



Housing Action Subcommittee

Thursday, January 16, 2025

9:30 AM-11:00 AM

Tribal Conference Room – City Hall Lobby

Virtual meeting information below

TIMES GIVEN ARE AN ESTIMATE AND ARE SUBJECT TO CHANGE

Land Acknowledgement + Welcome	
9:30 – 9:35	Land Acknowledgement
9:35 – 9:40	Introductions + Announcements
Public Comment	
3 min. per speaker	Members of the public are invited to speak on any topic related to the Housing Action Subcommittee
Housing Action Subcommittee Work Session:	
9:40 – 10:10	Concrete Rose + Reclaim Bridge Housing Proposal <ul style="list-style-type: none"> ➤ Presentation by Breia El-Ayache ➤ Council Sponsors: Navarrete and Bingle
10:10 – 11:00	Updates + Brief Discussions on: <ul style="list-style-type: none"> ➤ City of Spokane 2025 State Legislative Priorities <ul style="list-style-type: none"> ○ Resolution 2024-0116 Approved by Council on 12/09/2024 ○ Priorities (formerly Teir 1) Infographic ○ Land Value Tax Infographic ➤ Council Rule + Urban Experience Committee Changes ➤ Comprehensive Plan; Consolidated Plan; 5 Year Plan to End Homelessness ➤ PIT Count + Spokane Homeless Connect Resource Fair ➤ City Council Homelessness Townhall Report and Draft SMC Changes Process Timeline
Agenda Packet PG 2-14	
VIRTUAL MEETING INFORMATION:	<p>MICROSOFT TEAMS VIRTUAL MEETING LINK: CLICK HERE TO JOIN THE MEETING NOW Meeting ID: 236 775 340 57 Passcode: 9pZ6RU9Q</p> <hr style="border-top: 1px dashed black;"/> <p>Join on a video conferencing device Tenant key: cityofspokane@m.webex.com Video ID: 118 231 372 6</p>
	<p>DIAL IN BY PHONE: +1 424-566-7556,,866675536# United States, Beverly Hills Find a local number Phone conference ID: 866 675 536#</p>
AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION:	<p>The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Council Briefing Center in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6237, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or mpiccolo@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7 1 1. Please contact us forty-eight (48) hours before the meeting date.</p>



Agenda Sheet for City Council:

Committee: Finance & Administration **Date:** 11/25/2024

Committee Agenda type: Discussion

Date Rec'd

11/13/2024

Clerk's File #

RES 2024-0116

Cross Ref #

Project #

Council Meeting Date: 12/09/2024

Submitting Dept

CITY COUNCIL

Bid #

Contact Name/Phone

ERIK POULSEN 625-6721

Requisition #

Contact E-Mail

EPOULSEN@SPOKANECITY.ORG

Agenda Item Type

Resolutions

Council Sponsor(s)

ZZAPPONE PDILLON

Agenda Item Name

0320 - RESOLUTION ADOPTING 2025 LEGISLATIVE PRIORITIES

Agenda Wording

Resolution of the City Council adopting the City of Spokane's legislative priorities for the 2025 session of the Washington State Legislature.

Summary (Background)

Pursuant to SMC 02.03.030, the City Council establishes the legislative priorities for the City of Spokane after consultation with the Mayor and other interested parties. Attached is the proposed resolution to adopt the legislative priorities for the 2025 session of the Washington Legislature. The list of highest priorities is attached as Exhibit A. Exhibit "B" identifies other issues of significant interest to the city.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact

Approved in Current Year Budget? N/A

Total Cost

\$

Current Year Cost

\$

Subsequent Year(s) Cost

\$

Narrative

Not Applicable

Amount

Budget Account

Select

\$

#

Adopted by Spokane City Council on:

