



AB 6257: Recap of 2023 Legislative Session and Impact to Work Plan

May 22, 2023





Overview

- Overview of the 2023 Legislative Session
- Recap legislative action related to the City's 2023 Legislative Priorities
- Summary of housing bills – process and outcome
- Discussion on the impacts to the City's Work Plan

2023 Session

- 105 day session began January and ended on April 23rd
- Special session called by Governor for May to enact “Blake Fix”
- Unprecedented volume of bills introduced



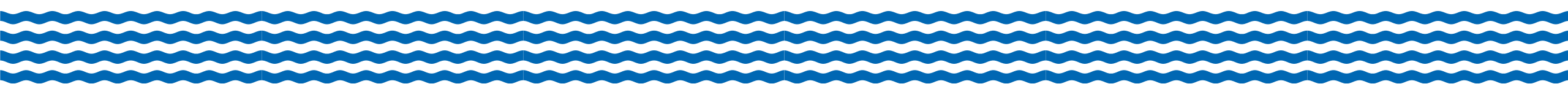
City Engagement

- City staff, lobbyists, and City Council leadership dedicated a significant amount of time to tracking bills, connecting with representatives and elected officials in neighboring communities, and advocating for legislation that aligns with Mercer Island's priorities.



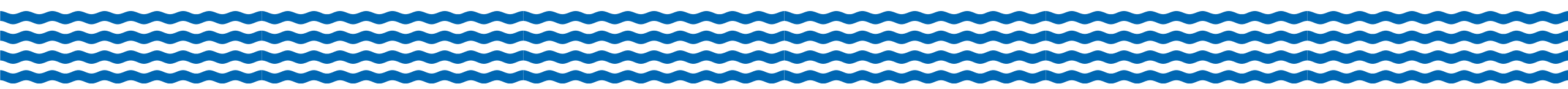
City Engagement

- Adopted City Legislative priorities
- Contract with Federici, Esser & Gallagher for lobbyist services
- Council approved letter of opposition to HB 1110
- Council approved talking points on SB 5466
- Attendance of AWC lobby day in Olympia by Mayor Nice, Deputy Mayor Rosenbaum, and Councilmembers Jacobson and Weiker



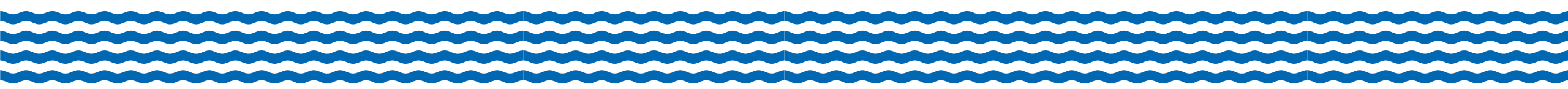
City Engagement

- Public testimony given in person and virtually to House Appropriation, Housing, and Capital Budget Committees, and Senate Housing and Ways & Means Committees.
- Mayor Nice contacted nearly every mayor in King County summarizing the City's concerns with HB 1110 and HB 1245
- Weekly meetings with AWC lobbyists, including providing individual technical and legal analysis and suggested amendments on housing bills to AWC.
- Participated in work group to improve SB 5466 with AWC lobbyists, SB 5466 bill sponsors, legislators, and governor's office.



City Engagement

- Regular calls between City Staff, Lobbyists, and the Mayor and Deputy Mayor and Representative Senn and Senator Wellman.
- Weekly meetings since January with Mayor, Deputy Mayor, Staff, and Lobbyists.
- At times daily work between Mayor Nice, City Staff, and Lobbyists analyzing bills, crafting testimony, writing amendment text, and developing legislative strategy



Capital Budget Requests

- Capitol Budget included \$3,513,000 for large capital projects at Luther Burbank Park.
 - Funds were received through the Washington Wildlife & Recreation program, Boating Facilities program, Aquatic Lands Enhancement Account, and the Heritage Capital Grant program.
 - Projects at the Luther Burbank Waterfront include:
 - Dock replacement of a system that is at the end of its useful life.
 - ADA-accessible ramps, routes, boat-loading features and shoreline and beach access.
 - A new viewing deck, an overwater platform, expanded beach access, and a new non-motorized small craft dock.
 - Renovation and preservation of the Boiler Building for future use as classroom, meeting, and boat storage space, to include a new roof, seismic retrofitting, and utility work.

