

City of Olympia Draft 2026 Legislative Agenda



As the Capital City, Olympia envisions a diverse and inclusive community, providing equitable access to housing, mobility, food, services, education, and meaningful work. Olympia believes it is critical to restore, protect, and enhance the exceptional natural environment that surrounds us and create a walkable, accessible, vibrant city through the following legislative priorities.

1. Housing, Homelessness & Infrastructure

Expanding attainable housing and strengthening homelessness response and support services remain major priorities and require sustained operational and capital investment to address long-term challenges.

- Protect operational Funding for Tiny Home villages.
- Identify alternatives to current eviction processes, recognizing that individuals exiting certain housing (such as tiny homes) can often face barriers to securing new housing.
- Remove the 33% cap on the portion of the Home Fund that can be used for operation costs, allowing greater flexibility beyond capital expenditures.

2. Deschutes Estuary Project

Olympia supports the Governor's Office and the Department of Ecology budget request of \$25.2M of combined state, private, and local funding to complete the 100% design of the Deschutes Estuary project by the end of the 2027 fiscal year.

3. Revenue

Olympia continues to face structural revenue shortfalls driven by rising costs and insufficient revenue growth. The City is asking the legislature to protect existing funding resources and preserve local fiscal tools.

- Protect Current City State Funding for Cities, including:
 - Encampment Resolution Program
 - Public Works Board
 - The Washington State Housing Trust Fund
 - Model Toxics Control Act (MTCA)
 - Climate Commitment Act (CCA)
 - Community Economic Revitalization Board (CERB)
 - Community Housing Improvement Program (CHIP)
 - Main Streets Program
- Provide cities greater councilmanic authority on revenues:
 - Authorize cities to place a Fire Benefit Charge to a vote of the people for extended services.
 - Raise the 1% cap on annual property tax growth.

Policy Extensions

- Extend the authority to form a second Public Facilities District (minimum two-year extension through July 2029).
- Extend the Annexation Sales Tax Diversion Program beyond its 2028 expiration.

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Secondary Legislative Agenda

This secondary legislative agenda outlines a broader and more comprehensive set of policy priorities and initiatives the City of Olympia supports and will actively advocate for in coordination with local, regional and state partners.

Fire Department Coverage of State Facilities (RCW 35.21.779)

- Current law requires the State to enter into a compulsory fire protection contract when the assessed value of state facilities in a city equals or exceeds 10% or more of the municipality's total assessed value.
- Due to Olympia's continued growth, the value of state facilities is approaching the 10% threshold.
- The statute should be amended to maintain the mandatory fire coverage contract, preventing costly negotiations and ensuring uninterrupted fire and emergency services for state facilities.

Climate

Protect and expand Climate Commitment Act (CCA) funding to support critical climate projects and advance new and enhanced CCA programs that accelerate climate goals in coordination with regional partners and coalitions.

Housing

Allow Accessory Dwelling Units (ADUs) in neighborhoods where they are currently prohibited by Homeowner Associations (HOAs), including retroactive applicability.

- Increase Encampment Resolution Program (ERP) funding to maintain operations at existing ERP facilities and support ongoing encampment outreach efforts.
- Maintain funding of Thurston County Projects previously allocated during the 2025 legislative session.
 - *Maple Court Permanent Supportive Housing Conversion (FY2026)* - \$4 million
 - *Boulevard Rd Habitat for Humanity Project (FY 2024)* - \$4 million

Revenue

- Allow cities to pursue more progressive local revenue options, including local income tax authority.

Transportation

- Capitol Way/Blvd Corridor Improvements: Extends the Capitol Campus frontage to Tumwater reconfiguring lanes to add bike lanes, pedestrian enhancement and bus stop improvements. Preliminary project cost estimate is \$14 million.
- Sidewalk Infrastructure Improvements: Provide dedicated funding for sidewalk infrastructure improvements.
- Mottman Road Pedestrian and Street Improvements (CNWA027): Enhances multimodal transportation options and was delayed beyond the 2027- 2029 biennium.
- US 101 Interchange West Olympia Access (L4000009): Improves access to West Olympia which is a regional hub for medical facilities and economic activity. Funding for design and right-of-way was delayed beyond the 2027-2029 biennium.
- Commuter rail adjacent to I5: Rebuild the Nisqually Bridge with rail capacity.

City Insurance and Liability Reform

- Reform Joint and Several Liability (RCW 4.22.070): Update state law so municipalities are responsible only for their proportionate share of fault, preventing taxpayers from bearing liability for damages primarily caused by others.
- Eliminate "Phantom Damages": Require courts and juries to consider only actual medical costs paid or owed, rather than inflated billed amounts.
- Curb "Nuclear Verdicts" Through Jury Anchoring Reform: Limit the use of unsupported damage anchors in jury trials to prevent speculative non-economic awards that drive excessive verdicts and destabilize public budgets.

Public Safety

- Copper Wire Theft: Address copper wire theft by strengthening oversight and accountability for recyclers that accept and purchase stolen materials.

Regional Priorities

- Regional Meat Processing Infrastructure (Phase 2) - Capital Budget: \$500,000
- Restoring Habitat Conservation Plan Resources - Capital Budget: \$2,000,000
- SPSCC Health Education Center: Modified Pre-Design work - Capital Budget: \$750,000
- Thurston County Regional Justice Center - Capital Budget: \$3,000,000
- Increasing Regional Basic Law Enforcement Academies - Operating Budget: \$1,000,000