Select

\$

#

12/09/2024

Select

\$

#

Select

\$

#

\$

#

City Clerk

\$

#

Committee Briefing Paper Finance & Administration Committee

Committee Date	Nov. 25, 2024
Submitting Department	City Council
Contact Name	Erik Poulsen 625-6721
Contact Email & Phone	Epoulsen@spokanecity.org
Council Sponsor(s)	Dillon, Zappone
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 10 mins
Agenda Item Name	2025 State Legislative Priorities
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background) *use the Fiscal Impact box below for relevant financial information	Pursuant to SMC 02.03.030, the City Council establishes the legislative priorities for the City of Spokane after consultation with the Mayor and other interested parties. Attached is the proposed resolution to adopt the legislative priorities for the 2025 session of the Washington Legislature. The list of highest city priorities is attached as <u>Exhibit A</u> . This list has been developed with key members of the administration, contract lobbyists and other interested parties. It comprises the five City legislative priorities for the 2025 session (formerly known as “tier 1” priorities) as well as Association of Washington Cities’ 2025 legislative priorities. <u>Exhibit “B”</u> identifies other issues of significant interest to the city.
<p>Fiscal Impact</p> <p>Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>Total Cost: Click or tap here to enter text.</p> <p style="padding-left: 40px;">Current year cost: Unknown</p> <p style="padding-left: 40px;">Subsequent year(s) cost: Unknown</p> <p>Narrative:</p> <p>Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A</p> <p>Specify funding source: Select Funding Source*</p> <p>Is this funding source sustainable for future years, months, etc? Click or tap here to enter text.</p> <p>Expense Occurrence <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring <input type="checkbox"/> N/A</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p>Operations Impacts (If N/A, please give a brief description as to why)</p> <ul style="list-style-type: none"> • What impacts would the proposal have on historically excluded communities? <p style="text-align: center;">The legislative priorities of the City typically reflect a variety of policy and budget priorities of the City, and thus do not lend themselves to categorization by equity impact.</p>	

- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

N/A

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

Success of legislative efforts is generally measured by which priority measures and budget requests of the City are enacted by the Washington Legislature as well as the City's impact on measures that it opposes.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

The City Council adopts legislative priorities pursuant to SMC 02.02.030 after consultation with the Mayor and interested parties. This list has been developed by the legislative team with assistance from key members of the Administration, contract lobbyists and other interested parties.

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

Legislative priority recommendations are provided by the City's Legislative Team, encompassing three Council Members, Council and Administration staff and contract lobbyists, who meet regularly throughout the year.

RESOLUTION NO. 2024-0116

A Resolution adopting the City of Spokane's legislative agenda for the upcoming 2025 state legislative session.

WHEREAS, Spokane Municipal Code section 02.03.030 provides that "[a]ny legislative agenda to be advocated for by the City of Spokane at the state or federal level shall be adopted, and may be amended by resolution of the City Council, after consultation with the Mayor, as the official legislative agenda of the City of Spokane"; and


WHEREAS, the City Council historically has identified a list of multiple legislative goals for the coming session of the Washington Legislature as well as congressional goals, and among those goals categorizes its highest priorities; and

WHEREAS, the City Council has consulted with its contract lobbyists, state legislators, administration staff and interested stakeholders to form the attached Exhibit "A," which identifies highest priority issues for the City of Spokane, and Exhibit "B," which identifies other issues of significant interest to the City during the coming state legislative session(s); and

WHEREAS, the attached exhibits shall guide the City of Spokane's efforts at the state level for the 2025 regular legislative session and any special session(s) that may be held.


NOW, THEREFORE, BE IT RESOLVED that the Spokane City Council hereby adopts its City of Spokane 2025 State Legislative Agenda, as specified in Exhibit A and Exhibit B to this Resolution.

ADOPTED by the City Council this 9th day of December, 2024.



City Clerk

Approved as to form:



Assistant City Attorney



Exhibit A

City of Spokane 2025 State Legislative Agenda

Priority Issues (formerly tier 1)

1. Waste-to-Energy to protect environment, ratepayers

Spokane is the only community in Washington whose solid waste disposal system is subject to Climate Commitment Act (CCA) penalties, which will cost residents an estimated \$8 million annually beginning in 2026.

A recent Department of Ecology study shows that Spokane's waste-to-energy facility produces fewer greenhouse gasses that contribute to climate change landfills, which were exempted from the CCA in 2022.

The City, along with our environmental, labor and other community partners, seeks to correct this inequity by extending the landfill exemption to waste-to-energy solid waste disposal systems. This will allow Spokane to continue working toward state-sanctioned emissions reduction strategies, including significant carbon capture technology funded by the Legislature last session.

2. 911 emergency communications tax equity

Spokane residents pay excise taxes for 911 dispatch services that are distributed to the Spokane Regional Emergency Communications system for fire dispatch, but not for police dispatch provided by the City of Spokane. Requiring a portion of these taxes to go toward police dispatch will ensure city residents are receiving services they pay for, and support Spokane police with providing fast, effective emergency response.

