

"FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD MEETING MINUTES

January 20, 2023 • 9:00 a.m. – 1:00 p.m. • Olympia, WA

[TVW Recording](#)

In Attendance

BOARD MEMBERS

Temple Lentz, Chair	John McCarthy	<i>Not Present:</i>
Leonard Barnes	Art Swannack by Zoom	Roger Millar
Peter Bennett	Ben Wick	
Matt Ewers	Anne McEnerny-Ogle	
Erik Hansen	Ex officio Aaron Hunt	
Johan Hellman		

FMSIB STAFF

Jane Wall, Interim Executive Director
Sally A. See, Executive Assistant

GUEST PRESENTERS

Jane Wall, Executive Director, County Road Administration Board (CRAB)
Chris Herman, Deputy Director, Washington Public Ports Association (WPPA)
Brandy DeLange, Government Relations Advocate, Asso of WA Cities (AWC)
Alex Swanson, Managing Director, Washington State Association of Counties (WSAC)
Representative Jake Fey, Washington State House of Representatives
Representative Andrew Barkis, Washington State House of Representatives
Senator Curtis King, Washington State Senate
Senator Mark Liias, Washington State Senate

Meeting Convenes

Chair Lentz convened the meeting at 9:15 am and stated that this board meeting is being conducted in accordance with state and local health guidelines regarding COVID-19 and public meetings. Some members of the public and some participants may choose not to participate in person, so the meeting is being conducted via Zoom teleconferencing software. The meeting is also live-streamed on TVW and archives of the broadcast will be available shortly after today's meeting. This is an open public meeting and all provisions of the Open Public Meetings Act (OPMA) apply, as amended by recent orders of the Governor.

Chair Temple Lentz requested that Board members introduce themselves, as well as FMSIB Staff. All guests were then asked to introduce themselves.

Public Comment

No one stepped forward.

Approval of Minutes

Motion Item: Adoption of November 2022 Meeting Minutes

Chair Lentz entertained a motion to adopt the November 2022 meeting minutes.

Mayor McEnerny-Ogle moved to accept the minutes. Commissioner McCarthy seconded.

MOTION CARRIED

Review Day on the Hill

Chair Lentz – Opened discussion asking Members’ opinion of how Day-on-the-Hill progressed. She also asks that Board Members be ready to discuss their thoughts on proposed legislation HB 1084. This will also be discussed later in this meeting.

Mayor McEnerny-Ogle – She received good feedback from Leg members, although she was surprised that more Legislators didn’t know “FMSIB”. But then, most had not opened the link to our Annual Report. Suggested that it might be a good idea to invite Leg Members on fieldtrips to review FMSIB projects in their Districts during the year.

Mr. Bennett – Agreed that inviting Leg Members when our Board Members are in their area to show them the FMSIB projects firsthand.

Several Board members agreed that they were received by Leg Members warmly and were interested in the FMSIB Annual Report and what we have accomplished.

Mr. Ewers and Mayor Wick – Expressed concern that Leg Members continue to have the old impression that FMSIB is not spending their allotted money in a timely manner, although over the last two years we have been more on top of a timely project completion list.

Chair Lentz – In regard to the proposed legislation HB 1084, the Board is looking for clarity for a number of points on the Bill. Although many signed into testimony at the House Committee hearing January 19th as “Pro” for the Bill, the general consensus was that most people weren’t clear on what the Bill would accomplish. After this Board meeting, a Zoom call was scheduled for Thursday, January 26th to discuss the Board’s consensus on questions that we have of Representative Fey to clarify what the Bill really means.

Also, after this Board meeting Representative Fey scheduled a listening session with our Board to be held on February 3rd. Rep Fey plans to make clarifying updates to the Legislation after this Feb 3rd meeting and before it is reheard in the House Transportation Committee.

Executive Director Search

Chair Lentz – The Executive Director’s position recruitment currently closes on February 15th. At the time of this Board meeting, four applications have been put forward by Human Resources and are being reviewed by the FMSIB Transition Team.

FMSIB Budget Reports

Please see the board meeting packet for Budget documents that were discussed.

Jane Wall, Executive Director of County Road Administration Board (CRAB) addressed the FMSIB budgets. Ms. Wall, Mayor Wick, and WSDOT Local Programs Stephanie Tax will be meeting next week to work out FMSIB budget issues. No action will be taken by the Board until budgets are straightened out.

Ms. Wall noted that FMSIB is not alone in not having a clear budget and that it's happening all over the State. Mayor Wick addressed some of the differences between FMSIB budget and what the Governor is aware of.

