

**TUMWATER GENERAL GOVERNMENT COMMITTEE
MINUTES OF VIRTUAL MEETING
MARCH 13, 2024 PAGE 1**

CONVENE: 8:00 a.m.

PRESENT: Chair Michael Althauser and Councilmembers Leatta Dahlhoff and Joan Cathey.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Finance Director Troy Niemeyer, Water Resources and Sustainability Director Dan Smith, Planning Manager Brad Medrud, Communications Manager Ann Cook, and Land Use and Housing Planner Erika Smith-Erickson.

**APPROVAL OF MINUTES:
GENERAL GOVERNMENT
COMMITTEE, FEBRUARY 14,
2024:**

MOTION: **Councilmember Dahlhoff moved, seconded by Councilmember Cathey, to approve the minutes of February 14, 2024 as published. A voice vote approved the motion.**

SELECTION OF COMMITTEE CHAIR: City Administrator Parks requested consideration of extending the meeting length up to 90 minutes to accommodate sufficient time for agenda topics. The committee also has the option of considering a different meeting time. Following discussion, members supported extending the meeting length for up to 90 minutes and retaining the current meeting time of 8 a.m.

Chair Althauser invited nominations for Chair.

Councilmember Dahlhoff nominated Michael Althauser to serve as Chair.

No other nominations were offered.

MOTION: **Councilmember Dahlhoff moved, seconded by Councilmember Cathey, to elect Michael Althauser to serve as Chair. A vote approved the motion unanimously.**

**THURSTON COUNTY
RENTAL ASSISTANCE
SURVEY:**

Manager Medrud reported that as part of the City's implementation of the Thurston Housing Action Plan, the General Government Committee requested current information about renters in the community. He introduced Elisa Sparkman, Communications Specialist, Thurston County Office of Housing and Homeless Prevention. Ms. Sparkman will present the results of the 2023 survey of Thurston County residents who received COVID-19 rental assistance through the Emergency Rent Assistance Program (ERAP)

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and the Treasury Rent Assistance Program (T-RAP).

Ms. Sparkman reported Thurston County provided rental and utility assistance funds through the ERAP to renters from fall 2020 through summer 2023. During those three years, Thurston County provided approximately \$53.5 million in rent and utility assistance. In August 2023, Thurston County sent a survey to community members receiving assistance. The online survey was available in English and Spanish through Survey Monkey. The survey received a 30% response rate. Of the 2,000 people receiving assistance, 541 completed the survey.

Councilmember Cathey asked whether the program amount was based on a formula or at the request of Thurston County. Ms. Sparkman said most of the funds were allocated based likely on population. However, when funds were expended, the county requested additional funds because some counties were unable to meet deadlines for expending funds requiring those counties to return the funds. Thurston County was able to request those funds because of the county's effective disbursement system. Subsequently, Thurston County received additional funds in addition to the original allocation.

Ms. Sparkman reported that heads of households responding to the survey were mostly between the ages of 25 and 44. Most of those were responding on behalf of their households did not necessarily represent the same age, race, or ethnicity of their households. More women responded on behalf of their households.

Of the respondents asked about their current living situation, 19% reported they were homeless or in between housing or living with friends and family. Many are not currently renting housing. Two households indicated they no longer rent because they now own a home. The remaining responses varied among common rental situations with over half renting an apartment.

Most respondents received utility assistance in addition to rental assistance. Most respondents indicated they did not receive a shut-off notice; however, 20% of the 54% reported they received a shut-off notice but were able to pay prior to any shut off with some experiencing a temporary shut-off of utilities.

Approximately 39% reported receiving an eviction notice after receiving rental assistance. Most of those reporting did not experience eviction while 14% moved prior to the pay or vacate date. Approximately 13% reported an eviction in process while only 2% were evicted by court order. Of the 71% who reported prevention of

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an eviction, they reported payment of rent or working with the Eviction Resolution Pilot Program through the Thurston County Dispute Resolution Center by negotiating a repayment plan. The pilot program worked closely with the ERAP and T-RAP teams as well as with volunteer legal assistance resources.

Respondents reported on their current situations. Approximately 75% reported that most of their income is spent on rent and utilities with 32% reporting income versus rental and utility obligations were equal or higher, 43% reported that most of their income was equal to their rent and utilities, 31% reported on their ability to cover their rent and utilities but nothing beyond essential needs, and only 4% reported that they are managing and can cover rent, utilities, essential needs, and additional comforts (25 households).

Responses to the question of current needs to receive additional rental assistance included a series of multiple choice responses:

- Need rent assistance now (8%)
- Need rental assistance for the next several years (8%)
- Need rental assistance for another year (16%)
- Need rental assistance for several months (22%)
- Need rental assistance to catch up (17%)
- Not right now but will if I have an emergency (24%)
- Not right now and do not think I will in the future (5%)

Approximately 71% of the respondents currently need rent assistance representing 381 households of the 541 households responding to the survey. Of those responses, 86 respondents reported needing long-term assistance and 25% of the respondents reported the need for assistance during an emergency representing 132 households. The availability of rental assistance funds today through the county's Eviction Prevention Rent Assistance Program, a new program offered last year and funded through a provision of document recording fees. From April 2023 to September 2023, 162 households were served countywide. Funding is short of community needs with the program continuously at capacity with closed waitlists. In 2023, funding availability was \$1.5 million, compared to \$17 million each year of the pandemic under the ERAP and T-RAP processes.