3. Supporting the Growth Management Act

The Legislature has extended the periodic comprehensive plan review and revision deadline for select local governments. The City of Spokane and neighboring governments seek an additional six months in the next update cycle to incorporate climate and housing information required under the Growth Management Act. Moving the deadline from June 30, 2026, to Dec. 31, 2026, will allow sufficient time for public and legislative review by Spokane's Plan Commission and City Council.

4. Land value tax to encourage investment, tax fairness

Granting the City of Spokane authority to pilot a local land value tax (LVT) would:

- encourage development of vacant and underutilized property
- discourage land speculation
- promote tax fairness by rewarding property owners who make investments rather than paying more when improvements are made.

LVT is a method of assessing property taxes that considers only the value of the land itself and related improvements, not the structures built on the land. This approach has already been adopted in Pennsylvania, and many other states are looking at it as a revenue-neutral strategy to increase housing supply, revitalize neighborhoods, and improve public safety.

5. City Capital Budget requests

- \$3.5 million for Northeast Public Development Authority's 3011 E. Wellesley Project (workforce housing, childcare facility)
- \$500,000 for completion of Spokane Police Academy facility upgrades, which were funded in the 2022 Capital Budget
- \$500,000 for Meadowglen Neighborhood Park development phase one (Washington Wildlife and Recreation Program)
- \$500,000 for Coeur d'Alene Park playground improvements and restroom replacement (WWRP)

Association of Washington Cities Priority Issues

Fiscal Sustainability

Revise the property tax cap to tie it to inflation, up to 3 percent, so that local elected officials can adjust the local property tax rate to better serve their communities.

Public Safety

- Support efforts to prevent and address juvenile crime, including expansion of juvenile behavioral health treatment capacity and state correctional capacity.
- Enhance officer training through continued state funding of 100% of Basic Law Enforcement Academy (BLEA) costs; and expansion of existing regional academies and establishing new regional academies; and replacement the outdated Criminal Justice Training Center (CJTC) main facility.
- Increase funding to meet local public safety needs including additional direct state funding opportunities and enhancing the existing local public safety sales tax and allowing for councilmanic implementation.

- Support creation of programs designed to improve law enforcement retention, such as state supported law enforcement officer wellness and injury prevention programs.

Infrastructure investment

- Advocate for direct and meaningful investments in traditional local infrastructure (such as drinking water, wastewater, and stormwater systems) for operations and maintenance of aging systems, including expanded and reliable funding for the Public Works Assistance Account.
- Support sustainable state transportation revenue that provides funding for local preservation, maintenance, and operations including direct distributions to cities and town in addition to grant opportunities.
- Develop new fiscal tools to build infrastructure to support housing development and growth including increased funding for the Connecting Housing and Infrastructure Program (CHIP).
- Expand cities' ability and flexibility to use REET for additional capital needs including maintenance as well as to support affordable housing. Pursue other flexibility options including additional REET authority, harmonizing REET 1 & 2, and the ability to set a progressive rate model similar to the one the state has adopted.

Increase behavioral health treatment capacity statewide

- Expand funding for grants to establish and support ongoing funding for local behavioral health crisis co-responder programs. Support additional training and certification and workforce development for co-responders.
- Seek increased investments in community behavioral health treatment funding – both capital start-up and operational expenses; support expansion of continuum of treatment capacity, from crisis stabilization to inpatient to outpatient; continued expansion of forensic behavioral health treatment capacity; additional mental health support for students.

Exhibit B

Significant Issues (formerly tier 2) current as of 11/13/24

Extreme weather grants

A state grant program was created last session to help local and tribal governments with the cost of responding to community needs in periods of extremely hot or cold weather, or when severe poor air quality from wildfire smoke threatens public health. More funding is needed to stand up this program, especially in the Spokane region which faces dangerous weather conditions throughout the year.

Increasing housing supply

The state tax incentive for converting commercial buildings to housing requires that 10 percent of the converted units be dedicated to those at 80 percent or less average median income (AMI). A similar tax incentive for converting parking lots to housing requires 50 percent of units to be between 80-115 percent AMI. By making these incentives uniform, using the commercial building standard, and allowing them for leased as well as owned projects, more workforce housing would be built. This is especially important in Spokane's downtown core, where there's an abundance of extremely low-income housing.

