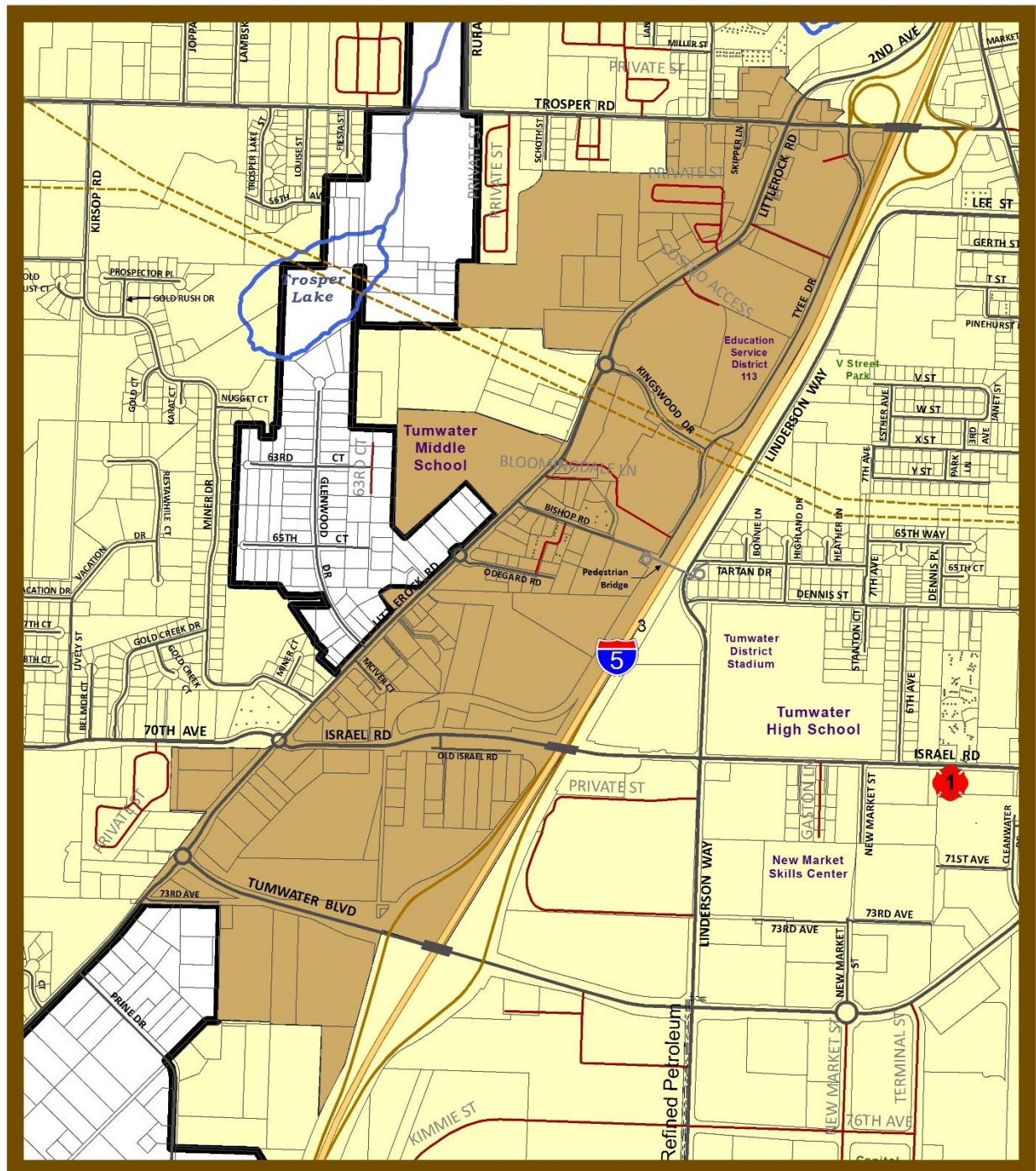
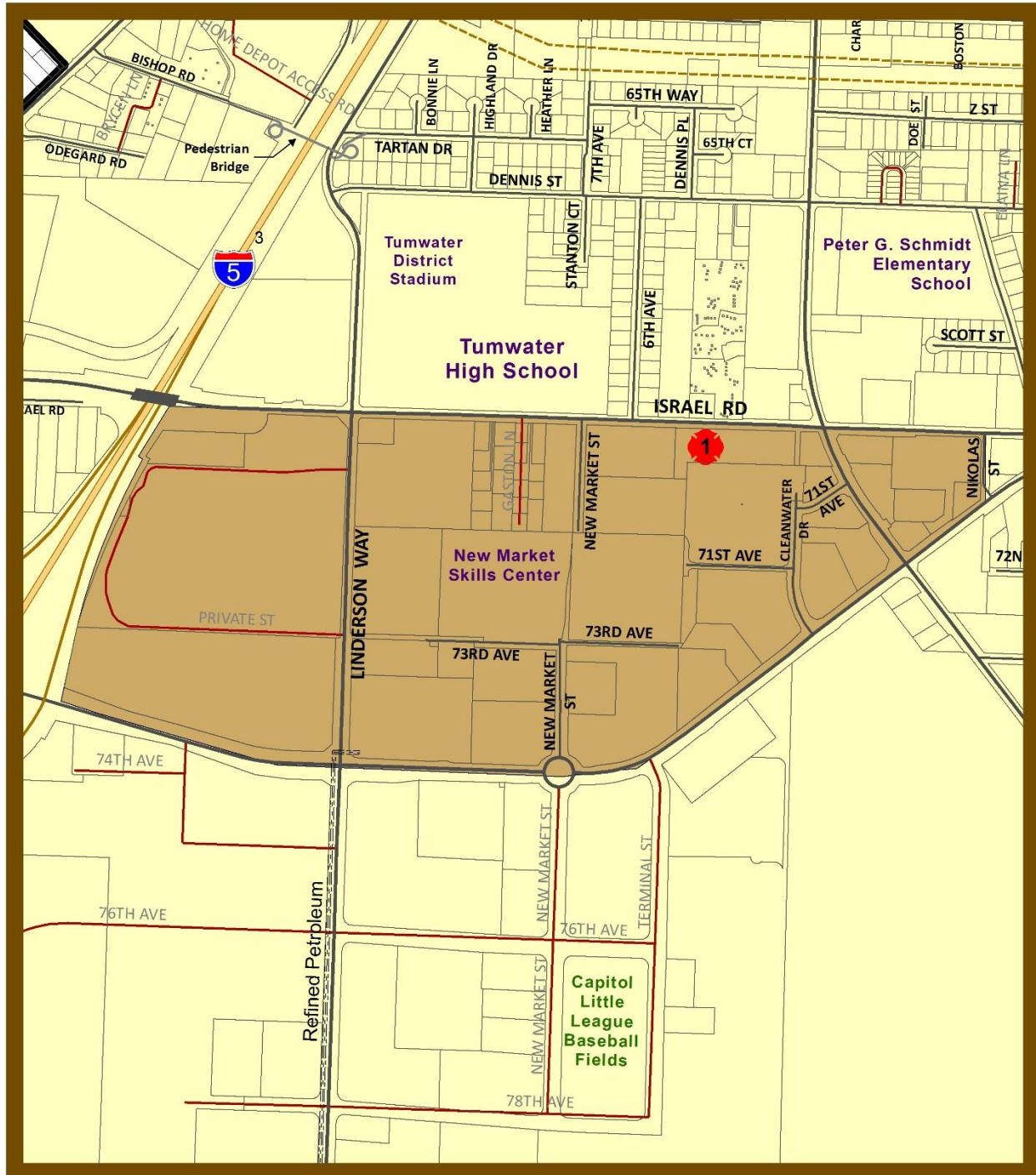