Seventy-five of the respondents reported an experience in rent increase since October 2021 when rental increases were allowed following the eviction moratorium. A rent increase of \$100 or more was reported by 35 respondents with 43 respondents reporting rent increases of \$600 or more per month.

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Homelessness and housing stability are highly correlated with rent increases according to the Washington State Department of Commerce.

One hundred and eighty-five households reported that someone in their household experienced homelessness in the last five years. Recent experiences of homelessness places individuals at a higher risk of returning to homelessness.

The last survey question invited respondents to share information about their experience with rent assistance. Most of the responses were overwhelmingly of gratitude for the assistance with the main critique that the process was too long, and that help was still required.

The Eviction Prevention Rent Assistance Program is available today through Community Youth Services, Family Support Center, and Partners in Prevention Education working together to ensure program alignment. Document recording fees are not a stable source of funding for the program. Limited short-term rent assistance is also available through faith communities, school districts, and some homeless service agencies.

Councilmember Cathey asked whether document recording fees are the only source of funds for rent assistance, and whether there are other conversations in progress to discuss other possible sources of funding. Ms. Sparkman advised that at this time, information has been shared to assist in promoting conversations. She presented a similar presentation to the Washington State Senate Housing Committee and some statewide organizations in January 2024. She is hopeful those conversations can drive more discussions to identify other sources of funds to increase rent assistance funding. Based on funding during COVID and the ongoing need, it likely \$20 million in funds would be required for rental assistance in the region. Essentially, when funding resources are limited, screening tools for the funding program become more selective of who receives assistance.

Councilmember Cathey commented on the difficulty of individuals contacting churches and other organizations for rental assistance. It is difficult for many people experiencing difficulties to ask for help.

Councilmember Dahlhoff asked about other resources or points of contacts for individuals who do not qualify for immediate rent assistance but have obvious needs. Ms. Sparkman advised that social service organizations typically provide case management services for housing stability. The organizations are able to share information

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on available resources within the community. The Dispute Resolution Center is providing services for landlord and tenants for the cities of Lacey, Olympia, and Tumwater. The Center's prior pilot program enabled working with the household that was served an eviction notice and in the process of receiving rent assistance to help resolve issues with the landlord.

Councilmember Dahlhoff cited several examples of landlords in Tumwater that are unwilling to work with the programs through the Dispute Resolution Center. She asked about the outcome in those circumstances when parties are unwilling to work to resolve the issue. Ms. Sparkman responded that it would likely entail a legal process. The state offers the statewide Eviction Defense telephone line option for tenants to contact for assignment through local Thurston County volunteer legal services or the Northwest Justice Project eviction attorneys.

Ms. Sparkman reported during COVID, participation in the Eviction Resolution Pilot Program was mandatory for landlords. Today, it is no longer mandatory to participate; however, the program continues to provide beneficial assistance. The cities provide funding to the Dispute Resolution Center to help fund the service.

Thurston County continues to experience an increase in evictions causing an increased demand on the court system and creating an eviction on an individual's housing record causing future housing stability issues that often lead to homelessness.

During the first half of 2023 when the programs were available, the average number of monthly evictions filed in Thurston County was 47.8. During the latter half of the year when the programs were no longer available, filings jumped to 73.6 per month reflecting an unprecedented rise in evictions. In October 2023, 98 evictions were filed.

Last year, the Thurston County Homeless Census Survey (Point in Time Count) asked participants who were actively experiencing homelessness what led to their homelessness. The top two reasons were job loss and unemployment and eviction and loss of housing. The survey asked about the support individuals need for obtaining permanent housing. The top response was rent assistance and more affordable housing.

The Thurston County 2024 Point in Time Count was completed in January with preliminary data scheduled for release soon. The same questions in the survey were replicated to compare the results with 2023 responses. Essentially, responding to homelessness costs more

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than preventing evictions and keeping people housed. An increase in homelessness in the region results in additional financial and emotional strain on the homeless crisis response system, shelter capacity, homeless service agencies, front line staff, and community services, hospitals, and schools. Through the state's Right-of-Way Initiative, the region has been able to clear local homeless encampments. An increase in homelessness could result in a re-emergence of encampments. Homeless individuals experience higher rates of illness and die on an average 12 years sooner than the general U.S. population. Homelessness creates new health problems for individuals and exacerbates existing problems.