Board Member Reports – Freight Outreach Efforts

Mr. Bennett – Visited Port of Kalama and was given a tour by the Port's Director of Economic Development, Erik Yakovich. The project details and funding are quite different than what FMSIB is aware of, according to Mr. Yakovich. Mayor Wick will follow up with Mr. Yakovich and pass the information to the Board. A tour of the project area will be requested for the March FMSIB Board meeting.

Mr. Hellman – Provided an update on the railroad labor negotiations national process. He explained how negotiations are done and how unions are again working to ratify the pay increase that was awarded. The union is working with Congress, and everything went as it was supposed to do. The only issue left on the table is workers' paid leave.

Commissioner McCarthy – Spoke to the labor issues on docks and that the crisis negotiations are "radio silent". Cargo is being redirected from the west to the east coast. Activity in Seattle and Tacoma are way down.

Mayor McEnerny-Ogle – Gave an update on the negotiations for the new I-5 bridge into Portland. One big issue is discovering a way to get trucks on and off the freeway in a smoother fashion. The possibility of a "freight only" lane is being discussed. Mr. Hellman noted that plans include having a light rail on the bridge.

Mr. Ewers – Spoke to Spokane's main freight corridor and plans to upgrade the ability for smoother freight movement. (Unable to hear details on TVW)

Update on Washington Ports

Mr. Chris Herman, Deputy Director WPPA presented priorities for Washington Ports.

(See attached handout "Washington Public Ports Association – 2023 Legislative Priorities".)

Update on Washington Cities

Brandy DeLange, Government Relations Advocate, Association of Washington Cities presented priorities for Washington Cities.

(See attached handout "2023 City Legislative Priorities".)

Update on Washington Counties

Axel Swanson, Managing Director, Washington Association of County Engineers (WSAC & WSACE) presented priorities for Washington Counties.

(See attached handout "2023 County Legislative Priorities")

Phase 2 Proviso Report – FPAC Report

Committee Chair Mayor Wick addressed the list of projects sent on January 11th as an attachment to the Proviso Report that was sent to Governor Inslee and Legislative members on December 1, 2022. FMSIB received several responses from MPOs, RTPOs, and WPPA. Mayor Wick demonstrated how the top projects were chosen to be included in the Proviso.

Board Chair Lentz thanked everyone on the FPAC Committee and Committee Chair Wick for all the hours they'd invested in putting together a very solid list of projects to be included in the Proviso sent to the Governor and Legislature.

Working Lunch with Legislative Members – Future of FMSIB

Representative Fey – Intends to bring FMSIB and stakeholders back together to discuss HB 1084 to better understand the language of the Bill. He will not forward the Bill back to Committee until the conversation is had. His intent is to take advantage of the skill set of the FMSIB Board and to have more “forward thinking” in the legislation. He would like the Board to come up with a strategic package of recommendations to produce those projects on the list as soon as possible, not letting the funding sit for 12 years.

Chair Lentz – asked if the Legislature would appropriate a specific dedicated amount for FMSIB to spend. Representative Fey's answer was “Yes”. Senator King's response was, “The Legislature says ‘Here's the money you have in using due diligence to pick projects in a timely manner,’ and not to let the money sit. When a project is stuck, with Legislative approval, take that money and move it over to a project that will benefit in a timely manner.” Senator King added, “We'll figure this out.”

Review of FMSIB Sub-Committee members

Motion Item: Reconfirm FMSIB Sub-committee members. (Contained in Board meeting materials.)

Chair Lentz entertained a motion to reconfirm FMSIB sub-committee members.

Commissioner McCarthy moved to reconfirm FMSIB sub-committee members' list. Mayor McEnerny-Ogle seconded.

MOTION CARRIED

Legislative Review and Board Direction

Chair Lentz discussed proposed HB 1084 and the hearing held January 19th in the House Transportation Committee.

Further discussion and decisions on any consensuses made on behalf of the Board were tabled until after further discussion with the FMSIB Board, Legislative Representatives, and Legislative committee representatives once the Substitute HB 1084 is put forward.

Next Meeting

Board Action Item: Adoption to hold the next FMSIB Board meeting on March 17, 2023 at Port of Kalama, WA.

Chair Lentz entertained a motion to affirm the next FMSIB Board meeting be held on March 17, 2023 at Port of Kalama, WA.

Mr. Hellman moved to pass the motion. Commissioner Swannack seconded.