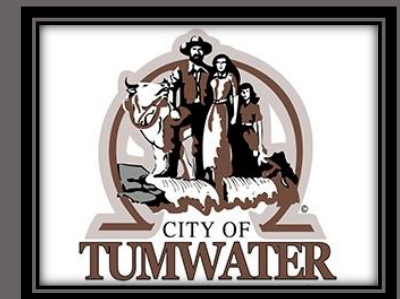
Figure 4. Town Center Target Area



City of Tumwater Affordable Housing Actions – Multifamily Property Tax Exemption Program & Manufactured Home Park Preservation

June 14, 2023

General Government Committee Discussion



Purpose

- Discuss City's Multifamily Property Tax Exemption (MFTE) program and support for manufactured home park preservation in context of City's affordable housing actions
- Discussion will inform 2025 Comprehensive Plan update



AFFORDABLE HOUSING

Issues

- Not enough housing in the City to meet demand
- Wages are not rising as fast as housing costs
- Lack of housing driving up prices and making housing less affordable to more people
- Private market will continue to supply most of the City's future new housing
- Need for public support for permanently affordable housing

Discussion

1. Policy Background and Regional Context
2. Specific City Actions
 - Multifamily Property Tax Exemption Program
 - Manufactured Home Park Preservation
 - Tenant Protections
3. Related Actions
4. 2023-25 Comprehensive Plan Update

Resolution No. R2018-016

- City Council adopted Resolution No. R2018-016 in 2018
- Resolution set out actions to reduce homelessness, increase affordable housing, and collaborate on regional solutions
- In 2018 and 2019, City undertook a significant effort to create Housing Affordability Work Plans

Regional Housing Council

- Started in 2020
- Primary purpose is to promote equitable access to safe and affordable housing by leveraging resources and partnerships
- Council considers policy and funding for a regional response to homelessness and affordable housing

Housing Action Plan

- Next step in process of identifying actions to increase amount of housing in the City
- Used regional data and local analysis to identify specific strategies and actions to preserve existing housing and create new housing
- Equity was an overarching lens
- Did not address household income and wage strategies or specific homelessness response actions

Housing Gaps

Housing Needs Assessment identified seven housing gaps the Plan needed to address:

1. Affordability Reduce housing costs for low-income and cost-burdened households
2. Supply Increase overall housing supply
3. Variety Increase variety of housing sizes and types
4. Seniors Increase senior housing options

Housing Gaps

5. Improvements Maintain existing housing stock in good condition
6. Stability Provide safe, stable options for both renters and homeowners
7. Supportive Housing Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness

Strategies to Address Gaps

To address the seven housing gaps, the Plan identified six strategies to address housing needs:

1. Increase supply of permanent, income-restricted affordable housing
2. Make it easier for households to access housing and stay housed
3. Expand overall housing supply by making it easier to build all types of housing projects

Strategies to Address Gaps

4. Increase variety of housing choices
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies
6. Establish a permanent source of funding for low-income housing

Multifamily Tax Exemption

- MFTE program exempts property taxes on improvements made for multifamily development within designated areas of the City
- Exemptions can be for either 8 years with market rate housing or 12 years if at least 20% of units provided are for affordable housing
- Tax exemption applies to new housing improvement portion of property taxes

Program Purpose

- Provides a catalyst to promote development within targeted areas
- Encourages increased residential opportunities within targeted areas
- Assists in directing future population growth to designated residential targeted areas, thereby reducing development pressure on existing single-family residential neighborhoods

Program Purpose

- Stimulates new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing
- Provides needed residential densities to support retail and other services within the target areas
- Helps to achieve residential densities, which are more conducive to transit use in designated residential targeted areas

Program Benefits

- Encourages the development of more housing units and make housing more affordable overall
- Increases housing choice for consumers due to the increase in supply
- Increases densities in areas suited for higher density
- Aids sustainability and walkability efforts by locating housing near services and transit
- Reduces risk, which increases the ability of a developer to secure debt financing