The City also supports:

- Land bank enabling legislation to help put vacant, abandoned, and deteriorated properties back into productive use
- Real Estate Transfer Tax dedicated to funding affordable housing
- New funding options for needs along the housing continuum including incentives for home ownership and construction of condominiums.
- Additional funding for emergency and transitional housing.

Enabling sidewalk utilities

Spokane is exploring the potential benefits of a sidewalk utility to help create people-friendly streets that prioritize health, safety and accessibility for all. The utility can fund missing sidewalks, critical repairs, and ongoing maintenance which are currently property owners' responsibility. The City seeks state assistance with fiscal analysis and authorization to pilot a Spokane sidewalk utility.

Use of force prosecutions

The City continues to support legislation from last session that creates an Office of Independent Prosecution (OIP) within the state Attorney General's Office to help investigate and prosecute criminal conduct arising from police use of force.

Indigent defense

The State Supreme Court is considering new reduced caseload standards for indigent defense. The City joins AWC in supporting a separate and more detailed analysis of the current state of indigent defense for misdemeanor cases to determine what changes in the standard are warranted. Cities also seek enhanced state funding for indigent defense.

Document recording fee administrative charge

Counties that distribute a portion of document recording fees to cities within their jurisdiction for housing and homelessness programs may assess a 10 percent administrative charge. The City of Spokane and Spokane Valley support legislation to clarify this percentage is the total amount that can be retained from all cities receiving funds, not from each individual city, to maximize funding for these critical programs.

Crypto-currency consumer protection

Spokane Police Department has been working with the state Department of Financial Institutions (DFI) to stem the tide of digital-currency fraud including new regulations on digital kiosks (ATMs). The City supports DFI-request legislation that imposes daily transaction limits and caps fees charged by operators.

Product stewardship for packaging (WRAP Act)

The City is a longstanding supporter of proposals to establish a product stewardship framework for packaging to reduce the impact on local solid waste programs.

Increase availability of affordable and accessible childcare

The City supports efforts to increase affordable childcare access statewide, including reducing barriers for providers, construction of new facilities, increasing workforce development, and improved access for state subsidized childcare slots.

Community partner Capital Budget requests

- \$3 million for Excelsior Wellness Infrastructure Expansion project (behavioral health primary care, youth mental health & substance abuse recovery)



CITY OF SPOKANE

2025 STATE LEGISLATIVE PRIORITIES



LAND VALUE TAX TO ENCOURAGE INVESTMENT, TAX FAIRNESS

Granting the City of Spokane authority to pilot a local land value tax (LVT) would:

- Encourage development of vacant and underutilized property
- Discourage land speculation
- Promote tax fairness by rewarding property owners who make investments rather than paying more when improvements are made.

LVT is a method of assessing property taxes that considers only the value of the land itself and related improvements, not the structures built on the land. This approach has already been adopted in Pennsylvania, and many other states are looking at it as a revenue-neutral strategy to increase housing supply, revitalize neighborhoods, and improve public safety.



WASTE-TO-ENERGY TO PROTECT ENVIRONMENT + RATEPAYERS

Spokane is the only community in Washington whose solid waste disposal system is subject to Climate Commitment Act (CCA) penalties, which will cost residents an estimated \$8 million annually beginning in 2026.

A recent Department of Ecology study shows that Spokane's waste-to-energy facility produces fewer greenhouse gasses that contribute to climate change landfills, which were exempted from the CCA in 2022.

The City, along with our environmental, labor and other community partners, seeks to correct this inequity by extending the landfill exemption to waste-to-energy solid waste disposal systems. This will allow Spokane to continue working toward state-sanctioned emissions reduction strategies, including significant carbon capture technology funded by the Legislature last session.



911 EMERGENCY COMMUNICATIONS TAX EQUITY

Spokane residents pay excise taxes for 911 dispatch services that are distributed to the Spokane Regional Emergency Communications system for fire dispatch, but not for police dispatch provided by the City of Spokane. Requiring a portion of these taxes to go toward police dispatch will ensure city residents are receiving services they pay for, and support Spokane police with providing fast, effective emergency response.



SUPPORTING THE GROWTH MANAGEMENT ACT

The Legislature has extended the periodic comprehensive plan review and revision deadline for select local governments. The City of Spokane and neighboring governments seek an additional six months in the next update cycle to incorporate climate and housing information required under the Growth Management Act. Moving the deadline from June 30, 2026, to Dec. 31, 2026, will allow sufficient time for public and legislative review by Spokane's Plan Commission and City Council.



