
CITY OF REDMOND

2020 LEGISLATIVE SESSION

APRIL 14, 2020 STUDY SESSION

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PURPOSE

- Overview of the 2020 Legislative Session
- Overview of 2020 City of Redmond State Legislative Priorities
- Next steps to prepare for the 2021 Legislative Session

OVERVIEW OF 2020 LEGISLATIVE SESSION

- Second year of the two-year legislative biennium
- “Short” Session: lasted 60 days
- Democrats held majority in both House of Representatives and Senate
- Focused on adopting supplemental operating, capital, and transportation budgets
- 2019 legislation “carried over” to 2020 and was still under consideration
- Total of 3,773 bills considered, 386 passed the Legislature
- Governor vetoed several budget sections and bills in response to COVID-19

OVERVIEW OF 2020 LEGISLATIVE SESSION

2020 SUPPLEMENTAL OPERATING BUDGET SUMMARY

- The state operating budget funds all state agency operations
- State fiscal year runs July 1, 2019 - June 30, 2021
- The supplemental operating budget amends the budget adopted in 2019
- The final supplemental operating budget signed by the Governor authorized \$726 million in new expenditures and left \$3 billion in reserves
 - Governor vetoed \$235 million in expenditures approved by the Legislature
- Next revenue forecast: June 2020

OVERVIEW OF 2020 LEGISLATIVE SESSION

2020 SUPPLEMENTAL CAPITAL BUDGET SUMMARY

- The state capital budget funds public and nonprofit construction projects (excluding transportation) throughout the state
- The supplemental capital budget amends the budget adopted in 2019
- Total supplemental capital budget: \$89.9 million
- Priority was to fund local projects that did not receive funding in 2019
- Redmond received \$1 million in supplemental capital budget in 2019 for the Hartman Pool

OVERVIEW OF 2020 LEGISLATIVE SESSION

2020 SUPPLEMENTAL TRANSPORTATION BUDGET SUMMARY

- The supplemental transportation budget amends the budget adopted in 2019
- I-976 caused a \$453 million revenue shortfall in the 2019-21 Transportation Budget
- Prior to session, Governor paused projects to give the Legislature flexibility on how to resolve the revenue shortfall
- The supplemental transportation budget approved by the Legislature allowed all paused project to proceed forward on schedule
- Pushed out delayed projects and removed canceled projects to balance the 2019-21 budget - this created a long-term revenue shortfall with future years of Connecting Washington no longer balanced. 2021-23: \$600 million shortfall as of March 12, 2020

OVERVIEW OF 2020 LEGISLATIVE SESSION

DEVELOPMENT OF TRANSPORTATION REVENUE PACKAGE

- The revenue shortfall caused by I-976 creates increased pressure to develop a package. There was some progress this session:
 - In the Senate, a draft transportation package/project list was shared in 2019; it was revised and shared a second time in 2020
 - In the House, a proposal was introduced in 2020 to incrementally increase the gas tax by 9.7 cents over 10 years to fund state-owned culverts. Additionally, project applications were accepted to begin developing a project list
- Dozens of legislators signed a letter indicating that the Legislature would need to adopt a low carbon fuel standard before they would be willing to vote in favor of any transportation revenue package

OVERVIEW OF CITY OF REDMOND 2020 STATE LEGISLATIVE PRIORITIES

- Affordable Housing
- Homelessness: Fund Behavioral Health Co-Responder Program
- Redmond's Transportation Needs
 - 40th Street Grade Separation Scope Change
 - Funding and Local Options for City Transportation Systems
 - “*Forward Washington*” Transportation Package Requests
- City Fiscal Sustainability and Local Control

LEGISLATIVE REQUEST: AFFORDABLE HOUSING

- Top Priority Issue since 2016
- Support City's Community Strategic Plan priority of Housing Choices
 - Create a variety of housing choices for all income levels
- Increase affordable housing
 - Extend and expand the Multi-Family Property Tax Exemption (MFTE)
 - Allow existing affordable housing funding to be spent on a broader array of income levels, ranging from 0-30% AMI to workforce housing (60-120% AMI)
 - Authorize local option funding tools to address affordability; county-imposed funding shall be allocated to communities where funds are generated for investment in affordable housing

LEGISLATIVE ACTION: MULTI-FAMILY PROPERTY TAX EXEMPTION

- Current law authorizes cities to grant multi-family developments an 8-year property tax exemption; or a 12-year exemption if 20% of the units affordable for low-income
- HB 2620 would have authorized cities to extend the exemption:
 - 12-year property tax exemption extended 12 years, if 20% of units remain income restricted
 - 8-year property tax exemption extended 12 years, if 20% of units become income restricted
 - The bill died because there was not broad agreement amongst stakeholders on many issues
- HB 2950 passed into law as an alternative
 - Extends exemption through 2021 for 12-year projects on the final year of the exemption
 - Governor vetoed bill section establishing work group to provide recommendations in 2021₁₀

LEGISLATIVE ACTION: AFFORDABLE HOUSING INCOME LEVELS

- Allow existing affordable housing funding to be spent on a broader array of income levels, ranging from 0-30% AMI to workforce housing (60-120% AMI)
 - City advocated for flexibility within several different policy discussions around additional local options (HB 1590/HB 2907)
 - City supported bills that provided additional flexibility:
 - E.g. HB 2384, amended the property tax exemption that nonprofit housing providers receive to apply to those who are at or below 80 percent (rather than at or below 60 percent).

