



## **Mayor Nadine Woodward**

### **Statement of Conditions and Affairs**

**October 9, 2023**

Good evening Council President, members of the City Council, and community members joining us here and at home on City Cable 5. I appreciate everyone's time and attention as we discuss what's ahead for our city during the annual Statement of Conditions and Affairs.

Like cities around the state and the country, we've been through a lot and are in a time of economic uncertainty. We are also in a time of great opportunity ... and great control of what happens next.

I visit regularly with people at their homes, in parks, at their places of work, in the grocery store, at neighborhood meetings, and at events. And, whether I'm at Glass Park, Hill N Dale Park, Chief Garry Park, Comstock Park, or Riverfront Spokane, in East Central, Five Mile, the Yard, Audubon, Eagle Ridge, or West Hills, they always talk about the health and safety of their neighborhoods.

Families want to know their children can climb on the playground equipment without worrying about needles and used foil. People want to drive downtown to work or a movie and not step over waste or around a corner and into danger. They want to know their vehicles will be safe when they leave them ... and when they return.

And, when crime does occur, they want to know that the perpetrators of criminal activity will be held accountable. They also want to know that there are services available for those who are truly at a low point in life and need a supportive hand up. They want a balanced approach that includes every opportunity for support and tougher guardrails to ensure personal accountability.

Over the past few years, we have built the foundation to accomplish each of those things. We have been there for Spokane neighborhoods to build the needed public safety and services infrastructure, to support local and state legislation that re-establishes expectations for everyone to live by, to challenge overly restrictive court cases and return control to our community, and to build partnerships that allow us to respond and grow as one greater, regional community.

This work has come at a cost which leaves us at a turning point with a clear path forward. That path is through collaboration, strategic investment in core services, and a willingness to start with the goal of a healthy and safe Spokane as the common outcome we are all working so hard to achieve.

Tonight, according to the Spokane City Charter, Article 4, Section 24, I am fulfilling my duty as Mayor to deliver the Statement of Conditions and Affairs at the second October meeting of the City Council.

During our time together, we'll talk about that clear path forward and the opportunities before us. We'll touch on the foundation we've built and talk about the work ahead for each of us.

We have worked very hard as a community to bounce back from the pandemic. Spokane has never been a city to experience the highest economic peaks or the lowest valleys and that experience largely holds true in this instance ... with a few notable exceptions.

[Unemployment in Spokane County](#) is about half of what it was at the height of the pandemic and hovering around the lows over the past 30 years. That bit of good news comes with one important caveat ... [participation in the labor force](#) is the lowest in a decade and well below our 30-year norm.

Anyone who's tried to hire new employees in recent months has experienced both sides of that equation. Spokane is certainly not unique in that regard.

[Wages have also increased](#) although at a rate well below the state average.

[Assessed property valuation](#) is one area where we have really experienced an uncharacteristic departure from typical Spokane behavior relative to state and national trends. These are the increases in home valuation over the past three years ... 12.3% ... 11.9% ... 29.7% ... each faster than the state average and carrying extra barriers for entering the housing market.

That combination of factors ... a drop in labor force participation ... lagging wage increases ... and rapid rise in assessed property valuation ... is critically important context for the decisions we make and the services we provide. We live in a community with a [median household income](#) of just under \$60,000 countywide. Half of our community lives on less than that amount ... some in the city significantly less.

Those are important factors we are thinking about as we discuss the City budget over the next several weeks. Wages, labor participation, housing costs all figure heavily in our budgeting approach and unyielding emphasis on resetting ourselves around core municipal services.

And, we are not alone.

More than one-third of state cities reported their revenues are not expected to keep pace with expenses, according to an [Association of Washington Cities survey](#), and 82% reported that increased costs of city services are a concern in their community.

In the same survey, 59% of cities reported that revenue-expenditure imbalances were driven by a combination of factors, including: short-term economic downturn, inflation increasing costs, and long-term ongoing structural challenges.