MOTION AFFIRMED

Meeting Adjourned

Chair Lentz adjourned the meeting at 1:18 p.m.

Summary of Board Motions:

- 1) Adoption of November 18, 2022, Board Meeting Minutes. (page 2)
- 2) Reconfirm FMSIB Sub-committee members. (Contained in Board meeting materials.) (page 4)
- 3) Adoption to hold the next FMSIB Board meeting on March 17, 2023 at Port of Kalama, WA.
- 4) Convene Administration Committee to evaluate applications. (page 2)

Summary of Future Agenda Items:

- 1) Board would like to move forward in inviting Legislative Members on a tour of projects in their Districts whenever a Board member is in their area.
- 2) A virtual Board meeting was scheduled for January 26th to discuss consensus on questions surrounding HB 1084.
- 3) A listening session was scheduled with Representative Fey on February 3rd to discuss HB 1084. Rep Fey plans to make clarifying updates to the Legislation after this Feb 3rd meeting and before it is reheard in the House Transportation Committee.
- 4) We are asking Erik Yakovich of Port of Kalama to review their project with the Board at our March Board meeting.



Temple Lentz
FMSIB Board Chair



WASHINGTON PUBLIC PORTS ASSOCIATION

2023 Legislative Priorities

Tax Increment Financing – Real Property Definition Correction

An important new infrastructure and economic development funding tool made available to local government, including port districts, in 2021 requires technical corrections to be useful for most port projects. The definition of real property currently in the Tax Increment Financing (TIF) statute excludes many port projects from using TIF because it does not currently allow for port districts to retain ownership of property within the established increment area. This bill insures TIF can be used for its intended purpose by all port districts in Washington. Additionally, the bill clarifies that property acquisition is allowed under the TIF statute.

Freight Mobility Strategic Investment Board (FMSIB) Reform (HB 1084)

FMSIB has been an important partner in funding port transportation infrastructure for over 25 years. The board has been precluded from funding projects for four years as it considers reforms designed to make the board more strategically focused and incorporate policy into their workplan. WPPA supports these efforts including incorporating more community focus into the membership of the board and addressing freight policy matters. Retaining an efficient and independent board is vital to advancing the mission of port districts statewide, and we look forward to working with legislators to ensure HB 1084 allows the board to remain an independent and effective voice for freight transportation.

Low Carbon Energy Siting in Washington State

Port districts offer low-carbon energy producers and clean tech manufacturers some of the least conflict, most desirable industrial sites to locate across Washington State. But current permitting processes and regulatory hurdles don't provide the certainty necessary to incentivize companies to bring clean tech jobs to Washington. WPPA supports vital reforms to energy siting processes and regulations to ensure Washington can achieve its greenhouse gas emissions goals and become a location of choice for the green energy transformation.

Port Electrification & Alternative Fuels Program – Climate Commitment Act

Port districts seek a partner in the state of Washington to help achieve our zero emission goals and further the transition of the transportation sector to clean fuels. Dedicated funding from the Climate Commitment Act for ports engaged in decarbonization work would help ports electrify terminal operations, transition cargo handling equipment to zero emission, incentivize freight modal shift and further clean truck adoption. WPPA supports initiatives similar to those championed as part of the Pacific Coast Collaborative. Port decarbonization has been highlighted as one of the most cost-effective ways to reduce greenhouse gas emissions in overburdened communities.



2023 City Legislative Priorities

Strong cities make a great state. Cities are home to 65% of the state's residents, drive the economy, and provide the most accessible government. The continued success of cities depends on adequate resources and local decision-making to best meet the needs of our residents.

Washington's 281 cities ask the Legislature to partner with cities and act on the following priorities:



Respond to the *Blake* decision

Support clarification around the crime of possessing a controlled substance so that individuals, law enforcement, and treatment providers can respond appropriately. Revise the current system of two referrals prior to criminal charges, so it can be more effectively administered across the state.

Support additional investments to help cities with the costs stemming from the *Blake* decision on how possession of controlled substances is handled by the criminal justice system. This includes:

- Funding to help offset the costs of vacating criminal convictions, repaying legal financial obligations, administering diversion programs, and mitigating municipal court impacts.
- Investment in alternative response teams; treatment facilities for adults and juveniles; treatment in jails; and social workers, treatment providers, and system navigators to help direct people to treatment.