Program Benefits

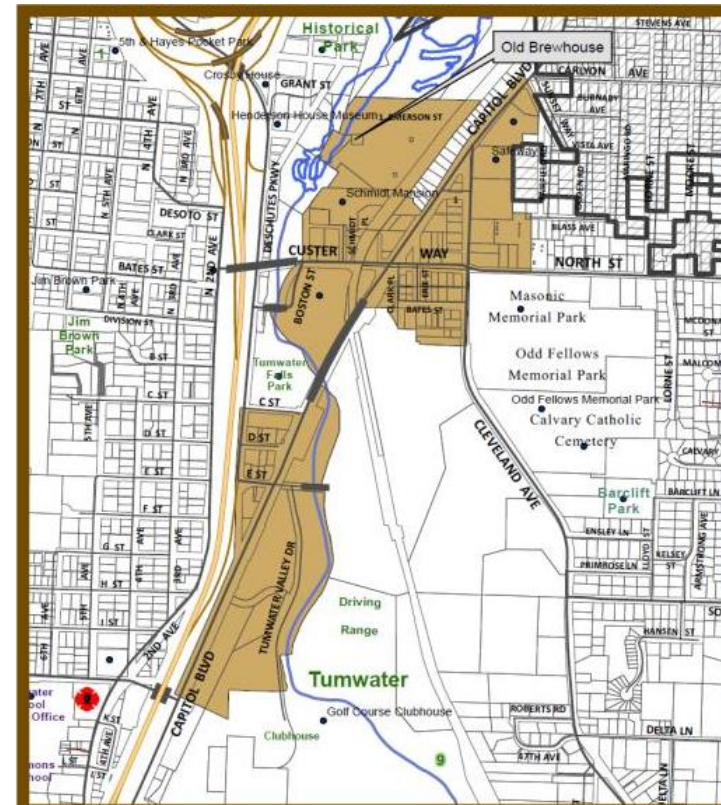
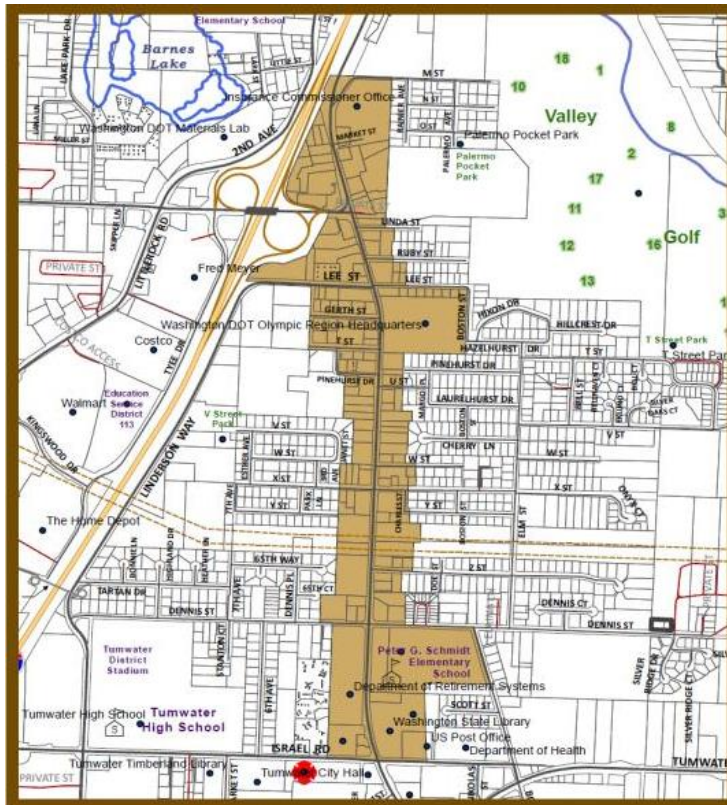
- Stimulates development by reducing costs, which increases the development return on a marginal project, which increases project feasibility
- Benefits the consumer in a competitive market, where savings are passed down
- Ensures that the tax exemption remains with the property so that it will benefit the right owner in the targeted area regardless of turnover

MFTE – 2017 Ordinance

- MFTE program established in 2017 to use residential development to spur economic redevelopment of Brewery District and Capitol Boulevard corridor
- The two subarea plans adopted in 2014 said that a variety of financial incentives were needed for redevelopment envisioned by plans
- Adding residents was intended to encourage development of retail, services, and employment

MFTE – 2017 Ordinance

The 2017 ordinance established MFTE program target areas in Capitol Boulevard Corridor and parts of the Brewery District

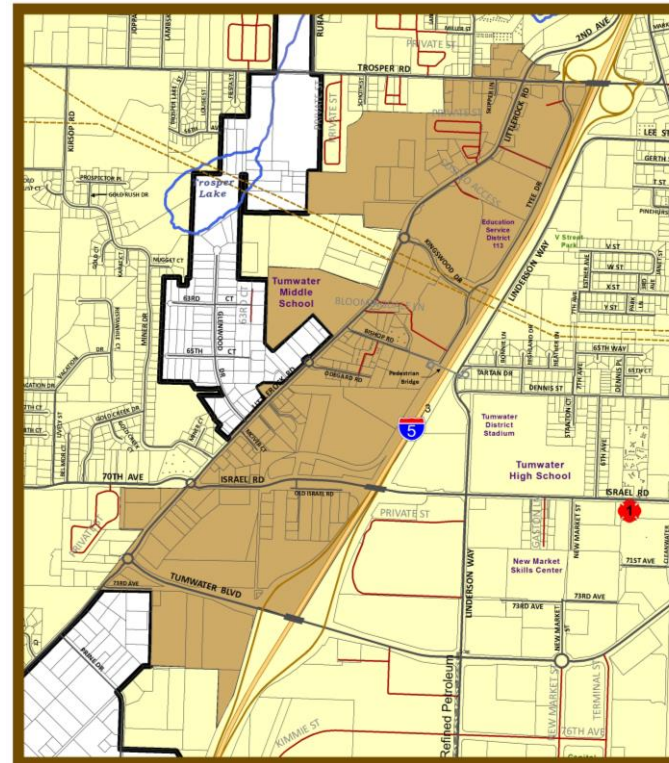
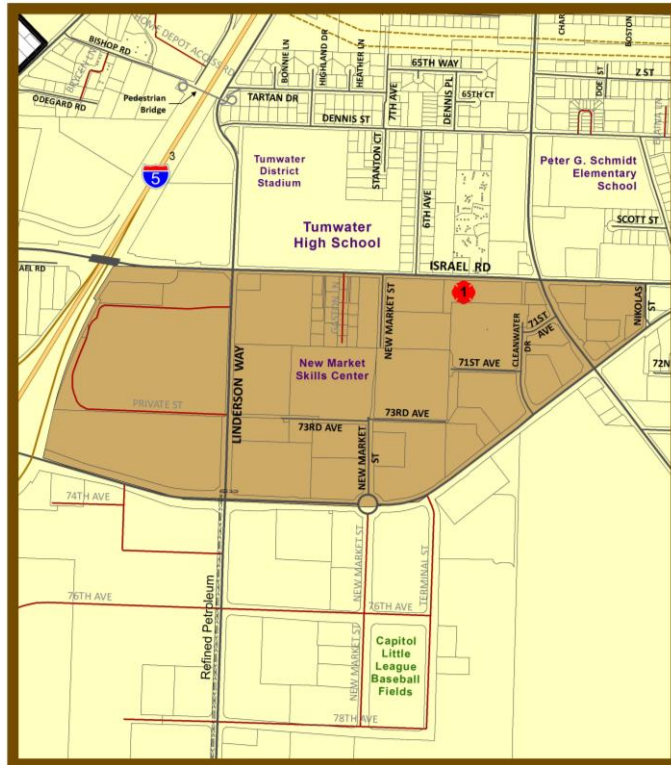


