



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6419
March 1, 2024
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6419: 2024 Legislative Session Update	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Receive report. No action necessary.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Robbie Cunningham Adams, Management Analyst Merrill Thomas-Schadt, Sr. Management Analyst
COUNCIL LIAISON:	n/a
EXHIBITS:	1. City of Mercer Island 2024 Legislative Priorities
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to provide an update of the 2024 State Legislative Session and preview potential impacts to the City’s work plan.

- The 2024 Washington State Legislature Regular Session began January 8, 2024 and is scheduled to end on March 8, 2024.
- On November 7, 2023, the City Council adopted the City’s legislative priorities (Exhibit 1) for the 2024 State Legislative Session ([AB 6371](#))
- The 2024 State Legislative Session is continuing recent trends of intense volume of bills introduced and considered, especially on issues of housing and land use. City staff, lobbyists, and City Council leadership are dedicating 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.
- This report will update the Council and community on the outcomes of the legislative session as of the date of publishing of the agenda packet. Further updates may be provided during the staff presentation at the City Council Planning Session on March 1st. However, the legislative session is scheduled to end on March 8th, meaning there may be bills and budget outcomes not yet known.

BACKGROUND

On November 7, 2023, the City Council adopted the City's legislative priorities (Exhibit 1) for the 2024 State Legislative Session ([AB 6371](#)). The City identified seven legislative priorities:

- Increase Resources for Behavioral Health and Substance Use Disorder Treatment and Prevention
- Support for Affordable Housing
- Support Public Safety Measures on Auto Theft and Property Crime
- Capital and Grant Support for Essential Public Services
- Preserving and Protecting the Environment
- Opposition to Expansion of Tort Law Liability
- Revising the Property Tax Cap

The City retained the lobbying services of Nick Federici and Luke Esser again this year. The lobbying team assists with tracking and strategizing on bills of interest to the City, signing in on behalf of the City when needed, and scheduling meetings for City Council leadership and staff with representatives in Olympia.

ISSUE/DISCUSSION

The 2024 State Legislative Session is continuing a recent trend of an intense volume of bills introduced and considered, especially on issues of housing and land use. City staff, lobbyists, and City Council leadership are dedicating 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.

This report will update the Council and community on the outcomes of the legislative session as of the date of publishing of the agenda packet. Further updates may be provided during the presentation at the City Council Planning Session on March 1. However, the legislative session is scheduled to end on March 8, meaning there may be bills and budget outcomes not yet known.

Advocacy

Mayor Nice, Deputy Mayor Rosenbaum, City staff, and the City's lobbying team were actively engaged for several months leading up to the start of the legislative session and throughout the session, tracking bills with potential impact to Mercer Island and the region. City Council leadership and staff teams collaborated extensively to testify in Olympia and engage directly with Representatives Senn and Thai, Senator Wellman, and with staff with the Association of Washington Cities (AWC) on a host of bills, but primarily related to housing and land use. The City's advocacy in Olympia and throughout the region included:

- Weekly meetings since January with the Mayor, Deputy Mayor, staff, and lobbyists.
- Regular calls with legislators on bills and emerging issues.
- Significant hours of advocacy with other mayors, council members, and legislative representatives outside of the City's district.
- Weekly meetings with AWC lobbyists, including providing individual technical and legal analysis and suggested amendments on housing bills to AWC.
- As bills are introduced, amended, stricken, and replaced, this triggers significant research and review effort by Council and staff, especially from CPD, GIS, and the City Manager's Office.
- Mayor Nice, Deputy Mayor Rosenbaum, and staff traveled to Olympia to meet with Representatives Senn and Thai, Senator Wellman, and the City's lobbyists.

