



MEMO TO: Members of the City Council
FROM: Mayor John Marchione
DATE: November 14, 2017
SUBJECT: **Draft City of Redmond 2018 State Legislative Agenda**

I. RECOMMENDED ACTION

Review and provide input on the Draft City of Redmond 2018 State Legislative Agenda.

II. DEPARTMENT CONTACTS

Jane Christenson, Deputy City Administrator	425-556-2107
Nina Rivkin, Chief Policy Advisor	425-556-2103
Doug Levy, State Lobbyist	425-922-3999

III. DESCRIPTION/BACKGROUND

The Council’s last discussion of legislative issues was on July 10, 2017, when Doug Levy, the City’s State Lobbyist, provided an update on legislative activities from the 2017 legislative sessions. The upcoming 2018 legislative session is a short, 60-day session. At the November 14 study session, Council will review and discuss a Draft 2018 State Legislative Agenda. The City’s legislative agenda has two parts, Top Priority Issues and Issues the City will Support/Oppose. The City’s proposed 2018 Legislative Agenda and 2017 Legislative Agenda are included in Attachments 1 and 2.

Proposed Top Priority Issues for 2018

The administration is recommending four Top Priority Issues for the 2018 Legislative Agenda:

1. Affordable Housing: Increase supply and level of affordability

- State Housing Trust Fund: The 2017-19 Capital Budget, that has not yet been adopted, includes \$106.7M for the State Housing Trust Fund; this is more than the \$75M provided in the 2015-17 Capital Budget and less than the \$200M sought by stakeholders,
- Document Recording Fee: While this fee was extended through 2023 last session, it was not increased; stakeholders are expected to seek an increase from the current \$40 surcharge per document up to \$90 per document, and
- Councilmanic Authority for 0.1% Sales Tax: This funding option is being discussed for affordable housing and mental health facilities; recommendation is to support

this proposal provided legislation requires equitable distribution of investments throughout King County and annual reporting on the geographic distribution of these investments and services provided.

2. Mental Health, Drug Dependency, Human Services and Homelessness

Redmond supports State funding and programs to help local communities address growing mental health, drug dependency and homelessness challenges, including mental health system funding, actions to combat the opioid epidemic, preserving the Housing and Essential Community Needs program, job training and placement, and the Eastside Human Services Forum legislative agenda. *[This item was moved from the 2017 list of Support/Oppose Issues to a Top Priority Issue.]*

3. Fund and Safeguard State Revenues

The City will continue to advance preserving “state-shared” revenues that provide direct service to local government, seek early adoption of a 2017-2019 Capital Budget, seek supplemental funding for two additional Basic Law Enforcement Training Academy (BLEA) classes in the second year of the biennium (fund 18 classes instead of 16 classes due to need), and support any efforts to restructure the 1% property tax limit.

4. Reclaimed Water

The City is working with a broad consortium of water utility providers, including Cascade Water Association, to seek regulatory authority to require reclaimed water providers to:

- a) Obtain city approval for the use of reclaimed water within a city’s Critical Aquifer Recharge Area (CARA) both within and outside city limits, for any city with a shallow aquifer that supplies drinking water for the city,
- b) Ensure city customers will not be financially burdened with additional costs that result from the use of reclaimed water in place of a city water supply, and
- c) Integrate municipal water supply plans in the development of reclaimed water proposals.

The use of reclaimed wastewater for non-potable water supply purposes is being actively promoted by King County. The City’s underground shallow aquifer supplies roughly one-third of the City’s drinking water. To protect its drinking water, the City needs the ability to regulate the use of reclaimed water within the Critical Aquifer Recharge Area (CARA), which exists in areas within the City and outside of the City’s boundaries.

The City and water utility consortium are working to change state regulations so that we may meet our interests to provide safe drinking water and conduct comprehensive water planning that integrates reclaimed water as an element of our water future, avoids duplicative infrastructure investments, and maintains long-term affordability and rate stability for our water customers.

Support/Oppose Issues

The following items are proposed for inclusion in the 2018 Legislative Agenda as Support/Oppose Issues. New issues are identified, as well as changes from the 2017 Legislative Agenda.