LEGISLATIVE ACTION: LOCAL FUNDING OPTIONS

- Local Options to Fund Affordable Housing
 - HB 1590: councilmanic .01 percent sales tax increase for affordable housing & mental health
 - Redmond and Bellevue successfully lobbied for amendment to require 30% of revenue generated within a community to be reinvested in that community
 - HB 2907/HB 2948: King County payroll excise tax to fund affordable housing
 - Many stakeholder meetings amongst King County, cities within King County, labor, and businesses
 - Bill did not pass into law

LEGISLATIVE ACTION: REVENUE FOR AFFORDABLE HOUSING

- 2020 supplemental operating and capital investments in affordable housing/shelter
- \$160 million for housing and homelessness – below are highlights of funding:
 - \$40 million allocated to the WA Housing Trust Fund (HTF) for production and preservation of affordable housing
 - \$60 million provided to increase local temporary shelter capacity
 - \$10 million allocated to the HTF for the preservation of multifamily housing at risk of losing affordability due to expiration of use restrictions that otherwise require affordability
 - \$5 million allocated to the HTF for housing preservation grants or loans to be awarded competitively
 - \$15 million provided to support operating, maintenance, and service costs of permanent supportive housing projects or permanent supportive housing units within housing projects that have or will receive funding from the HTF

LEGISLATIVE REQUEST: BEHAVIORAL HEALTH CO-RESPONDER PROGRAM

- Top Priority Issue Since 2018 – More Focused Priority in 2020
- Behavioral Health Co-Responder Program
 - City received State grant from WA Assoc Sheriffs & Police Chiefs (WASPC) in 2018 & 2019
 - Mental health professional works with police/homeless outreach coordinator
 - Respond to persons with mental health issues
- Request Legislature authorize ongoing funding – support continuation of program
- Supports City's Community Strategic Plan priority of Housing Choices
 - Enhancing the City's homeless outreach program

LEGISLATIVE ACTION: BEHAVIORAL HEALTH CO-RESPONDER PROGRAM

- Behavioral Health Co-Responder Program
 - Legislators strongly support Redmond's co-responder program
 - Evaluate all the co-responder programs that have received grant funds and establish best practices before allocating more funding
 - No additional funding allocated in 2020

LEGISLATIVE ACTION: ADDITIONAL HOMELESSNESS ISSUES

- Additional Homelessness Funding:
 - \$15 million to the Housing and Essential Needs Program
- Additional Homelessness Legislation:
 - House Bill 1754 preempts local jurisdictions' regulations of religious organizations hosting homeless either through encampments, indoor shelter, or safe parking
 - Redmond successfully requested that jurisdictions that have regulations in place prior to the effective date of the bill (90 days after it is signed into law or June 11, 2020) are grandfathered

LEGISLATIVE REQUEST: REDMOND'S TRANSPORTATION NEEDS

- 40th Street Grade Separation Project Scope Change
- Increase funding and local options to maintain and operate city transportation systems
- SR 520 and I 48th Avenue NE Transportation Improvements
- Transportation Improvements to Benefit SR 520 and SR 202
- Supports the City's Community Strategic Plan priority of Infrastructure
 - Investments in transportation improvements

LEGISLATIVE ACTION: 40TH STREET GRADE SEPARATION PROJECT

- 40th Street Grade Separation Project Scope Change
 - Prior to session, the City worked with WSDOT to allow \$1.8 million previously allocated to the Redmond Community Facilities District to be spent on the 40th Street Grade Separation project
 - I-976 passed and Governor paused scope change approval
 - Scope change included in the final transportation budget signed by the Governor
 - Rep. Vandana Slatter, Vice Chair of the House Transportation Committee, was helpful in advancing this issue

LEGISLATIVE ACTION: LOCAL TRANSPORTATION FUNDING

■ Local Transportation Funding

- 2019 Joint Transportation Committee report states that collectively cities in Washington State have nearly \$1 billion in local unmet transportation needs
- I-976 further reduces local transportation revenues for many cities
- HB 2362 and SB 6652 would have authorized cities to councilmanically:
 - Increase the sales tax by up to .04 percent of 1%
 - Impose an additional 2% utility tax (above the current 6% cap)
 - Impose a local 2-cent fuel tax, with an additional 2 cents that can be voter-approved
- Bills did not advance out of committee but laid the groundwork for future sessions