MFTE – 2019 Amendments

- R2018-016 encouraged more housing to be built overall in the City to meet demand and to provide some level of affordable housing
- MFTE program expanded to Town Center and Littlerock Road Subareas in 2019
- In Town Center and Littlerock Road Subareas, MFTE program was limited to 12-Year option requiring 20% of units to be affordable

MFTE – 2019 Amendments

Planning Commission recommended expanding target areas to include the Tumwater Town Center and the Littlerock Road Subarea with 30% affordable housing



MFTE – Approval Process

TMC 3.30 *Multifamily Housing Tax Exemptions* establishes approval process for MFTE applications:

1. An applicant files a complete Conditional Certificate Application with the City
2. If the application meets the requirements of TMC 3.30, the Community Development Director approves the Conditional Certificate
3. As part of Conditional Certificate approval process, the applicant must enter into a contract with City that is approved by City Council

MFTE – Approval Process

4. An approved Conditional Certificate and contract are valid for three years from the date of approval
5. Upon completion of the improvements agreed upon in the contract and issuance of a certificate of occupancy, the applicant files a Final Certificate Application, which is reviewed and approved by the Community Development Director
6. The Community Development Director files a Final Certificate of Tax Exemption with the Thurston County Assessor

MFTE – Units To Date

Approvals	All Units	Market Rate Units	Affordable Units
Conditional	300	263	37
Final	141	112	29
Total	441	375	66

MFTE – Units To Date

Target Areas	All Units	Market Rate Units	Affordable Units
<i>8- and 12-Year Options</i>			
Brewery District	119	119	0
Capitol Corridor	0	0	0
<i>12-Year Option Only with 20% Affordable</i>			
Littlerock Subarea	322	256	66
Town Center	0	0	0
Total	441	375	66

MFTE – Next Steps

- City's MFTE program will expire at end of 2026
- In 2021 E2SHB 5287 amended several elements of Chapter 84.14 RCW
- City may adopt and implement more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of housing units

MFTE – Next Steps

- Staff believes the MFTE program is functioning as intended to provide multifamily housing to support the City's economic development and affordable housing goals
- The City Council can provide a budget for a qualified professional to study the City's MFTE program and consider amendments to the City's MFTE program as part the 2024 long range planning work program

MFTE – Next Steps

The City may amend its MFTE program as follows:

- Expand target areas where a MFTE project could occur in the City, such as in all multifamily designated areas
- Change length of the exemptions to 8, 12, or 20 years
- Require a higher set-aside of required income-restricted units beyond 20%
- Require other public benefits in exchange for exemptions
- Coordinate with other local incentives, such as inclusionary zoning

MFTE – Next Steps

- Establish new affordability requirements for designated income-restricted units to lower incomes
- Base affordability requirements on unit sizes, with higher levels of affordability and lower area median income requirements for smaller units
- Require a mix of affordable units to be proportionate to the overall unit mix and configuration of all units
- Require the designated affordable units to be intermingled with market-rate units

Manufactured Home Parks

City Goal: Manufactured home park preservation

- Support housing affordability for low-income and cost-burdened households
- Maintain existing housing stock
- Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership

MHP Preservation

- City established the MHP Manufactured Home Park zone district in 2008 to preserve manufactured home parks
- Resolution No. R2018-016 Affordable Housing Action # 6:

Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents

MHP Preservation

- Since 2018, City discussing manufactured home parks and land trusts with local nonprofits
- In 2021, the City Council adopted the Tumwater Housing Action, which included:

Strategy 1: Increase the supply of permanent, income-restricted affordable housing.

Action 1.j. Establish a program to preserve and maintain healthy and viable manufactured home parks.

MHP Preservation

- Rental housing protections in TMC Title 5 and Dispute Resolution Services related to these protections apply to manufactured home parks
- While the conversion of existing manufactured home parks is restricted under City zoning regulations, the City does not have regulatory authority under state law to limits ground space rents

MHP Preservation – Next Steps

- The City does have the ability to educate and support actions that allow tenants to work together with manufactured home park owners

MHP Preservation – Next Steps

The City can consider assisting manufactured home owners with the following programs:

- Maintaining and repairing individual manufactured homes
- Funding to replace housing units that would be better replaced than repaired
- Funding for relocation when a park cannot be preserved
- Purchasing a park outright with a land trust

MHP Preservation – Next Steps

The City can consider assisting MHP owners with the following programs:

- Making service and utility upgrades
- Converting parks from septic to sewer service and from well to water systems

MHP Preservation – Next Steps

As part of its state legislative agenda, the City may work with other jurisdictions to amend the Manufactured/Mobile Home Landlord-Tenant Act (Chapter 59.20 RCW), as was done with HB 2610 and E2SSB 5198, to provide additional protections for tenants

MHP Preservation – Next Steps

Housing Action Plan notes that the City will consider the work necessary to implement Action 1.j., but the work has not been scheduled and the following City resources would be needed:

- Funding through the City budget
- Time for staff to develop and run such a program
- Time for staff to manage the annual reporting for such projects

The City Council can add work on this program to the 2024 long range planning work program

Rental Housing

- Support tenant protections to make it easier for City residents who rent to access housing and stay housed
- City reviewed tenant protection actions it could undertake alone or on a regional basis

Rental Housing

City Council approved:

- Three ordinances to address tenant protections in Title 5 *Business Taxes, Licenses and Regulations*
- Established notice requirements and a rental registration program to communicate with tenants and landlords about rental regulations
- Dispute Resolution Center contract for tenant and landlord conflict resolution services specifically for Tumwater residents

Housing Text Amendments

- Increase residential development to bring housing supply and demand more into balance
- Increase permanently affordable housing units through inclusionary zoning for households with incomes less than or equal to 80 AMI

Housing Fee Amendments

- Reduced impact fees, connections charges, and permit fees for permanent low-income housing
- Included a fee reduction for smaller homes to encourage a variety of homes available citywide

Other Actions

- Work with Tumwater School District and nonprofit partners to house homeless students / families
- Participate in homeless count each year
- Meet with Tumwater faith leaders to explore potential roles in addressing homelessness
- Pursue grants for affordable housing
- Move abandoned houses back into active housing inventory

2025 Housing Element Update

- Mandate to “...*plan for and accommodate housing affordable to all economic segments of the population...*”
- State provides countywide housing need projections for all income ranges of households, permanent supportive housing, emergency housing, and emergency shelters

2025 Housing Element Update

In the update, City must:

- Meet projected housing needs of each type
- Demonstrate sufficient land capacity to accommodate housing projections at specific levels of affordability
- Address displacement, racially disparate impacts, and exclusion in housing

Questions?



TO: General Government Committee
FROM: Brad Medrud, Planning Manager
DATE: June 14, 2023
SUBJECT: Manufactured Home Park Preservation

1) Recommended Action:

This is a discussion item. Please review the attached materials and be prepared to discuss.

2) Background:

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues. In September 2021, the City Council adopted the Tumwater Housing Action Plan, which informs the City's Comprehensive Plan policies and development regulations and guides implementation strategies to help the City meet its housing needs.

The General Government Committee has requested information about the City's efforts to preserving existing manufactured home parks. The intent of this item is to provide that information and put it into the context of the City's broader efforts to create and preserve affordable housing in the City. In addition, this information will be useful background for the update of the Housing Element in the City's Comprehensive Plan in 2024-25.

A memorandum and presentation discussing the City's efforts to preserving existing manufactured home parks are part of Multifamily Property Tax Exemption Packet for the General Government Committee's June 14, 2023 meeting.

3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with a goal of "Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness"

Housing Element Goal H-3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

4) Alternatives:

☐ None.

5) Fiscal Notes:

N/A

6) Attachments:

None.

TO: General Government Committee
 FROM: Brad Medrud, Planning Manager
 DATE: June 14, 2023
 SUBJECT: Grant Amendment #3 for Bush Prairie Habitat Conservation Plan Phase 2

1) Recommended Action:

Review and schedule the attached Grant Amendment #3 for the July 18, 2023 City Council consent calendar with a recommendation of approval.

2) Background:

Working together with the Port of Olympia and large group of stakeholders, the City is completing Phase 2 and starting Phase 3 of the process of preparing the Bush Prairie Habitat Conservation Plan (HCP) with consultant assistance from ICF Jones & Stokes, LLC. The HCP is required as part the City and Port's incidental take permit application with U.S. Fish and Wildlife for the Olympia subspecies of the Mazama pocket gopher, the streak-horned lark, the Oregon spotted frog, and the Oregon vesper sparrow.

The goal of the HCP is to allow responsible growth to occur in the City, while providing superior species protection over what an ad-hoc, case by case permitting approach is providing currently. It is the intent of the HCP to cover all actions by private and public landowners that require City development approvals.

The HCP will allow operations and maintenance, recurring activities, and development to occur in some areas frequented by endangered species, offsetting any habitat loss with other, contiguous mitigation sites.

If the Bush Prairie HCP were not completed, development in a large portion of the City from small additions to single-family houses to larger development, as well as the City and Port's ongoing operations and maintenance activities would require individual HCPs and incidental take permits U.S. Fish and Wildlife.

The third amendment to the Phase 2 grant with the Washington Department of Fish and Wildlife will allow the City and the Port to complete Phase 2 of the project that is intended to support completion of the public draft of the HCP and the NEPA/SEPA review process for the HCP.

3) Policy Support:

Comprehensive Plan Conservation Element Goal C-1: Recognize the significant role played by natural features and systems in determining the overall environmental quality and livability of Tumwater.

Comprehensive Plan Conservation Element Policy C-2.16: Protect and preserve habitats for species, which have been identified as endangered, threatened, or sensitive by the state or federal government, giving "special consideration: to conservation or protection measures necessary to preserve or enhance anadromous fisheries.

4) Alternatives:

☐ None

5) Fiscal Notes:

This is attached Grant Amendment #3 is part of the Phase 2 federal grant administered by WDFW and an internally funded work program task.

6) Attachments:

A. Bush Prairie Habitat Conservation Plan Phase 2 Grant Amendment #3

**CONTRACT AMENDMENT****TITLE:** City of Tumwater HCP Phase 2**WDFW NUMBER:** 18-11088**CONTRACTOR:** City of Tumwater**AMENDMENT NUMBER:** 3**AMENDMENT VALUE:** \$0.00**AMENDMENT EFFECTIVE DATE:**
04/01/2023**CONTRACT END DATE:**
04/01/2024

The above-referenced Contract between the State of Washington, Department of Fish and Wildlife (WDFW); and the City of Tumwater is hereby amended as follows:

AMEND Section D | Period of Performance

The period of performance is extended from April 1, 2023, to **April 1, 2024**.

This no cost time extension will allow more time to complete all objectives required under the Agreement.

AMEND Attachment C | Statement of Work

The Target Completion Dates for Objectives 1, 3 and 4 are extended .

Reporting dates are revised; and new reporting dates added.

This Amendment modifies and replaces the Statement of Work in its entirety with the attached Statement of Work.

This is a no cost Amendment resulting in the total Grant award remaining the same at \$1,146,000.

No other changes authorized under this Amendment.

All other terms and conditions of this Contract remain in full force and effect.

THIS AMENDMENT is executed by the persons signing below, who warrant that they have the authority to execute this Amendment.