General Government

- Human services, mental health, homelessness: 2017 item moved to Top Priority Issue
- Public Records Act (PRA): 2017 item updated; City will monitor studies and implementation of 2017 PRA legislative updates
- Hi-Tech Industry: 2017 item
- Pension enhancements and system mergers: 2017 item
- Presumptive Disease definitions: new item; oppose expansion under Worker's Compensation that does not address cost concerns and require sound science in decision-making

Environment

- State Product Stewardship: 2017 item
- Proposals impacting water-supply and stormwater infrastructure: "Waters of the State" proposal re-titled from 2017 item, as the focus may not be solely on water issues
- State Infrastructure Bank: new item; the State is exploring the feasibility of a State Infrastructure Ban to bolster investment in public infrastructure upgrades
- WRIA 8 and related funding: 2017 item

Law Enforcement/Criminal Justice

- Property Crimes: 2017 item
- Driving Under the Influence (DUI): deleted; legislation adopted in 2017 making the 4th DUI offense a felony
- Statewide re-licensing program for Driving While License Suspended: 2017 item
- Fire Training Academy in North Bend: moved from Top Priority Revenue item

Two legislative documents are attached to the Agenda Memo that may be of interest to Council. Attachment 3 is the Draft Sound Cities Association (SCA) 2018 Legislative Agenda. The SCA Public Issues Committee (PIC) will consider adoption of a legislative agenda at their November meeting, with the same three items from their 2017 legislative agenda – adjust the property tax cap, invest in public health services, and address the housing and homelessness crisis.

Attachment 4 is the Association of Washington Cities (AWC) 2018 Legislative Session City Priorities; the City's legislative priorities align with AWC priorities.

IV. PREVIOUS DISCUSSIONS HELD

None.

V. IMPACT

A. Service/Delivery:

Council adoption of an annual legislative agenda provides direction for the City's legislative efforts for the upcoming year.

B. Fiscal Note:

None.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

Staff will revise the Draft 2018 Legislative Agenda based on feedback provided by the City Council at the November 14, 2017, study session.

VII. TIME CONSTRAINTS

City Council adoption of a 2018 Legislative Agenda is scheduled for the December 5, 2017, Council meeting, so that a Legislative Agenda is adopted prior to the 2018 legislative session and direction is provided to the administration and City lobbyist on legislative issues that are important to the City.

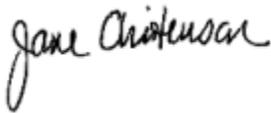
VIII. LIST OF ATTACHMENTS

Attachment A: Draft City of Redmond 2018 State Legislative Agenda

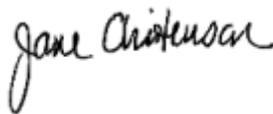
Attachment B: City of Redmond 2017 State Legislative Agenda

Attachment C: Draft Sound Cities Association (SCA) 2018 Legislative Agenda

Attachment D: Association of Washington Cities (AWC) 2018 Legislative Session City Priorities



Jane Christenson, Deputy City Administrator



Approved for Agenda _____

Jane Christenson, Deputy City Administrator

CITY OF REDMOND
DRAFT 2018 STATE LEGISLATIVE AGENDA

Top Priority Issues

- **Affordable Housing:** Redmond will actively work with the Association of Washington Cities, jurisdictions and other stakeholders to increase the supply of affordable housing and the level of affordability in communities across the Puget Sound Region, by seeking options including:
 - State Housing Trust Fund: Significantly increase funding in the 2017-2019 Capital Budget,
 - Document Recording Fee: Increase the surcharge for affordable housing, and
 - Councilmanic Authority for 0.1% Sales Tax: Support this funding option for affordable housing and mental health facilities, provided legislation requires equitable distribution of investments throughout King County and annual reporting on the geographic distribution of funds, location of facilities, and individuals provided services by jurisdiction.

- **Mental Health, Drug Dependency, Human Services and Homelessness:** Redmond will actively support initiatives to add services, shelters, and beds to help local communities address growing mental health, drug dependency and homelessness challenges, including:
 - Mental health system funding,
 - Actions to combat the growing opioid epidemic,
 - Preserving the Housing and Essential Community Needs Program,
 - Providing job training and placement, and
 - Advancing the Eastside Human Services Forum State Legislative Agenda.

- **Fund and Safeguard State Revenues to Better Enable Cities to Address Community Needs:** Redmond will join the Association of Washington Cities, cities, counties and others to:
 - Preserve “state-shared” revenues that provide direct service to local government,
 - Seek early adoption of a 2017-2019 Capital Budget,
 - Support a supplemental funding request for the Basic Law Enforcement Academy (BLEA), and
 - Support any efforts to restructure the 1% property tax limit.