CITY CAPITAL BUDGET REQUESTS

- \$3.5 million for Northeast Public Development Authority's 3011 E. Wellesley Project (workforce housing, childcare facility)
- \$500,000 for completion of Spokane Police Academy facility upgrades, which were funded in the 2022 Capital Budget
- \$500,000 for Meadowglen Neighborhood Park development phase one (Washington Wildlife and Recreation Program)
- \$500,000 for Coeur d'Alene Park playground improvements and restroom replacement (WWRP)

LAND VALUE TAX

WHAT IS A LAND VALUE TAX?

Land Value Tax is a method of assessing property taxes that emphasizes the value of the land itself and related improvements, not the structures built on the land.

It is a revenue neutral approach to increase housing supply, revitalize neighborhoods, and improve public safety.



LAND VALUE TAX IMPACTS



- With a revenue neutral application, most residential taxes will drop.

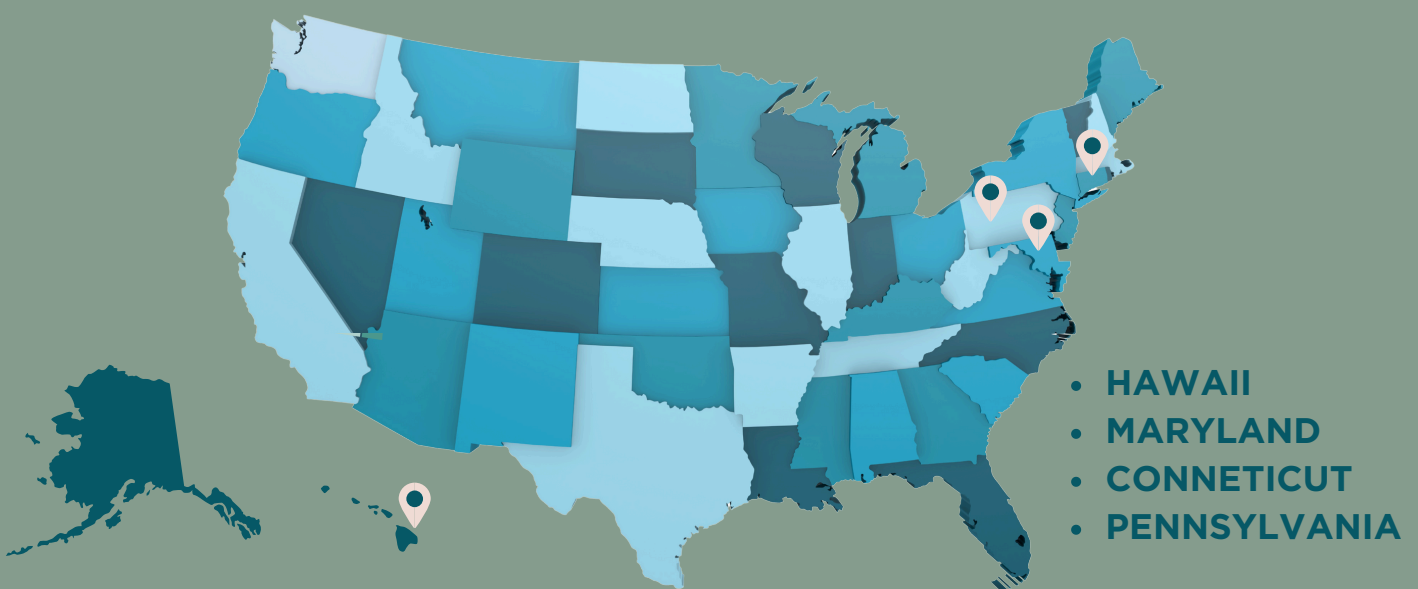


- Vacant and valuable downtown properties including parking lots and underutilized parcels will see increased liability.



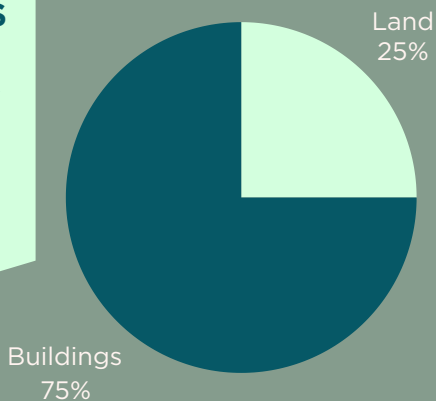
- Targeted growth areas will be incentivized through tax policy.