CITY OF TUMWATER**WASHINGTON DEPARMENT OF
FISH AND WILDLIFE**

SIGNATURE DATE

Debbie Sullivan Mayor

PRINTED NAME AND TITLE

SIGNATURE DATE

Jeffrey Hugdahl

PRINTED NAME AND TITLE

AMENDMENT 3**Attachment C****Statement of Work****City of Tumwater Habitat Conservation Plan Phase 2****REQUEST SUMMARY**

The City of Tumwater (City) and the Port of Olympia (Port) in cooperation with the Washington State Department of Fish and Wildlife (WDFW) received a Cooperative Endangered Species Conservation Fund (Section 6) Habitat Conservation Plan (HCP) Planning Assistance grant in the amount of \$900,000 (75% of the anticipated project cost; 94% or \$846,000 to the City of Tumwater, and 6% or \$54,000 to WDFW) to complete Phase 2 of the HCP development.

Phase 2 grant funds would be used to develop a public draft of the Bush Prairie HCP to cover urban residential, commercial, industrial, and institutional development activities conducted in the City and on Port properties within the City's urban growth boundary that affect listed and other special-status species and their supporting habitats.

The City and Port will complete the following tasks in the second phase of HCP development:

- Review and refine mitigation issues and opportunities identified in Phase 1 specific to the City and the Port for effective management of affected species and prairie ecosystems across private and public lands.
- Continue collaborative Plan development with participation by the Stakeholder group, comprised of property owners, businesses, conservation organizations, and federal, state, and local agencies. The Stakeholder group, convened in Phase 1, has helped to establish criteria for selecting and implementing policies, programs, and projects that seek to conserve and preserve affected species and prairie ecosystems.
- Develop and initiate a broad public process that builds on the work of the Stakeholder group to seek feedback on policies, programs, and projects aimed at conserving and preserving affected species and prairie ecosystems.
- Complete a draft HCP leveraging information collected, memoranda developed, and stakeholder feedback received in Phase 1.
- Develop information to support the US Fish and Wildlife Service (USFWS) in conducting National Environmental Policy Act (NEPA) scoping and defining the issues and anticipated actions for the public, including stakeholders.
- With the City as Lead Agency, develop information to support USFWS in conducting Washington State Environmental Policy Act (SEPA) scoping and defining the issues and anticipated actions for the public, including stakeholders.
- Complete the draft Environmental Impact Statement (EIS) for combined NEPA and SEPA compliance and publication in the Federal Register.
- Receive and review public comments on the draft HCP and EIS. Organize comments to identify themes and significant issues to aid the City and Port in the final stages of HCP development.

OBJECTIVES

The goals for Phase 2 of the HCP planning process are to (for more detail, please refer to "Objectives" and associated "Tasks" described later in the document):

- Continue to educate, inform and involve the public in conservation planning for endangered species.
- Continue to build on other local efforts by Thurston County, WDFW, Center for Natural Lands Management, Department of Defense, and USFWS to maintain and restore the South Puget Sound prairie ecosystem.
- Continue to hold regular meetings of the HCP development team convened in Phase 1 including representatives from the City, the Port, USFWS, the consultant, and other key contributors.
- Continue to seek feedback from stakeholder group convened in Phase 1.
- Incorporate the initial framework for management tools such as regulations, incentives and acquisition strategies that result in protection of contiguous properties to provide for the long-term preservation of endangered species developed in Phase 1 into a draft HCP.
- Integrate features of priority properties identified in Phase 1 as a basis for minimization and mitigation measures into the draft HCP.
- Assemble the elements of an implementation strategy that:
 - o Builds partnerships to implement the strategy,
 - o Establishes conservation milestones, and
 - o Recommends the roles and actions needed for effective conservation and mitigation from conservation partners.
- Complete a draft HCP.
- Develop a long-term HCP implementation funding strategy.
- Provide the Service with resources necessary to continue the NEPA process.
- Conduct the Washington SEPA process concurrent to the NEPA process.
- Provide information and support to complete a draft EIS on the HCP.

The City and the Port have identified the following specific tasks to achieve Phase 2 objectives. Funding obtained for FY17 is critical for continuing the planning efforts begun in FY15. The requested funding will enable achievement of the following tasks to be completed as soon as possible, within one to two years of receipt of grant funds from USFWS:

Objective 1 | Continue to engage stakeholder group and the public to ensure awareness and support of the process and long-term commitment to implementation of the HCP.

Tasks include:

1. Convene quarterly stakeholder group meetings to seek general public feedback on the process and outcomes.
2. Convene public meetings to seek general public feedback on the process and outcomes.

Objective 1 deliverable: Regular meetings with both stakeholder group and general public with feedback received and taken into consideration by project team.

Cost: \$180,644

Schedule: September 2018- April 2024

Completion Date: April 2024

Objective 2 | Use data collected during Phase 1 of the project to develop a draft HCP.

Tasks include:

1. Combine information from the Phase 1 memoranda with data related to current and planned land use, existing permit requests, land development potential, and management and mitigation strategies.
2. Describe the covered activities and environmental conditions relevant to the covered species.
3. Conduct the impact analysis and develop the conservation strategy.
4. Develop the adaptive management and monitoring program.
5. Estimate HCP implementation costs and funding sources.
6. Define the implementation structure, implementation schedule, and changed and unforeseen circumstances and remedial measures.
7. Describe alternatives to take.
8. Present and seek feedback on the administrative draft HCP to the stakeholder group and the public.
9. Incorporate feedback, where appropriate, into the draft plan.

Objective 2 Deliverable: Draft HCP.

Cost: \$188,943

Schedule: September 2018— April 2023

Completion Date: April 2023

Objective 3 | Complete final draft of HCP

Tasks include:

1. Complete First and Second Administrative Draft HCPs.
2. Complete Public Draft HCP

Objective 3 Deliverable: Final HCP for publication, provided electronically only.

Cost: \$348,458

Schedule: February 2019 - April 2024

Completion Date: April 2024

Objective 4 | Complete the draft state and federal environmental review on the draft HCP.

Tasks include:

1. If NEPA/SEPA review results in a Determination of Significance, initiate an EIS
2. Define Proposed Action, Purpose and Need, and Alternatives to the Proposed Action.
3. Document the environmental baseline conditions.
4. Conduct the environmental impact assessment for all applicable resource topics.
5. Complete the public draft EIS.

Objective 4 Deliverable: Draft NEPA and SEPA decision documents...