- Mayor Nice and Councilmember Weiker attended AWC action days in Olympia.
- Mayor Nice wrote a letter to Representative Thai outlining the City's opposition to HB 1245.
- Public testimony was given by Mayor Nice in opposition to HB 2160 to the House housing and capital budget committees, and the Senate Local Government, Land Use & Tribal Affairs committee.
- Public testimony was given by Mayor Nice in opposition to HB 2474 and HB 2113 to the House housing and appropriations committees, and the Senate Local Government, Land Use & Tribal Affairs committee.
- Public testimony was given by Mayor Nice in support of SB 5770 and SB 5923 to the Senate Ways & Means Committee.
- Public testimony was given by Mayor Nice in support of SB 5334 to the House Local Government Committee.
- Public testimony was given by Mayor Nice in support of HB 1956 to the Senate Committee on Early Learning & K-12 Education.
- Providing public testimony requires significant effort by the Mayor and staff. Between Council and staff analysis, drafting and reviewing testimony, and waiting in line to testify during committee hearings, it typically required 5 to 10 hours of staff and Council time per public testimony.
- The City team addressed many other bills and legislative issues throughout the session – the volume of work was very high.

Substance Use Disorder Treatment and Prevention

Mayor Nice testified in support of [SB 5923](#), which was sponsored by Senator Wellman and aimed to update educational content in schools focusing on opioid and fentanyl prevention for seventh and ninth graders. This work is closely aligned with the prevention work the YFS team provides. Mayor Nice's testimony in support of the bill [was quoted in Governor Inslee's weekly legislative email](#), recognizing Mercer Island's support of this important work. This bill did not advance, but the City is supporting its companion bill, [HB 1956](#) which similarly focuses on fentanyl and opioid prevention education in schools. As of the publishing date of this agenda bill, HB 1956 has passed through the Senate Committee on Early Learning & K-12 Education and has been referred to the Senate Ways and Means Committee.

Public Safety Measures on Auto Theft and Property Crime

The City's legislative priorities called for further expanding the list of eligible offenses for police pursuits, including auto theft and some property crimes, allowing cities to develop policies tailored to their communities. This would have built on the work of the 2023 legislative session that provided police additional authority to conduct pursuits.

The 2024 session did not include a bill to expand pursuits to include auto theft and some property crimes, likely due to the possible upcoming [Initiative 2113](#) which will consider this issue on the statewide November 2024 ballot. There are reports that the legislature may hold a public hearing on this initiative and possibly hold a vote on implementing the initiative rather than send the initiative to the ballot. Staff and City lobbyists will continue to monitor this initiative's progress through the legislature.

Marine Patrol Vessel Replacement

The City prepared a budget request of \$1.2 million to partially fund the replacement of its aging Marine Patrol fleet. A similar request was included in last year's session and was not funded. At the recommendation of Senator Wellman's office, the City amended the request to \$500,000 through the State's operating budget, which would mostly fund the replacement of one Marine Patrol vessel. Sen. Wellman transmitted the request

on behalf of Mercer Island, but the request was ultimately not successful. The City's legislative team will strategize to make another request for this important funding in the 2025 session.

Capital and Grant Support for Essential Public Services

The City requested state funding for public safety programs and Climate Action Plan implementation, including funding for Seafair Water Safety program, an electrical vehicle infrastructure plan, and a compact electric sweeper.

While budget negotiations are still ongoing in the legislature, the City's representatives have indicated it is unlikely these requests will receive funding this year. The City will continue to pursue funding for these programs in future legislative sessions.

Revising the Property Tax Cap

[SB 5770](#) proposes to revise the property tax cap for local governments to account for inflation and population growth up to three percent. The City testified in support, but the bill did not advance this year.

Housing, Land Use, and Comprehensive Planning Bills

Housing is again a featured theme of this year's legislative session. The City is tracking several bills related to housing, land use, and comprehensive planning.