LAND VALUE TAX ACROSS THE UNITED STATES



U.S. STATES THAT HAVE PASSED LVT ENABLING LEGISLATION

SPOKANE'S CURRENT PROPERTY TAX REVENUE MODEL



HOUSING IN SPOKANE

Spokane is in desperate need of housing across all income levels. Below are the projected needs of housing units by 2044:

POPULATION PROJECTION

UNITS NEEDED

571,283

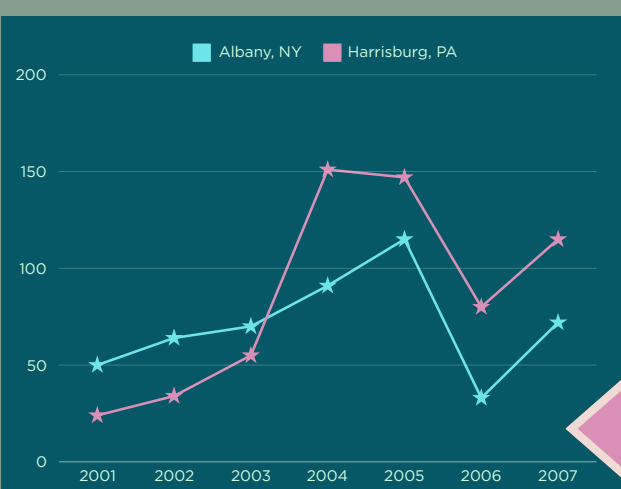
36,638

646,950

70,874

755,896

120,167



Harrisburg, Pennsylvania saw their per capita residential building permits increase after Pennsylvania passed LVT enabling legislation.

OUR TAX SYSTEM HAS BEEN INCENTIVIZING LAND SPECULATION AND DISCOURAGING INVESTORS

Granting Spokane authority to pilot a local Land Value Tax (LVT) would:

- **Incentivize development of vacant and underutilized property**
- **Discourage land speculation, free up neglected land**
- **Promote tax fairness by rewarding property owners who make investments rather than paying more when improvements are made**

LVT is a method of assessing property taxes that emphasizes the value of the land itself and related improvements, not the structures built on the land. This approach has already been adopted in Pennsylvania, and many other states are looking at it as a revenue-neutral approach to increase housing supply, to revitalize neighborhoods, and to improve public safety.

OUTMODED PROPERTY TAX SYSTEMS ARGUABLY EXACERBATE THE WIDESPREAD HOUSING CRISIS

LVT uses current property tax assessments, so it is simple to implement and there is no growth of government. Shifting the property tax off of building values and onto land values can make both buildings and land less expensive, thereby making housing more affordable, while fostering business growth and employment.

WE NEED MORE HOUSING AND JOBS. WHY ARE WE PENALIZING OWNERS WITH HIGHER TAXES WHEN THEY CONSTRUCT, IMPROVE, OR MAINTAIN BUILDINGS?

Spokane is the only city that has eliminated single-family zoning; we were the first to adopt commercial-to-housing development incentives; and we were early to implement 'Parking for People.' However, the city needs stronger incentives for development. LVT promotes infill. Infill is a more effective means to reduce sprawl because it supplies affordable and low-income housing near jobs and services, and it reduces transportation costs.

Cities that are surrounded by rural areas do not have the same kind of limitations to growth that other cities have. Sprawl continues to be a problem in the Spokane area and throughout Eastern Washington. A Land Value Tax could make speculation less profitable and reduce the incentive for fringe suburban development.

LVT PROMOTES FAIRNESS IN PUBLIC INVESTMENTS

A land value tax ensures that the public investment we make in infrastructure to support growth and prosperity is contributed to by the adjacent landowners who benefit from it. It is revenue neutral, so it does not increase or decrease tax revenue for the municipality.

Under LVT, the tax shift is gradual, meaning that the tax on buildings is gradually reduced over time. In some Pennsylvania cities, the tax on buildings has been nearly eliminated. In some others, there's roughly an equal ratio of land rate to building rate.

WE NEED A TAX SYSTEM THAT SUPPORTS OUR GOALS AND OUR VALUES

Communities that have implemented this reform have outperformed comparable communities using the traditional property tax.