Address vehicle pursuits for public safety

Clarify the ability for law enforcement to conduct vehicle pursuits using a reasonable suspicion standard in specific circumstances. This is essential to allow for effective and safe pursuit of suspects when there is an immediate threat to public safety. Cities will continue to support safety standards and training for officers who engage in vehicle pursuits.



Ensure basic infrastructure funding

Fully fund the Public Works Assistance Account (PWAA), allow the current revenue diversions to sunset at the end of fiscal year 2023, and refrain from further fund transfers or diversions to other infrastructure programs or non-infrastructure accounts. Expand state funding opportunities to assist with maintenance and operations of local infrastructure.



Increase housing availability & affordability

Support a proactive approach that creates new tools, incentives, and revenues that cities can use to help increase housing supply and address affordability. Cities need resources to encourage development of housing at all income levels—especially for our lowest-income residents.



Provide behavioral health resources

Create greater access to community-based behavioral health services to include substance use disorder treatment and dual diagnosis treatment facilities. Support continued state funding to help communities establish alternative response programs like co-responder programs, diversion programs, and others that provide options beyond law enforcement for responding to situations that involve individuals suffering from behavioral health issues.

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February 3, 2023



WSAC Legislative Reception a Success!



This past Wednesday evening, WSAC's Legislative Steering Committee (LSC) and Board of Directors were joined by 35 State Representatives and Senators for WSAC's 2023 Legislative Reception. Additional attendees included local elected officials, county policy and government staff, legislative and caucus staff, state, and federal agencies. Topics discussed included housing, transportation, behavioral health, climate, and land use. LSC members highlighted local contexts to state policies, and emphasized the importance local government has in implementing the Legislators' priorities. It was a great opportunity to network and chat with one another! WSAC extends our gratitude and appreciation to our Legislators and staff that spent the evening with your local government colleagues! Thank you!

RESOURCES

Quick Links

- [Legislative Steering Committee](#)
- [Legislative Priorities](#)
- [Accessing the Legislature Remotely](#)

Upcoming Events

[WSAC Virtual Assembly](#)

Monday, February 6

Trueblood and HB 1515



This week, the Senate heard SB 5440 (Dhingra) – Governor request legislation. However, the Law & Justice Committee heard a proposed substitute, introduced by Sen. Dhingra, in lieu of the original bill. We greatly appreciate the pared-down version of the bill as the original version was just not workable for counties.

The proposed sub still leaves counties concerned for a variety of reasons. The proposed substitute provides that the Department of Social and Health Services (DSHS) may place defendants, who have been charged with felonies and found to be incompetent, in an appropriate facility for restoration, which may include placement in a county jail-based competency restoration unit.G

[Read more](#)

The Foster Fix



The Senate Agriculture, Water, Natural Resources, & Parks Committee will hear SB 5517 on Monday, February 6, at 1:30 PM. SB 5517 proposes implementing recommendations from the Joint Legislative Task Force on Water Resource Mitigation, also known as the Foster Task Force.

This bill addresses several issues stemming from the 2015 Washington Supreme Court decision *Foster v. Ecology, City of Yelm, and Washington*

applications without direct, in-time, in-place mitigation. It also rendered Ecology's ability to utilize the "overriding considerations of public interest (OCPI)" exception for impairment to approve water rights applications when public benefits far outweigh any impact on stream flows nearly impossible.

[Read more](#)

Rural Sales Tax Credit Extension, Prejudgment Interest, and Frivolous Public Records Lawsuits



Our .09% rural sales tax credit extension bills, a major WSAC priority, continue to move forward. HB 1267 has passed out of the House Committee on Local Government and will be heard in the House Committee on Finance on February 7. The companion bill, SB 5613, will also be heard on the 7th in the Senate Committee on Local Government, Land Use & Tribal Affairs.

[Read more](#)

Public Works Assistance Account



The Public Works Assistance Account (PWAA) is critical to ensuring that local jurisdictions can provide and maintain safe and reliable infrastructure in their communities. The legislature's appropriation of PWAA revenue to The Public Works Board (PWB) funds programs that help maintain the health of residents,

growth by modernizing systems and maintaining their existing infrastructure. The PWB helps provide Washington's citizens with access to modern and functional infrastructure while also providing affordable monthly utility rates.

[Read more](#)

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Addressing the *Blake* decision

2023



Respond to community impacts of the *State v. Blake* decision on drug possession, including more treatment for substance use disorder.

Background:

In 2021, the Legislature passed **SB 5476** to address the impacts of the Washington Supreme Court's ruling on *State v. Blake*, which declared unconstitutional the previous law that had categorized drug possession as a felony. The bill establishes misdemeanor-level criminal penalties for the possession of controlled substances, but also requires a referral step for someone's first two offenses, creating an uncertain legal scenario without a fully developed treatment system in place.