- **Reclaimed Water:** The City is working with a broad consortium of water utility providers, including Cascade Water Alliance, to seek regulatory authority to require reclaimed water providers to:
 - 1) Obtain city approval for the use of reclaimed water prior to its sale and use within the city’s Critical Aquifer Recharge Area (CARA) both within and outside city limits, for any city with a shallow aquifer that supplies drinking water for the city,
 - 2) Ensure city customers will not be financially burdened with additional costs that result from the use of reclaimed water in place of a city water supply, and
 - 3) Coordinate and integrate municipal water supply plans in their development of reclaimed water proposals.

Support/Oppose Issues

General Government

- Public Records Act (PRA): Redmond is committed to public records openness and transparency. Redmond, along with the Association of Washington Cities and others will monitor studies and implementation of recent PRA updates.
- Hi-Tech Industry: The City and the Washington Tech Cities Coalition (WTC²) support initiatives that enhance competitiveness and invest in education and infrastructure to support hi-tech. These initiatives include, but are not limited to, targeted Research and Development (R&D) tax incentives that can help our state keep growing sectors such as space, bio-medical, and life sciences.
- Pension enhancements and system mergers: Redmond opposes pension enhancements or mergers of pension systems that would add new costs to local government.
- “Presumptive Disease” definitions: Redmond will join the Association of Washington Cities and others in opposing any expansion of “presumptive diseases” under Workers’ Compensation that does not adequately address cost concerns and require a sound science foundation for decision-making.

Environment

- State “Product Stewardship” program: Support adding new elements to the program, which uses manufacturer-financed initiatives to encourage environmentally responsible recycling of items.
- Proposals impacting water-supply and stormwater infrastructure: Ensure that any proposed infrastructure investment package for water supply, stormwater, and flood control provides equity between where taxes and fees are collected and where they are invested.
- State Infrastructure Bank: Explore the feasibility of a State Infrastructure Bank to bolster investment in public infrastructure upgrades throughout the state.
- WRIA 8 and related funding: Support funding for habitat, floodplain, and watershed projects.

Law Enforcement/Criminal Justice

- Property crimes: Address the rapid rise in property crimes occurring in the City, region, and state by providing a comprehensive legislative approach that blends increased penalties with better support services for low-level repeat offenders.
- Statewide re-licensing program for Driving While License Suspended (DWLS) offenders: Support a statewide re-licensing program to enable repeat offenders to pay back their fines over time, while allowing local jurisdictions that already have a re-licensing program to maintain their program.
- Fire Training Academy in North Bend, WA: Support funding in the Capital Budget for needed upgrades to the Fire Training Academy in North Bend.

CITY OF REDMOND
2018 STATE LEGISLATIVE AGENDA

Guiding Principles:

The City has adopted the following principles to guide the City's Legislative Agenda:

- **Protect home rule and local authority:** The Legislature should refrain from pre-empting the authority of local cities and communities which are closest to the citizens they serve.
- **Refrain from imposing unfunded or "under-funded" mandates:** It is important that the Legislature refrain from imposing new unfunded or "under-funded" mandates upon local jurisdictions unless there is adequate funding provided to implement them.
- **The state should not erode local revenues and local taxing authority:** As "creatures of the state," cities in Washington have only the taxing and revenue authority directly provided to them by the State Legislature. It is vital that lawmakers refrain from making decisions that erode or eliminate those revenues and the local taxing authority that is given to cities.
- **The state should preserve Operating, Capital, and Transportation budget funding that flows to cities:** Redmond urges the Legislature to refrain from cutting or eliminating operational and infrastructure funding for Redmond and other cities.
- **The Legislature should reward jurisdictions that step up to implement the policy goals developed by the state, as it exercises its decision-making, particularly in grant and loan programs:** Redmond is an example of a city doing the right things to implement the Growth Management Act (GMA), accommodate density, ensure the urban centers of downtown and Overlake are conducive to "transit-oriented" and pedestrian-friendly development, embrace "green building", climate-change and Vehicle Miles Traveled (VMT) strategies, etc. As it makes funding and policy decisions regarding grant and loan programs, the state should find ways to reward jurisdictions, such as Redmond, that carry out and embrace these policy objectives.

CITY OF REDMOND
2017 STATE LEGISLATIVE AGENDA

Top Priority Issues

- **Connecting Washington Transportation Projects:**

- ***Expedite Funding for the Overlake Access Ramp - \$68M***

- Connecting Washington funding for this project does not begin until 2019 and is spread out over 3 biennia. In 2012, the Legislature appropriated \$2.5M for preliminary engineering, which is scheduled for completion in June 2017.