Cost: \$127,955

Schedule: February 2019 - April 2024

Completion Date: April 2024

LOCATION (PLAN AREA)

Based on the Plan Area and Permit Term Memorandum developed in Phase 1, the HCP plan area (Figure 1) covers the lands within the City boundaries, lands within the City's UGA that are under direct control of the Port, and any additional lands that are to be managed by the permittees for the purposes of covered species conservation. The HCP plan area will be at least 17,000 acres. The plan area may be expanded if suitable mitigation areas are identified outside this area.

ESTIMATED COST

Thurston County received \$846,000 of a \$900,000 pass-through grant funding in partnership with WDFW. A non-federal match of \$150,000, or 12.5% will be provided by the City of Tumwater. The remaining \$150,000 non-federal match will be provided by the Port through an annual entitlement grant. As a key stakeholder in the development of the HCP, the Federal Aviation Administration (FAA) will ask the Port to use this \$150,000 annual entitlement grant to offset the cost of the Port's \$150,000 (12.5%) match.

REPORTING REQUIREMENTS		
Report Title	Report Period	Due Date
Interim Federal Financial Report (SF-425)	March 31, 2019	May 31, 2019
Interim Performance Report	March 31, 2019	May 31, 2019
Interim Federal Financial Report (SF-425)	March 31, 2020	May 31, 2020
Interim Performance Report	March 31, 2020	May 31, 2020
Interim Federal Financial Report (SF-425)	March 31, 2021	May 31, 2021
Interim Performance Report	March 31, 2021	May 31, 2021

Additional reports amended to contract:

• Interim Federal Financial Report (SF-425)	March 31, 2022	May 31, 2022
• Interim Performance Report	March 31, 2022	May 31, 2022
• Interim Federal Financial Report (SF-425)	1/1/2022 – 12/31/2022	March 1, 2023
• Interim Performance Report	1/1/2022 – 12/31/2022	March 1, 2023
• Interim Federal Financial Report (SF-425)	1/1/2023 – 12/31/2023	March 1, 2024
• Interim Performance Report	1/1/2023 – 12/31/2023	March 1, 2024
• Final Federal Financial Report (SF-425)	1/1/2024 – 4/1/2024	April 1, 2024
• Final Performance Report	1/1/2024 – 4/1/2024	April 1, 2024

All reports should be sent to the WDFW Project Manager.

Tables and Figures

Table 1. Species that will likely be covered by HCP

Common Name	Scientific Name	Federal Status	State Status
Olympia pocket gopher	<i>Thomomys mazama pugetensis</i>	FT	ST
Streaked horned lark	<i>Eremophila alpestris strigata</i>	FT	SE
Oregon vesper sparrow	<i>Poocetes gramineus affinis</i>	FSC	SC
Oregon spotted frog	<i>Rana pretiosa</i>	FT	SE
Roy Prairie pocket gopher	<i>Thomomys mazama g/acialis</i>	FT	ST
Tenino pocket gopher	<i>Thomomys mazama tumuli</i>	FT	ST
Yelm pocket gopher	<i>Thomomys mazama ye/mensis</i>	FT	ST
Taylor's checkerspot butterfly	<i>Euphydryas editha taylori</i>	FE	SE
Golden paintbrush	<i>Castilleja levisecta</i>	FT	ST
Kincaid's lupine	<i>Lupinus su/phureus ssp. kincaidii</i>	FT	SE
Nelson's checkermallow	<i>Sidalcea ne/soniana</i>	FT	SE
Hoary elfin butterfly	<i>Callophrys polios obscurus</i>	[none]	SM
Mardon skipper butterfly	<i>Polites mardon</i>	[none]	SE
Oregon branded skipper butterfly	<i>Hesperia colorado oregonia</i>	[none]	SM
Puget blue butterfly	<i>Icaricia icarioides blackmorei</i>	[none]	SC
Vallée silverspot butterfly	<i>Se_el'eria zerene brennerii</i>	[none]	SC

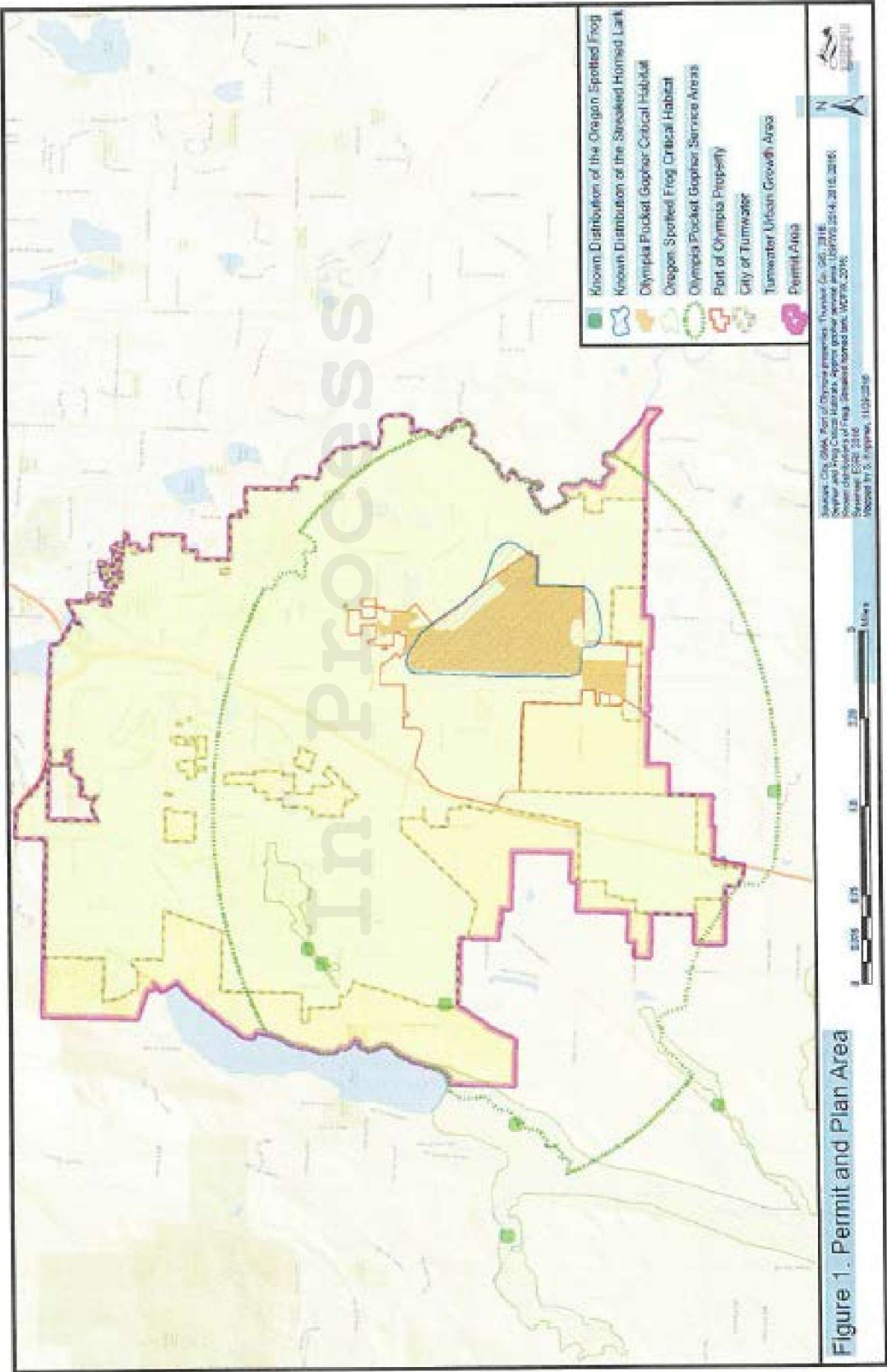
Table 2. Tasks and Deliverables of the Responsible Parties.