Police Pursuits

- **SB 5352** will permit police officers to engage in a vehicular pursuit when there is reasonable suspicion to believe that a person in the vehicle has committed a violent crime, sex crime, escape crime or is driving under the influence.
- Before passage of SB 5352, the law required probable cause for officer vehicular pursuit for all crimes except DUI.
- The bill also slightly expands the list of qualifying offenses for which an officer can pursue to include vehicular assault offenses and domestic violence assaults.
- Officers are still prohibited from engaging in pursuits for any other reason, to include pursuing for property crimes.

“Blake Fix”

- Governor Inslee called for a special legislative session to address legislation related to drug use and possession, also known as the “Blake Fix” legislation.
- The legislature reached consensus and passed **SB 5536** on May 16, ending the special session.
- **SB 5536** makes it a gross misdemeanor to knowingly possess a controlled substance or to use such a substance in a public place.
- Staff continues to monitor for clarity on the timing of the transition from the current law to the implementation of SB 5536.

Public Works Assistance Account

- City supported **SB 5303**, which would have established the Public Works Assistance Revolving Account.
- The bill did not pass this session, but the Public Works Assistance Account was fully funded in the Capital Budget.
- This account is critical for investing in city infrastructure needs.
- In prior years, the legislature had removed funds from this account.

Marine Patrol Funding

- The City sought regional support for funding the replacement of two of its three Marine Patrol vessels
- This funding was not included in the final operating budget, despite strong support from regional partners.
- Marine Patrol vessel replacement will remain a part of the regular fleet replacement cycle while City staff continues to seek alternative funding options where possible.

Property Tax Cap

- **HB 1670** and **SB 5770** proposed to revise the property tax cap for local governments to account for inflation and population growth up to three percent.
- These bills did not advance.

Housing & Land Use

- Housing and land use were significant themes of this year's legislative session.
- Many of the bills we tracked have passed the legislature and have been signed by the Governor.
- There will be significant impacts to the CPD work plan.

Land Use Bills

- **HB 1110:** Requires a two-unit minimum density on all city residential lots. Requires a four-unit minimum density within a $\frac{1}{4}$ mile walking distance of the future light-rail station.
- **HB 1337:** Cities must allow both ADUs and DADUs, may not require owner occupancy, some restrictions on parking regulations. The City has clarified that the unit-per-lot restrictions of HB 1110 take precedence over this bill.

Permitting Bills

- **SB 5290:** Concerning consolidating local permit review processes. New grant program to local governments to streamline their permitting process. Creates permit review time period requirements, with penalties to City if timelines are not met.
- **HB 1293:** Cities must apply only clear and objective design review standards to the exterior of new development, with exceptions. Will affect role of City Design Commission going forward.

Housing Regulation Bills

- **SB 5412:** Exempts housing projects from State Environmental Policy Act (SEPA) review if they comply with a local comprehensive plan that has been subject to SEPA review.
- **SB 5491:** Requires the State Building Code Council to adopt standards to allow for up to five stories of multifamily housing units to be served by a single exit no later than July 1, 2026, and make standards available for local adoption.

Housing Regulation Bills

- **SB 5058:** Exempting buildings with 12 or fewer units that are no more than two stories from the definition of multiunit residential building.
- **HB 1042:** Seeks to facilitate the addition of housing units within envelope of existing buildings zoned for commercial or mixed-use. Prohibits cities from imposing certain restrictions such as density limits, parking mandates, and permitting and design standards beyond those generally applicable to all residential development within the building's zone. Will require some reconciliation of city code to implement.