Spokane is experiencing each of those.

Challenging times often require a return to fundamentals. The Association of Washington Cities defines core municipal services as public safety; street infrastructure; parks and recreation; planning, growth management, and environmental protection; stormwater management; water and wastewater management.

Those basic city services are anything but basic. Each comes with layers of complexity and are subject to the same rising cost pressures we all face daily in our households.

As I mentioned earlier, in Spokane ... and likely in most communities ... public safety and homelessness are top priorities in our neighborhoods and are reflected in our priority-based budget. Public safety accounts for more than half of the General Fund portion of the budget. Homelessness is largely funded out of the General Fund by state and federal grants the City allocates to local partners.

We have been strategic in our approaches in these and other areas to achieve the best outcomes for individuals and the community.

For police services, that means spreading our resources over 100,000 calls annually to get the right level of response based on the immediacy of need. Call complexity has increased over the past few years and ... in highly strained situations ... requires more police resources for longer ... placing even greater demand on already stretched resources.

So, we've been smart about how we use our resources. We've paired behavioral health providers with officers to drive down trips to the emergency room or jail for those who are simply in the middle of a crisis and need immediate care.

That approach has resulted in a different outcome about 80% of the time and avoided thousands of hours in patrol response time.

We reconfigured the patrol staffing model in January to put more officers on patrol in neighborhoods. That includes doubling the number of officers in our downtown, the region's economic engine and playground, while emphasizing enforcement in certain areas, most recently around 2<sup>nd</sup> and Division.

Property crime is down nearly 15% downtown through three-quarters of the year while overall crime is down more than 10%.

The Violent Crimes Task Force, which began its work a little more than a year ago, has removed more than 150 of the most dangerous and prolific offenders out of our neighborhoods.

The Trent Resource and Assistance Center, which combines emergency night-by-night space and services in one navigation-center-style location, has consistently served more than 300 individuals and their pets a night since opening a year ago. And, the City is in active conversation with the other local

jurisdictions about establishing a regional homelessness authority to continue improving and evolving how we get individuals housed.

We expanded our Homeless Outreach Team hours of service and added weekend coverage to make more consistent service connections and improve neighborhood cleanliness.

That team is on pace to remove more than 800,000 pounds ... 400 tons ... of litter and debris this year and is part of a network connecting people to shelter and services that includes service providers and first responders.

Our planning team has partnered with the public works team to find new ways for people to achieve home ownership by growing housing inventory while being mindful of neighborhood and infrastructure burdens. That includes a creative plan to bond against new sales tax revenue designated for affordable housing and mental health services to more quickly build attainable housing supply. We've also added the ability to build multiple units on a single-family lot to increase rental and homeownership opportunities.

Work is also underway to update development fee structures that have gone untouched for more than a decade. And there is plenty of opportunity. As of last month, the City has now issued permits for more than 1,000 units of housing for the third year in a row.

Of course, new development comes with increased demand on City services and infrastructure. In neighborhoods, like the Latah Valley, where housing development has been designated to occur by the state Growth Management Act, we are evaluating new ways to meet existing needs and future impacts.

We are working on an idea to combine planned sewer work around City-owned property designated for a new fire station to get the location shovel-ready and more attractive for state construction funding. Greater fire safety emphasis, education, and enforcement in that wildland urban interface area will help address immediate safety considerations raised by neighbors while work is also done to fund and improve existing transportation infrastructure. Updated development fees will help pay for future infrastructure needs, including fire services, related to new development.

These core services are important City priorities and will factor heavily in the final proposed budget I deliver next month. So will the reality of what our households can support.

The foundation we have established through hard work, updates to how the City provides services, and the partnerships we've built have us well-prepared to continue delivering core services at a high level.

We are at a turning point. Our plan to get us back to basics has built the infrastructure to move us forward as we continue toward the goal of being the safe and healthy city we all want.