In 2022, cities received approximately **\$30 million** in investments from the state, including:

- **\$21.5 million** to offset the costs of repaying legal financial obligations and vacating criminal convictions;
- **\$4.9 million** to fund municipal therapeutic courts;
- **\$2 million** in grants to create alternative response teams; and
- **Additional investments** in services like transportation and case managers to support individuals referred to therapeutic courts.

Cities have been placed on the front lines for carrying out the new public policy created under **SB 5476**. Yet cities lack dedicated, ongoing resources to do this work on their own. Extreme disparities in access to drug treatment are found in communities across the state. Most communities don't have local options to divert people into drug treatment—or the nearest service center is often located many miles away from the community.

The Legislature must invest in statewide services to provide substance use disorder treatment for those who need it and to share the burden of building a statewide support system to address addiction and behavioral health needs.

Strong cities need:

- **Clarification** regarding the legality of possessing a controlled substance. The current two-referral requirement has created legal uncertainty and, in some cases, impedes individuals from accessing treatment. Without a statewide tracking system, there is no way to verify the number of times an individual may have received a referral.
- **Continued funding** to help offset the costs of vacating criminal convictions, repaying legal financial obligations, administering diversion programs, and mitigating municipal court impacts, including the development of new therapeutic courts.
- **State investment** in alternative response teams; treatment facilities for adults and juveniles; treatment in jails; and social workers, treatment providers, and system navigators to help direct people to treatment.

Key city facts:

- Washington cities operate **100 municipal courts**.
- Many, but not all, municipal courts operate **specialized court programs**, including therapeutic courts, veteran courts, drug courts, domestic violence courts, teen courts, and homeless courts.
- In 2021, the Administrative Office of the Courts (AOC) launched the Therapeutic Courts Grant, which allocated **\$4.5 million** to municipal and district courts. The AOC received **41 requests** totaling over **\$9.4 million** – the need continues to outpace investments.
- **178 cities** have their own law enforcement departments, employing a total of **6,582 officers**.
- Cities are investing in **alternative response models** such as co-responders, crisis responders, law enforcement assisted diversion, and other community-based outreach programs.

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Public safety: Vehicle pursuits

2023



Support effective and accountable use of vehicular pursuits in response to immediate threats to public safety.

Background:

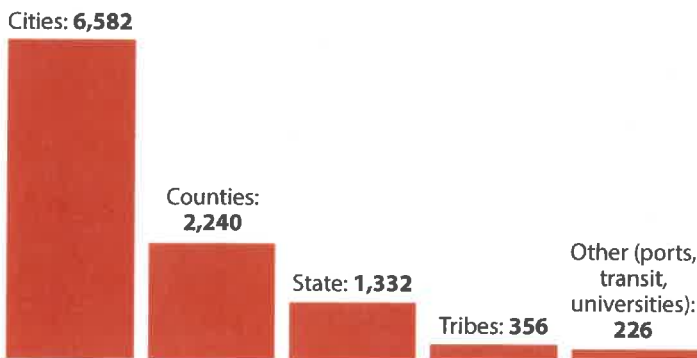
Cities employ the most law enforcement officers in Washington state, which is why cities are deeply involved in recent law enforcement reforms. Police departments need clarity to implement state requirements and meet the unique needs of their community.

In 2021, the Legislature adopted a package of reforms related to policing and in 2022, it updated some of those changes to help law enforcement better respond to pressing community needs. One area still needing further refinement is the ability of law enforcement to use vehicular pursuits as a public safety tool.

Additionally, due to a variety of factors including a strong job market and high rate of retirement, cities continue to struggle to fill law enforcement positions. To help with this challenge, cities need continued state investment in training and public safety programs.

178 cities employ 61% of all law enforcement

Number of law enforcement officers by jurisdiction



Source: 2021 CJIS Statistics and Reports

Strong cities need:

- **Clarity around allowable use of police pursuits:** AWC supports clarifying the ability to conduct vehicular pursuits using a reasonable suspicion standard. This is essential to address concerns about impacts to public safety and allow for effective and safe pursuit of suspects when there is an immediate threat to public safety. Cities continue to support safety standards and training for officers who engage in vehicular pursuits.
- **Investments in the future:** Washington state is facing historic vacancies in law enforcement. Around **22% of officers** are already eligible for retirement, and another 17% will be eligible in the next few years. AWC supports the proposal to create and fund regional campuses to train Washington police. The creation of these campuses, alongside continued investments in the Basic Law Enforcement Academy (BLEA), will help cities hire and provide timely training of new officers.
- **Ongoing public safety funding:** In the 2021-2023 biennial budget, the Legislature provided \$20 million for Washington's cities to help offset costs associated with implementing law enforcement-related legislation. Those costs are ongoing, and cities need continued state support to help with the growing costs of public safety programs.

