STAFF REPORT

Date: October 12, 2026
To: Equity Commission
From: Kelly Adams, Assistant City Administrator

Commissioner Recommendations for Draft Ordinance O2026-004

Background and Purpose

On September 17, 2026, the Equity Commission moved to develop recommendations for making the proposed Home Energy Score Ordinance more equitable. The Commission agreed to send staff individual recommendations for synthesis into a report for inclusion in the meeting packet for October 12, 2026. This report contains a summary and synthesis of the five submissions.

For complete background on the Home Energy Score proposal, please see the staff report and supporting materials from the Equity Commission meeting on September 17, 2026.

Requested Equity Commission Action

- Review the recommendations submitted by peer Commissioners.
- Discuss a unified recommendation for submission to the City Council as agreed at the September 17, 2026, meeting.

Recommendation Themes

Every responsive Commissioner asked for relief from the cost of the mandatory assessment, and most asked the City to watch for investor purchases of low-scoring homes. Six common themes emerged from the recommendations submitted:

1. Make the assessment affordable
2. Guard against investor purchases and loss of home equity
3. Connect scores to improvement assistance
4. Monitor equity outcomes and adjust the program
5. Language access and accessibility
6. Include renters

1. Make the mandatory assessment affordable

Commissioners proposed two complementary tools: subsidies for qualifying sellers and the option to pay at closing.

- **Subsidies or fee waivers** for low- and fixed-income sellers, with one proposal setting eligibility at or below 80% of Area Median Income (AMI) and including seniors aging in place, estate sales and emergency sales.
- **Deferring the fee to closing**, paid from sale proceeds. Proposals range from an option for cash-poor sellers to deferral for all sellers.
- **A backstop when subsidy funds run out**, so no qualifying seller is delayed in listing. Commissioners differ on whether this should be an automatic exemption or a hardship waiver used only as an exception.

2. Guard against investor purchases and loss of home equity

Commissioners are concerned that low scores on older, more affordable homes could be used to drive down sale prices or attract speculators.

- Track whether low-scoring homes are disproportionately bought by investors, corporate LLCs or developers, especially in neighborhoods with older housing, using County Assessor sales data.
- Consider safeguards against the loss of affordable housing or displacement.
- Attach a City "net cost" sheet to each score showing upgrade costs after available grants and rebates, so buyers cannot overstate repair costs to sellers.

3. Connect scores to improvement assistance

Commissioners want a low score to lead directly to help paying for improvements.

- List the assistance programs that may apply on each scorecard, with clear next steps to apply.
- Refer low-scoring homes to weatherization, utility, and state rebate programs, prioritizing households that could not otherwise afford improvements.
- Combine available funding into a single intake process for income-qualified households, with grants paid directly to contractors.
- Use aggregated score data with Energize Thurston to negotiate group pricing on common improvements.

4. Monitor equity outcomes and adjust the program

Commissioners ask for regular reporting with a defined way to change course.

- Report subsidy and waiver use by income level, exemption requests, assessment costs and wait times, complaints, scores by neighborhood and compliance penalties.
- Measure whether the program reduces energy burden, counting completed improvements and energy savings rather than the number of scores issued.

- Set "pause" or reconsideration triggers so the City can modify the program if data show disproportionate harm, a safeguard the City's presentation already identified.

5. Language access and accessibility

- Provide plain-language scorecards and materials in the languages most commonly spoken in Tumwater before the effective date, with accessibility accommodations.
- Offer subsidy and exemption applications on paper, by phone and in person for residents without reliable internet access.

6. Include renters

According to the September 17, 2026, Equity Commission Meeting staff report, 43% of Tumwater households rent. A renter-focused companion strategy would share energy-cost information with renters while protecting them from improvement costs passed through as higher rent.

Areas of Agreement and Points for Discussion

The recommendations generally agree that:

- No seller should be unable to comply, or have a sale delayed, because they cannot pay for the assessment upfront.
- The City should watch for investor or speculator purchases of low-scoring homes.
- The program should report equity data on a regular schedule and be adjusted if harm appears.

For staff to draft specific Ordinance language edits for Council review, the Commission must resolve:

1. **Who receives cost relief.** Proposals range from deferral for all sellers, to relief targeted at cash-poor or low- and fixed-income sellers, to specific groups such as estate and emergency sales.
2. **Eligibility standard.** Submissions describe eligibility as "low- and fixed-income," "80% AMI" and "AMI tiers." One standard would make the recommendation clearer.
3. **When subsidy funds run out.** One approach is an automatic exemption; another keeps exemptions as the exception rather than a substitute for the assessment. Deferral to closing may address both concerns.
4. **Reporting schedule and audience.** Proposals include a quarterly investor-purchase review, an annual report to the Commission, and regular reviews with pause triggers. The Commission may wish to name one schedule, who receives the report, and what would trigger a pause.
5. **Ordinance versus implementation.** Some proposals name specific programs, software features, partners or payment methods. The Commission may wish to state the outcome it wants and leave the mechanism to the City's implementation plan.

6. **Renters.** Decide whether a renter strategy is part of this recommendation or a separate request to Council.
7. **Consolidation.** Overlapping monitoring proposals could be combined into one reporting recommendation.

Draft Joint Recommendation to City Council

The following draft is a starting point for the Commission to amend and adopt. It combines all five submissions into six recommendations, resolves discussion points above, and separates what belongs in the ordinance from what belongs in an implementation plan that would be developed after Ordinance adoption.

The Tumwater Equity Commission recommends that Ordinance O2026-004 include the following equity safeguards:

A. Ordinance amendments (for immediate recommendation to Council)

1. **Mitigate negative impacts of assessment cost on vulnerable sellers.**
    - Sellers at or below 80% of Area Median Income (AMI), including those selling an estate or under hardship, receive a fully subsidized assessment.
    - If subsidy funds run out, qualifying sellers may defer the fee, or receive a hardship waiver when no sale proceeds are available. Waivers remain the exception, not a substitute for the assessment.
2. **Publish an annual equity report.**

    The City reports annually to the Equity Commission and Council, beginning one year after the effective date. The report covers subsidy and waiver use by income level, wait times and costs, complaints, scores by neighborhood, and purchases of low-scoring homes by corporate or investor buyers using County Assessor data. Before the effective date, staff proposes the measures that would trigger Council review or a pause of the program.
3. **Improve accessibility of program materials before the effective date.** Ensure that program materials are written in plain language and translated into the languages most commonly spoken in Tumwater. Subsidy, deferral, and waiver applications are available online, on printed paper, by phone, and in person.

B. Implementation commitments (for future consideration, if Ordinance is adopted)

4. **Ensure that every score comes with a path to help.** Each scorecard lists the assistance programs that may apply, the steps to apply, and, where data allow, the estimated cost of improvements after available incentives. Homes scoring 1 through 4 are referred to Community Action Council weatherization, Puget Sound Energy programs, and the local HEAR rebate administrator. The City favors programs that pay contractors directly so low-income owners do not front costs.
5. **Measure success by improvements, not scores issued.** The annual report tracks improvements completed, assistance used, and where measurable,

changes in energy costs for income-qualified households, if the data is available. The City also explores using aggregated score data with Energize Thurston to negotiate group pricing on common improvements.

C. Further Council direction (for future programmatic consideration)

6. **Renters.** Direct staff to develop a separate renter strategy that shares energy-cost information with the 43% of households who rent, with protections against improvement costs being passed through as higher rent.