Ms. Sparkman reported the recommendation is to continue supporting legislative policy to increase funding for rent assistance and rent stabilization. The survey was a joint project with the Office of Housing and Homeless Prevention and Thurston County Public Health and Social Services with assistance from the department's epidemiologist and partner organizations involved in the ERAP and T-RAP programs.

The committee thanked Ms. Sparkman for providing the information and acknowledged that the depth of the task is often difficult to grasp. The presentation provided a view of the scope and the stakes. It is also likely rental rates will continue to increase exacerbating the situation further.

Manager Medrud reported on a joint tour of the community by the Council and the Planning Commission on April 9, 2024. Staff is forwarding materials to help prepare for the tour. The tour will focus on all housing issues.

Councilmember Cathey asked about the committee's intent to discuss the Multifamily Tax Exemption Program for developers of multifamily housing. She asked to add a discussion of the program at an upcoming meeting.

Manager Medrud said staff intends to provide a report on the status of the program but cautioned against an extensive review of the program because of the lack of capacity in the existing work program. He recommended folding the discussion into the Council's larger discussion as part of the Housing Element and development code updates over the next several years.

Councilmember Cathey conveyed disappointment with the timeline because many in the community are unhappy about the tax exemption program as well as the lack of a Council discussion about the program. Manager Medrud advised that the Council can

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prioritize the discussion and review; however, it would be important to consider deferring other work item(s) on the work program to afford adequate capacity for staff to pursue a review appropriately. The effort would likely entail several hundred hours of staff time.

The committee discussed next steps. Chair Althausser noted the work program has been established and approved by the Council. It would likely require the Council's review of the work program and agreement to remove a work item to accommodate a review of the tax exemption program. He suggested following up with Manager Medrud and Planner Smith-Erickson to identify potential work items that could be deferred. It is also important to note that no development projects are proposed that would utilize the program at this time.

Discussion ensued on the existing program and policy and the logical next steps for reviewing the program and performance to inform any actions for changes. Councilmember Cathey agreed and added that the review should include discussions on how the program impacts the City financially, who bears the burden of the tax deferral, how the program might be impacting housing, and how it is affecting the City's housing goals. Councilmember Althausser and Councilmember Dahlhoff agreed it would be important to review the program because the rental housing market is much different than it was in 2016/2017. Both agreed that the issue is timing.

Manager Medrud responded to questions about the level of effort to prepare for a Council discussion. Essentially, it depends on the level of the conversation. A report on the status of the program could be scheduled during the committee's May meeting; however, any conversations surrounding the cost to the community would require additional research by staff. The briefing could include an outline of the steps for a further evaluation of the program. At that time, the committee could discuss the level of resources required and potential changes to the work program. Additionally, the Wildland-Urban Interface Code was adopted by the Legislature. Staff is preparing to reinstate the urban forestry amendment process comprised of three ordinances for tree and vegetation preservation, landscaping, and street trees. The work is included in the work program. The proposed amendments would likely be presented to the committee in late spring/summer.

City Administrator Parks recapped the committee's interest in revisiting and understanding how the existing program adopted by the Council has been implemented. As a component of the required update of the Comprehensive Plan Housing Element, the Council is scheduled to discuss a series of new requirements the City is

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obligated to review based on changes to the Growth Management Act. The Multifamily Tax Exemption Program is a component of the implementation of housing policies along with a variety of other strategies. A review of existing data and information on the status of the program could be compiled by staff. In the context of the Comprehensive Plan update, it would be appropriate for the Council to discuss policies surrounding the program. Generally, rising costs of housing are due to the lack of supply across all income levels. She thanked Manager Medrud for his articulation in understanding the programs and the staff process of prioritizing the work program of work items important to the community.

Manager Medrud added that at the June 14, 2023 committee meeting, members reviewed the status of the Multifamily Tax Exemption Program and Manufactured Home Park Preservation options. That original staff report and the presentation provide a good update on how the program has been utilized and potential next steps. He offered to explore additional information requested by members following their review of the materials.

The committee agreed to review the materials from the meeting and contact Manager Medrud with any additional questions to include in the May meeting.

RESOLUTION NO. R2024-007, AMENDING THE 2024 FEE RESOLUTION: Director Niemeyer reported the proposal includes several minor changes because of an oversight when the Council adopted the Fee Resolution last November.

Most of the additions are Community Development fees with the exception of School Impact Fees for Tumwater School District that were not updated. The update is necessary to ensure the City collects the correct fees on new development for the school district. The resolution updates the fee schedule with the proposed changes. The request is to recommend placement of Resolution R2024-007 on the Consent Agenda at the March 19, 2024, City Council meeting with a recommendation for approval.

MOTION: Councilmember Cathey moved, seconded by Councilmember Dahlhoff, to recommend placement of Resolution R2024-007 on the Consent Agenda at the March 19, 2024, City Council meeting with a recommendation of approval. A voice vote approved the motion unanimously.

ADJOURNMENT: With there being no further business, Chair Althauser adjourned the meeting at 9:04 a.m.

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Prepared by Valerie L. Gow, Recording Secretary/President
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