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Funding local infrastructure systems

2023



Fully fund the Public Works Assistance Account and expand state funding opportunities to help maintain and operate local infrastructure.

Background:

City infrastructure systems are a critical part of the larger network that serves the entire state. Cities support development by building and maintaining needed infrastructure to keep pace with a growing population that demands safer and more equitable access to public services.

However, Washington infrastructure continues to suffer from inadequate investment. The American Society of Civil Engineers recently graded Washington's infrastructure:

Overall: **C** grade
Wastewater: **C-** grade
Stormwater: **D+** grade

More than **80% of cities** say their aging water and wastewater infrastructure requires critical repair. Yet cities face steep administrative costs to address these basic needs.

Nearly **60% of cities** say they need state assistance with infrastructure funding, and **more than a quarter** report significant challenges in meeting grant and loan fund match requirements, in addition to public contracting and bidding requirements.

Small cities and towns have limited tax bases and feel the impact of chronic underinvestment the most.

In the current PWAA construction cycle, applicants requested funding for **58 projects**:

Total funding request: **\$198 million**
Total funding available: **\$118 million**

Unmet need: **\$80 million**

Strong cities need:

- **Full funding** of the Public Works Assistance Account;
- **The return of diverted revenue streams** to the Public Works Assistance Account; and
- **Direct and robust state investment** in local infrastructure to maintain and improve aging systems.

Public Works Assistance Account: Essential support for cities

Cities use a diverse range of financing options to fund their local infrastructure projects, but they rely on the Public Works Assistance Account (PWAA) the most for state-level funding.

Due to ongoing state diversions and sweeps, and the Legislature's lack of investments in the account, the PWAA hasn't been fully funded since 2009. As a result, nearly **\$1 billion** worth of infrastructure projects have gone unfunded.

Before these sweeps and revenue diversions, the PWAA provided a regular and sustainable source of affordable, low-interest infrastructure financing to cities.

Investing in infrastructure pays back

Infrastructure is the foundation of a strong, competitive economy and thriving communities. **Every dollar** invested in public infrastructure produces up to **2.2 dollars** in economic activity.

Cities own a significant share of Washington's critical infrastructure and are home to the majority of the state's residents.

Investing in city infrastructure systems helps local leaders overcome the financial challenges of building and repairing municipal infrastructure that is vital to the health of the state's economy, the environment, and the people of Washington.

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Housing availability & affordability

2023



Address Washington's complex housing crisis with holistic state action.

Background:

Despite an impressive list of policy advancements and record investments in housing by state and local governments, Washington state still faces a complex constellation of interrelated housing challenges.

Even in the face of record new construction, the state still ranks lowest nationally in housing units per household—housing *underproduction* has more than doubled since 2012. This decade-long shortage—coupled with increasing costs for materials, labor, and land—is making new construction too expensive for the average Washingtonian. A prospective homebuyer earning the area median income can afford to purchase a home in only two counties, both in the southeast corner of the state.

Renters are faring no better. Cities are still experiencing a severe shortage of rental housing, with a statewide vacancy rate of less than 4%. Due to low housing supply and high housing demand, rental prices have risen dramatically to levels that are now out of reach for many low- to moderate-income earners. Some communities have experienced a 50% increase in rent in the last five years. As a result, 44% of renters in the state are rent burdened, spending more than a third of their income on housing.

As average working individuals and families are less able to become homeowners, they get simultaneously squeezed by ever-increasing uncertainty and cost increases in the rental sector.

This unhealthy housing market:

- Contributes to our homelessness crisis
- Creates an economic burden on those who can secure housing
- Deepens racial disparities in homeownership
- Reduces our competitiveness in attracting new hires and economic development

Strong cities need:

- **Investments to support housing** for the lowest income levels.
- **Regulatory flexibility** to respond to local housing needs.
- **Incentives to increase** the supply of housing development for all incomes.
- **Tools to preserve** existing affordable units.