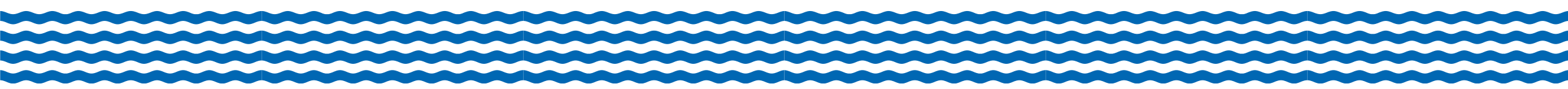
Key Housing Bills that Did Not Pass

- **SB 5466:** Promoting transit-oriented development around rapid transit stations (such as Sound Transit Light Rail).
- **HB 1245:** Lot splitting bill. The City testified against the bill.
- **HB 1628:** Creates a new local option real estate excise tax (REET) & State REET increase for affordable housing. The City testified in support of the bill.

We expect these bills and others are likely to come back at next year's session.

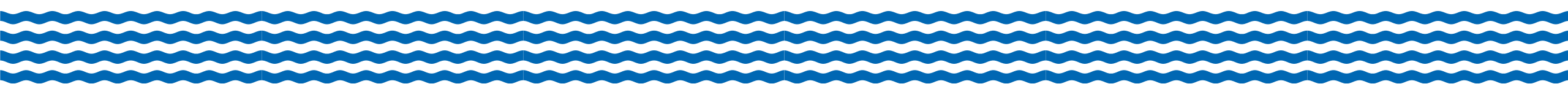
Work Plan Impacts

- Significant impact to Community Planning & Development work plan.
- Expecting adjustments to comprehensive plan, city code, and permitting workflow.
- Impact needs to be considered in the annual dockets for 2024 and 2025.



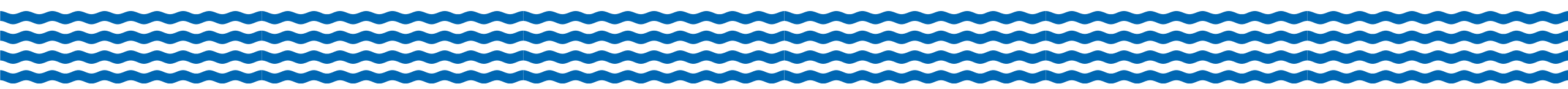
Work Plan Impacts

- SB 5290, and SB 5412 have 90-day implementation deadlines. Will require interim regulations this summer and addition to 2024 docket.
- HB 1110, HB 1337, HB 1293 and HB 1042 have implementation deadlines of 6 months after the Comprehensive Plan periodic update deadline, i.e., June 30, 2025. Staff will bring a 2024 docket request this fall.



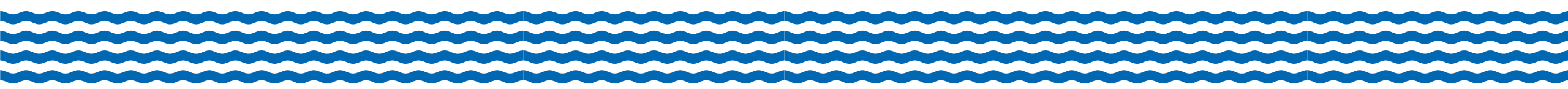
Residential Development Standards Impact

- HB 1110 among other bills will impact residential development (RDS) standards.
- Pausing RDS review until adopted bills from the session are appropriately analyzed is recommended.



Town Center Parking Study Impact

- With the failure of SB 5466 this session, the most impactful bill to the Town Center parking study is no longer relevant.
- HB 1110 will have some impacts on Town Center parking regulations.
- City may want to consider extending the pause on the Town Center parking study until it can be reconciled with the impact of HB 1110.



Questions & Discussion