Bills Currently Active (as of writing of this agenda item)

[HB 2160](#) Promoting transit-oriented development around rapid transit stations (such as Sound Transit Light Rail). Would mandate a floor area ratio (FAR) of 3.5 within one-half mile walking distance of a stop on a light rail, commuter rail, or other rail system. Adds an affordability requirement of at least 10% of units constructed in a station area to be affordable to those at or below 60% AMI and includes other zoning incentives for affordable or family-sized units. Prohibits cities from requiring off-street parking within a half mile of rail stops. The bill would not go into effect for Mercer Island until 2029. The City testified against the bill and suggested several changes to be considered in future iterations of the bill, such as increased affordability requirements better tied to HB 1220 implementation.

[HB 1998](#) Cities must allow co-living housing on any lot located within an urban growth area (UGA) that allows at least six multifamily residential units. "Co-living housing" means a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building. This building type is sometimes known as single room occupancy housing.

[HB 2270](#) Requires the state Office of Financial Management to contract with an external consultant to study and help facilitate the transition of state housing programs to a new consolidated state agency and identify gaps in current state housing programs. The new state Department of Housing will focus solely on housing and homelessness issues and bring together state programs that currently span multiple agencies and partners. City staff submitted to AWC several comments on, if a new agency were to be created, how that agency could best improve city and state cooperation on housing issues.

[SB 6015](#) Modifies how Cities can regulate how various parking typologies can count toward parking minimum regulations in residential developments. Examples include allowing tandem parking to count toward parking requirements, cities cannot require a garage or carport to meet parking

requirements, among others. The City worked with AWC to successfully narrow and improve the bill, removing several unworkable and unreasonable elements.

[SB 5334](#) Authorizes local governments to impose a special excise tax of up to 5 percent on the furnishing of short-term rentals (e.g. Airbnb) and to use those tax revenues only for affordable housing programs. The City testified in support, as the bill provides a tool the City could choose to implement to fund affordable housing programs.

[HB 2252](#) This bill originally mandated that cities allow small neighborhood cafes and other small businesses in residential zones, with some allowances for city regulations on noise, size of businesses, hours of operations, and parking. The bill passed the House but was amended in a Senate committee to be optional. The City will continue to monitor the bill, as City staff have heard of efforts to change the bill back to being a state mandate.

Bills that Did Not Advance

[HB 2113](#) Would mandate state agency oversight of city and county Housing Elements as part of the Growth Management Act (GMA) comprehensive planning process. Requires a city or county planning GMA to submit its housing element and any related development regulations to the Department of Commerce for a determination of housing element affordability compliance under HB 1220 and prohibits a city or county planning under the GMA from denying an affordable housing development unless the city or county has received a final determination of housing element compliance from Commerce, or certain other conditions are met. The City testified against the bill as duplicative of the growth management act in addition to undermining the principles of local governance and public involvement under the GMA.

[HB 1245](#) Mandates cities amend their codes and development regulations to allow for lot splitting, and restricts city's ability to regulate frontage, easements, parking, and right-of-way. The City testified against the bill.

[HB 2474](#) Creates a mechanism for the Department of Commerce to facilitate disputes between a City and a developer of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters. Would grant the Department of Commerce the ability to declare local land use regulations in noncompliance with state law and then deny certain state funds if the local government does not amend its land use regulations within 30 days and gives Commerce the authority to reverse a city's final decision on a project permit application, a development agreement, or another permitting process. The City testified against the bill as duplicative of the growth management act in addition to undermining the principles of local governance and public involvement under the GMA.

NEXT STEPS

The final impacts of the bills passed in the 2024 Legislative Session will continue to be discussed and shared with City Council as direction and implementation requirements become clearer. Staff will follow-up with City Council on any impacts to the work plan and will seek input and direction from the Council in late Q2 or early Q3.

City staff anticipate beginning work on the draft legislative priorities for the 2025 State Legislative Session this fall. This item will be presented to the City Council for review and approval in October or November.

And finally, there is certainly a large body of work that occurs outside of and leading up to the next legislative session including a debrief with the City's lobbyists, meetings with legislators, engagement with AWC and other partners, and more.

RECOMMENDED ACTION

Receive report. No action necessary.