The challenge is daunting and will worsen as more people relocate to the Pacific Northwest to escape extreme climate conditions.

One-size-fits-all policies will not address a problem caused by multiple factors spanning more than a decade. There is no silver bullet. We need holistic policy and revenue proposals that are scaled to the size of the need and will provide a sustainable solution into the future.

Cities ask the Legislature to pass a comprehensive housing policy package that addresses low-income housing affordability; permanently affordable homeownership opportunities; necessary infrastructure upgrades to support private and nonprofit development; and measures to ensure that all communities have the means to address our housing crises.

6X

The gap in housing for 0-50% AMI earners in the Central Puget Sound is six times the size of the entire state Housing Trust Fund portfolio.

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Shannon McClelland

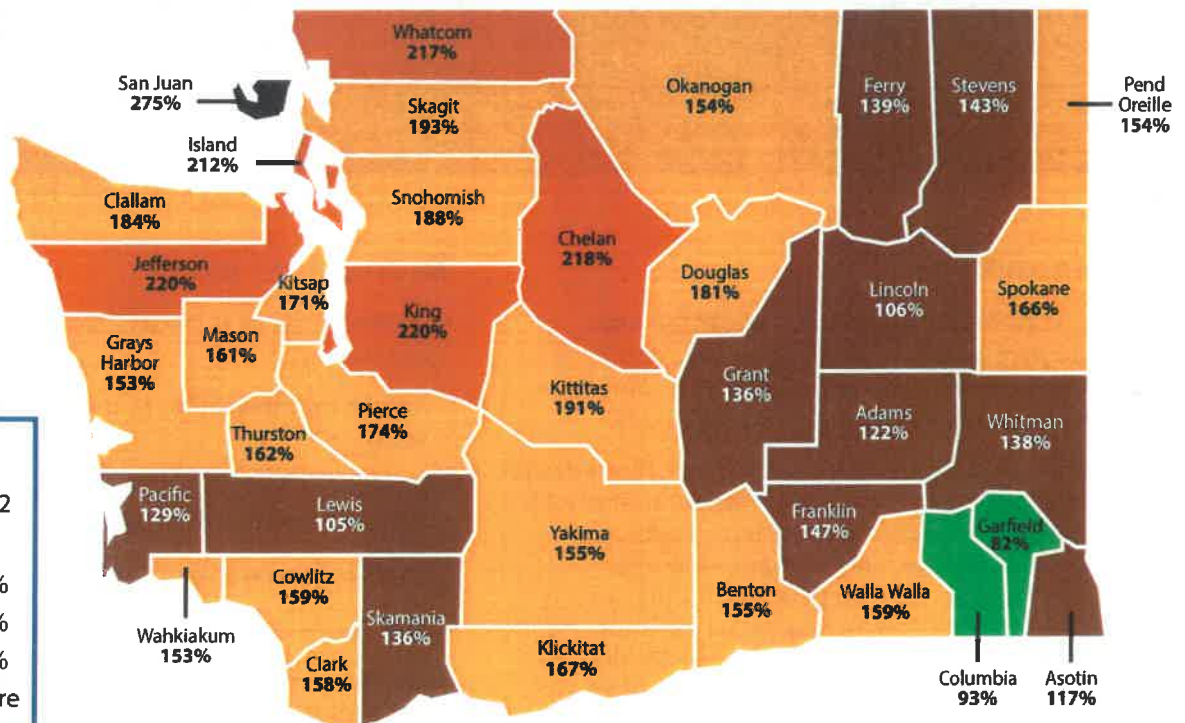
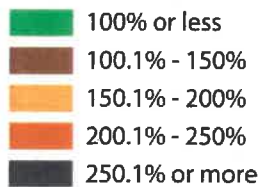
Legislative & Policy Analyst
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Ownership housing is unaffordable across the state

Households earning 100% of AMI can only afford the median home in 2 counties

Required income (% of area median income, or AMI) to afford the median value home in each county assuming a 5% down payment.