Responsible Party	Task	Deliverable
City and Port	Continue to hold regular meetings of HCP development team convened in Phase 1.	Bi-monthly meetings convened to move effort forward.
City and Port	Continue to convene stakeholder group to receive feedback on work products.	Quarterly meetings convened; feedback received, considered, and integrated into work products.
Consultant, City, and Port	Incorporate memoranda developed in Phase 1 into a draft HCP. HCP will: <ul style="list-style-type: none"> • Include reference to management tools developed in Phase 1. • Integrate features of priority properties identified in Phase 1. • Include elements of implementation strategy. • Include funding strategy for long-term implementation. 	Draft HCP.
Consultant, City, and Port	Compile information necessary to initiate NEPA/SEPA efforts.	NEPA/SEPA review documents.
Consultant, City, and Port	Host public meetings to ensure the impacted public has opportunity to learn about and provide input into the draft HCP.	Public meetings.

Table 3. Benefits to covered species and quality of project area

Covered Species	Expected Benefit	Degree of Benefit	Justification
Olympia pocket gopher	The HCP will protect a major population necessary for recovery, including a source population that provides individuals for future emigration, and the HCP will mitigate for development threats to remaining habitat.	High	More than 75% (nearly all) of the range of the Olympia Distinct Population Segment of the Mazama pocket gopher is in the plan area. Conservation of this species will provide additional prairie ecosystem benefits and benefits to other species (page 11).
Streaked horned lark	The HCP will provide management to maintain large treeless expanses necessary for breeding, feeding, and nesting behaviors.	High	The largest breeding population in the South Puget Sound Region is in the plan area. ¹ The breeding population in the plan area is believed to be essential for recovery of the species.
Oregon vesper sparrow	Prairie restoration will benefit this species by maintaining habitat necessary for feeding, breeding, and/or sheltering behaviors.	Low	The plan area represents a small portion of the range of the species but contains all of the habitat features necessary for breeding, sheltering and feeding. This rarely recorded species has been documented to occur in the plan area.
Oregon spotted frog	Critical habitat for this species is in the plan area and the species will benefit from conservation activities at mitigation sites in the Black Lake drainage basin.	Medium	The plan area represents a small portion of the range of the species but contains all of the features necessary for breeding, sheltering and feeding. This rarely recorded species has been documented to occur in the plan area.
Roy Prairie pocket gopher	These species do not occur in the expected impact area; however, they may occur on mitigation sites in the plan area.	Low	Mitigation sites in these species' range will be managed to benefit prairie ecosystems, maintaining species productivity.
Tenino pocket gopher			
Yelm pocket gopher			
Taylor's checkerspot butterfly			
Golden paintbrush	The HCP will provide opportunities for reintroduction of native prairie plants at mitigation sites.	Low	Mitigation sites in these species' range will be managed to benefit prairie ecosystems. Although none of these species are known to occur within the plan area, each of them could establish in suitable habitat at mitigation sites.
Kincaid's lupine			
Nelson's checkermallow			
Hoary elfin butterfly	The HCP will conserve and restore feeding, breeding, and/or sheltering habitat for each of these prairie butterfly species. HCP implementation will include routine monitoring of mitigation sites so we may learn more about the species' distribution.	Low	It is not currently known if any of these species occur within the plan area. If any of them do, impacts might result from covered activities or the species may benefit from prairie conservation and restoration at mitigation sites.
Mardon skipper butterfly			
Oregon branded skipper butterfly			
Puget blue butterfly			
Valley silverspot butterfly			

¹ Estimated number of streaked horned lark pairs in South Puget Sound nesting areas based on survey information collected by WDFW and CNLM, compiled in Table 2 of the Kaufman Properties HCP (2015).



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Debbie Sullivan

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Jeffrey Hugdahl

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Brad Medrud

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JAN Jackson

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Brad Medrud

bmedrud@ci.tumwater.wa.us

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(None)**Electronic Record and Signature Disclosure:**

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FiscalPayableContracts@dfw.wa.gov

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Sean Williams

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Security Level: Email, Account Authentication
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Tiffany Hicks

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Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Washington State Department of Fish & Wildlife:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: dfwservice@dfw.wa.gov

To advise Washington State Department of Fish & Wildlife of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at dfwservice@dfw.wa.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Washington State Department of Fish & Wildlife

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to servicedesk@dfw.wa.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Washington State Department of Fish & Wildlife

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to dfwservice@dfw.wa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Washington State Department of Fish & Wildlife as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Washington State Department of Fish & Wildlife during the course of your relationship with Washington State Department of Fish & Wildlife.