- The City is seeking to expedite project funding as follows:

- 2017-2019: Final Engineering and Right-of-Way (ROW), \$40.7M
 - 2019-2021: Construction, \$27.3M

- ***Expedite Funding for the SR 520 Regional Trail Grade Separation at 40th Street - \$8.6M***

- Connecting Washington provided \$2.4M in 2015-2017 and \$8.6M in “future biennia” for this project. The City is seeking this funding in the 2017-2019 Transportation Budget. Preliminary engineering is anticipated to be substantially complete and Right-of-Way acquired by June 2017, and the remainder of the funding is needed to complete the project.

- **Affordable Housing:** Redmond will actively work with the Association of Washington Cities, and other jurisdictions and stakeholders to increase the supply of affordable housing and the level of affordability in communities across the Puget Sound Region. Towards this end, the City will actively seek options to increase supply and increase funding, including:

- State Housing Trust Fund: Significantly increase funding in the 2017-2019 Capital Budget.
 - Document Recording Fee: Extend and increase the surcharge for affordable housing.

- **Fund and Safeguard State Revenues to Better Enable Cities to Address Community Needs:** Redmond will join the Association of Washington Cities, cities, counties and others to:

- Property Tax Limitation: Adjust the 1% annual growth limitation on property tax under Initiative 747 to an inflationary index that better allows governments to keep pace with their costs.
 - Liquor Profit Revenues: Remove the statutory cap on liquor revolving account (“liquor profit”) revenues distributed to cities and counties, with a set-aside of restored funds for criminal justice and public safety.
 - FAST Act Revenue: Revise the distribution of federal *Fixing America’s Surface Transportation Act* funding from 64% for state highways and 34% for local transportation (roads, bridges, transit, ferries & non-motorized) to a more equitable distribution between state and local governments.
 - Infrastructure Funding: Develop proposals for financing basic infrastructure in local communities, including water, sewer, stormwater, and transportation (Public Works Assistance Account, Model Toxics Control Act, and WA Wildlife and Recreation Program and others).
 - “State-Shared” Revenues and Operating/Capital Budgets: Protect “state-shared” revenues and fund programs that are critical for Redmond and other local governments:
 - Basic Law Enforcement Academy Training (BLEA)
 - Municipal Services Research Center (MSRC)
 - Fraud/Identity Theft Prevention Task Forces
 - Auto Theft Prevention Program
 - Capital Improvements to the Fire Training Academy in North Bend

Support/Oppose Issues

General Government

- Human services, mental health and homelessness: Support initiatives to add services, shelters, and beds to help local communities address growing mental health and homelessness problems. Advance the Redmond Community Homelessness Task Force recommendations, including DSHS/Workforce Development Council job training/placement, mental health system funding, easier access to Community Housing Grant (CHG) and Housing Support Program (HSP) funds, and preserving the Housing and Essential Needs (HEN) program. In addition, Redmond supports the Eastside Human Services Forum (EHSF) legislative agenda.
- Public Records Act (PRA): Redmond is committed to public records openness and transparency. Redmond, along with the AWC and others, supports modest reforms of the PRA to:
 - Provide an alternative dispute resolution option for resolving conflicts over burdensome requests.
 - Enable cost recovery for requests of electronic records and for records that will be used for a commercial purpose.
 - Ensure a request for “all” or “substantially all” of an Agency’s data-base or records does not constitute an identifiable record.
 - Incentivize public agencies to use web-based and open-portal tools to provide public records
- Hi-Tech Industry: The City and the Washington Tech Cities Coalition (WTC²) support initiatives that enhance competitiveness and invest in education and infrastructure to support hi-tech. These initiatives include, but are not limited to targeted Research and Development (R&D) tax incentives that can help our state keep growing sectors such as space, bio-medical and life sciences.
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- WRIA 8 and Related Funding: Support funding for habitat, floodplain and watershed projects.

Law Enforcement/Criminal Justice

- Property crimes: Address the rapid rise in property crimes occurring in the City and state by providing a comprehensive legislative approach that blends increased penalties with better support services for low-level repeat offenders.
- Driving Under the Influence (DUI): Support legislation to make the fourth DUI offense a felony. Under current state law, DUI offenses are not a felony until the fifth offense has been committed.
- Statewide re-licensing program for Driving While License Suspended (DWLS) offenders: Support a statewide re-licensing program to enable repeat offenders to pay back their fines over time, while allowing local jurisdictions that already have a re-licensing program to maintain their program.