Percent of AMI needed to afford median home in 2022

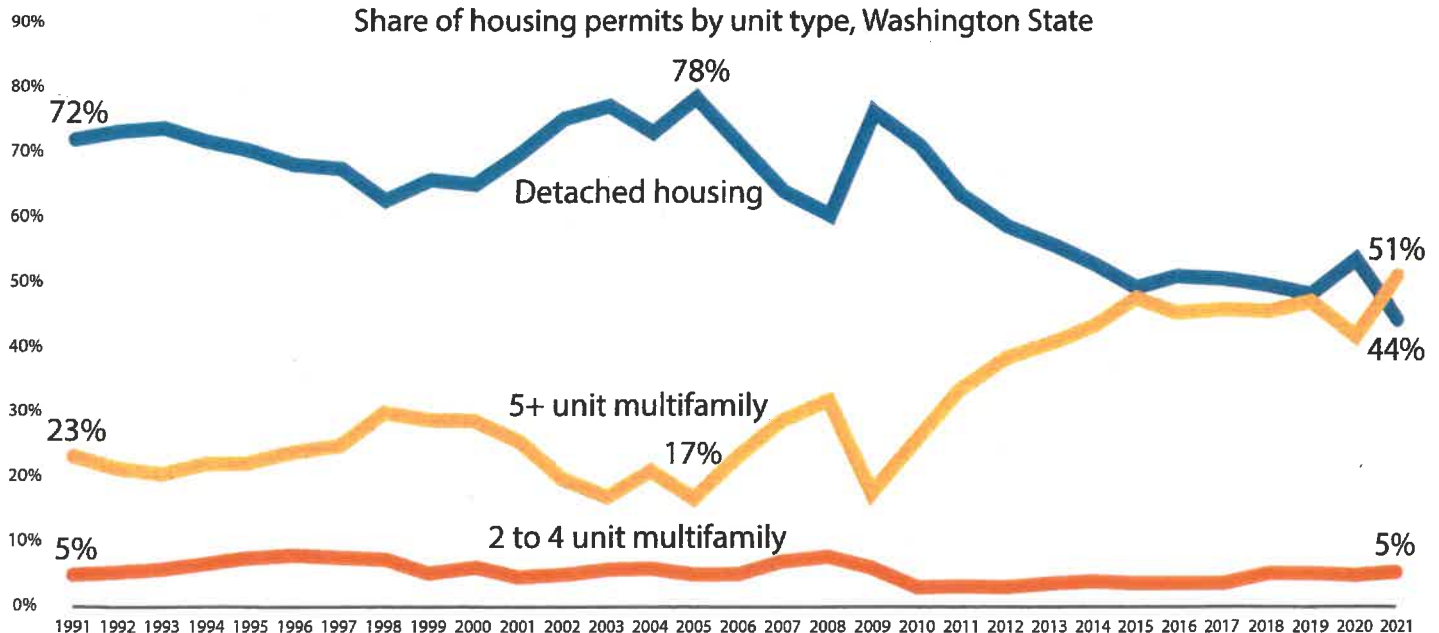


Source: Zillow, HUD, Freddie Mac, ECONorthwest Calculations

Despite a ten-year trend of multifamily housing construction increasing and single-family decreasing, housing affordability worsened

For the first time in Washington history, more 5+ unit structures permitted than detached

Share of housing permits by unit type, Washington State



Source: HUD; ECONorthwest Calculations

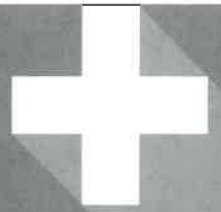
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Behavioral health

2023



Continue or expand funding for behavioral health services and alternative response programs.

Background:

Cities throughout the state are struggling with the impacts of individuals with untreated behavioral health issues. In 2022, nearly a quarter of adults with mental illness in Washington state said that they were not able to receive the treatment they needed. Unfortunately, these individuals are more likely to engage with law enforcement or experience homelessness.

Cities are not traditionally direct service providers, yet are often tasked with finding solutions for the outward impacts of the lack of available services. Cities call for expanded capacity and access to the full statewide continuum of community-based behavioral health services. A comprehensive behavioral health system doesn't just involve responding to a crisis, but supports healthy behavior and prevention services before a problem occurs.

A number of cities are adopting alternative response programs that complement or replace a traditional law enforcement response with one that takes a holistic approach to an individual's needs. Community diversion options like mental health co-responders, Law Enforcement Assisted Diversion (LEAD), and Community Advocates for Referral and Education Services (CARES) programs have proven successful. In 2022, the Legislature provided **\$2 million** for grants to cities to establish new programs.

Strong cities need:

- **Greater access** to community-based behavioral health services, including substance use disorder treatment and dual diagnosis treatment facilities.
- **Continued state funding** to help communities establish alternative response programs that provide options beyond law enforcement for responding to situations with individuals suffering from behavioral health issues.

67% of Washington cities

identify availability of behavioral health resources as a major concern for their community.

55% of Washington cities

report not having alternative community diversion programs in place.

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