LEGISLATIVE REQUEST: SR 520 AND 148TH AVE IMPROVEMENTS

- SR 520 and 148th Avenue NE Transportation Improvements
 - Add pedestrian bicycle path – eastside of 148th Ave NE
 - NE 24th over SR 520
 - Connect to SR 520 Regional Trail
 - Add left turn lane – Eastbound and Westbound – from NE 24th to 148th Ave NE
 - Add northbound through lane on 148th Ave NE
 - NE 24th to SR 520 East on-ramp
- Improve flow of traffic on and off SR 520 and 148th Avenue NE
- Improve pedestrian and bicycle safety on congested corridor

LEGISLATIVE REQUEST: SR 520 AND SR 202 IMPROVEMENTS

- Transportation Improvements to Benefit SR 520 and SR 202
 - Add crosswalk from East Lake Sammamish Parkway (ELSP) across SR 202
 - Modify right turn lane on SR 202
 - Protected turn lane, separated from through traffic
 - Add through lane from 180th across SR 202
 - Connect with through lanes on ELSP
- Relieve congestion at the end of SR 520 and SR 202
- Improve safety and multi-modal access to light rail at Marymoor Village

LEGISLATIVE ACTION: FUTURE TRANSPORTATION PACKAGE

- Senate: draft transportation package/project list was shared in 2019; it was revised and shared a second time in 2020
 - Redmond projects not currently included on proposed project list
- House: proposal was introduced in 2020 to incrementally increase the gas tax by 9.7 cents over 10 years to fund state-owned culverts; additionally, project applications were accepted to begin developing a project list
 - Redmond projects have been submitted through the application process to be included on a future project list

LEGISLATIVE REQUEST: FISCAL SUSTAINABILITY & LOCAL CONTROL

- Fiscal Sustainability – Top Priority Issue Since 2012
 - Added Local Control in 2020 – A Guiding Legislative Principle is “Protect Home Rule and Local Authority”
- Focused Priority
- Honor local control
- Fund and safeguard state revenues dedicated to cities
- Fully fund Basic Law Enforcement Academy (BLEA) classes
- Replace the 1% cap on property tax with inflation and population growth

LEGISLATIVE ACTION: FISCAL SUSTAINABILITY

■ Fiscal Sustainability

- No cuts were made to state-shared revenues
- Two additional Basic Law Enforcement Academy courses funded, increasing the total number of courses from 19 to 21 per fiscal year
- HB 1390 passed: requires cities with PERS I retirees to provide a 3% increase
 - Minimal impact on Redmond because very few PERS I retirees
- HB 2145 did not pass: would have replaced the 1% property tax cap with a 3% cap

LEGISLATIVE ACTION: LOCAL CONTROL

■ Local Control

- Several proposals introduced that would have preempted local decision making on land use
- Through strong advocacy from cities, most proposals did not pass
- SB 6177 is the only bill that passed removing local control:
 - Removes the ability for cities to require on-site parking for accessory dwelling units (ADUs) within 1/4 mile of a major transit stop receiving service at least every 15 minutes
 - Cities may implement off-street parking requirements for ADUs in areas that lack access to street parking capacity, physical space impediments, or other parking infeasibilities
 - Cities are also exempt from this requirement if they have amended or adopted ADU regulations within the last 4 years

LEGISLATIVE ACTION: SUPPORT/OPPOSE ISSUES

■ Public Records Act

- HB 1888 passed, exempting year of birth, photographs, and payroll deduction information of public employees and volunteers held in personnel files from public disclosure requirements, but permits the news media to have access to full dates of birth and photographs

■ Insurance Reimbursement for Hazardous Waste

- SB 6078 passed, entitling municipal fire departments to recover the actual costs associated with cleanup or removal of hazardous waste and other hazardous materials from insurers

■ Statewide Plastic Bag Ban

- SB 5323 passed, banning single use plastic carry-out bags effective January 1, 2021

LEGISLATIVE ACTION: SUPPORT/OPPOSE ISSUES, CONT.

■ Product Stewardship

- HB 2645 passed, requiring solar panel manufacturers to develop a product stewardship plan before selling solar panels in the state

■ Climate Change

- Legislature appropriated \$50 million to the Climate Resiliency Account - Governor vetoed

■ Culvert Study

- State to develop a culvert plan prioritizing fish barrier removal projects based on watershed

■ Stormwater Funding

- \$5 million appropriated to the Stormwater Financial Assistance Program in addition to \$44₂₇ million appropriated in 2019

NEXT STEPS

- June 9, 2020 Study Session – Council discuss legislative priorities for 2021
- Fall 2020 – city departments, Mayor's Office, and state lobbyist meet, review legislative priorities and develop draft legislative agenda
- Fall 2020 – Council review and discuss draft legislative agenda
- Early November 2020 – elections
- December 2020 – Council adopts 2021 legislative agenda
- January 2021 – session begins

THANK YOU & QUESTIONS?

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