CITY OF REDMOND
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SOUND CITIES ASSOCIATION

38 Cities. A Million People. One Voice.

To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

DRAFT SCA 2018 Legislative Agenda

Adjust the Property Tax Cap

Property taxes are the largest revenue source for Washington's cities, supporting critical services like justice, health, and safety. However, property taxes are capped at a level that creates an ever-widening gap between the cost of serving a growing population and the revenue available to pay for those services. A new property tax limit should correspond to what it actually costs local governments to continue providing services and keep up with increased public demand.

- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax increases with a limit tied to inflation plus population growth.*

Invest in Public Health Services

The most basic services for keeping communities safe and healthy are at risk due to declining state investment in public health—down 40% per capita since 2000 when adjusted for inflation. The Legislature made an initial investment of \$12 million in 2017 toward the roughly \$400 million statewide funding gap, but core public health needs remain unmet. For Public Health – Seattle & King County, there's a \$7 million gap in the next county budget cycle that jeopardizes the tracking, response, and prevention of disease outbreaks and other crucial services.

- *The Sound Cities Association urges the Legislature to fund the core public health services provided by local health jurisdictions.*

Address the Housing and Homelessness Crisis

Our communities face an affordable housing and homelessness crisis. More than 11,600 people experience homelessness on a given night in King County, and others, including older adults and moderate and low-wage workers of all ages, are struggling to find affordable, quality housing in our region. Partnerships between state and local governments are critical to create new units of affordable housing. To that end, a renewed state commitment to help Washingtonians transition out of homelessness is now needed, as are expanded investments to address behavioral health needs and other root causes of homelessness.

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
 - *Expand and make permanent the Document Recording Fee*
 - *Invest \$200 million in the Housing Trust Fund*
 - *Allow local governments to create and preserve affordable housing through optional local tools*
- *The Sound Cities Association urges the Legislature to address other underlying causes of homelessness by making investments in our state's behavioral health system and enacting legislation to prohibit Source of Income Discrimination.*

The key to growing strong cities and towns in Washington starts with addressing housing shortages and affordability, helping individuals with mental health and drug addiction issues, and providing tools to enhance local economic vitality.

The 2017 legislative session was the longest in history and yielded numerous helpful policy and budget actions for Washington's 281 cities and towns. However, critical issues remain unresolved and need to be addressed in the 2018 legislative session. The Legislature needs to swiftly adopt a capital budget so that critical community projects can move forward, and take action on the following city priorities to help our communities and state thrive.



Strengthen city tools to address housing conditions in our communities

Cities large and small are experiencing challenges with housing in their community—from shortages of affordable housing, to a lack of workforce housing, to neighborhood impacts of abandoned foreclosed properties. Cities need a variety of local option tools to address the problems of their specific local circumstances. AWC urges the Legislature to adopt:

- 1) A new construction sales tax reimbursement pilot program to attract new multi-family housing in cities outside of our urban core;
- 2) A means for cities to mitigate the impacts of abandoned and bank-owned foreclosed homes; and
- 3) Additional flexibility with existing tools such as making the optional sales tax authority for affordable housing a council decision.



Direct funds to mental health, chemical dependency, and social safety net programs

Although cities are not frontline service providers, many of the problems associated with mental health and chemical dependency show up in our communities and on our streets. Increasingly, local public safety personnel play an expanding role in addressing these impacts. AWC actively supports and will engage with those seeking to direct resources to address these challenges and will collaborate with the state, counties, and providers to find ways to deliver support services in the most effective manner.



Enhance economic development tools and programs that foster business development in cities

Economic development opportunities vary greatly across the state. Some communities have commercial or industrial areas that have deteriorated or lack the needed infrastructure for critical development, and others lack access to adequate broadband services. AWC supports expansion of current programs and funding, and will engage key legislators and stakeholders to identify tools that can help foster vital economies in all corners of our state.



Preserve state-shared revenues with cities and increase law enforcement training funds

The 2017-19 state operating budget continued to fund traditional shared revenues such as liquor revenues and municipal criminal justice assistance at the levels provided in recent years. As the Legislature considers a supplemental budget, AWC will encourage the provision of additional funding for four additional Basic Law Enforcement Academy classes during the biennium to ensure that new recruits receive training as quickly as possible.

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