



# Meeting Agenda

## City Council

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Tuesday, June 20, 2017**

**5:30 PM**

**Council Chambers**

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### Study Session

**1. ROLL CALL**

**2. BUSINESS ITEM**

- 2.A**     [17-0667](#)     Consider Options for the Timing and Source of Funds for a Housing Levy and Public Safety Levy.

**Attachments:**    [Resident Opinion Survey Results](#)  
[Funds, Timing and Revenue](#)  
[Tax Options Comparison](#)  
[Committee Meeting Summaries](#)  
[Draft Administration and Financial Plan](#)

**3. ADJOURNMENT**

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## City Council

### Consider Options for the Timing and Source of Funds for a Housing Levy and Public Safety Levy

**Agenda Date:** 6/20/2017  
**Agenda Item Number:** 2.A  
**File Number:** 17-0667

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**Type:** study session   **Version:** 1   **Status:** Study Session

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#### **Title**

Consider Options for the Timing and Source of Funds for a Housing Levy and Public Safety Levy

#### **Recommended Action**

##### **Committee Recommendation:**

The Ad Hoc Committee on Housing Affordability has considered a range of options for the timing and source of funds for a housing levy and a public safety levy.

##### **City Manager Recommendation:**

Consider the options and provide staff with feedback and direction regarding the timing and source of funds for a housing levy and a public safety levy.

#### **Report**

##### **Issue:**

Whether to provide staff with feedback and direction regarding the timing and source of funds for a housing levy and public safety levy.

##### **Staff Contact:**

Steve Hall, City Manager, 360.753.8447

##### **Presenter(s):**

Steve Hall, City Manager  
Mary Verner, Administrative Services Director

##### **Background and Analysis:**

Given the strong support for these measures, the City Manager seeks City Council guidance on how to bring these issues to the community for a vote. At the June 6, 2017, City Council Study Session, Stuart Elway from Elway Research presented the results of a recent resident opinion poll that the City commissioned. The survey asked residents to respond to a series of questions pertaining to housing and public safety. Mr. Elway reported that when asked, "in your opinion, what is the most significant issue facing the City of Olympia at this time?" 51 percent responded that homelessness was the biggest issue facing the City of Olympia. He also noted that there was strong support for the public safety package with nearly 8 in 10 respondents supporting the package. There was also strong

support for the housing package with 8 in 10 respondents also supporting it. Support is less vigorous when respondents were asked to consider both packages together.

The Ad Hoc Committee on Housing Affordability has been meeting regularly since March to consider options for a housing levy and public safety levy. The committee has identified two primary options for funding these activities. Options for the housing fund include an ad valorem property tax levy adopted following the declaration of a housing emergency as provided for in RCW 84.52.105 or a sales tax levy as provided for in RCW 82.14.530. Staff estimates that these two sources would generate approximately \$2.3 million per year. The public safety package may only be funded through an ad valorem property tax levy.

There is time to place at least one of these measures on the ballot for November if the City provides notice to the Thurston County Auditor by August 1. If approved by the voters, this would allow the tax to go into effect starting in January 2018 with revenues being received at the beginning of the third quarter of 2018.

These measures can be considered at any scheduled election including general and special elections that occur in November, February, April and August.

See the attached information sheet for additional information regarding timing and funding options.

**Neighborhood/Community Interests:**

Housing affordability and public safety are issues of community-wide interest.

**Options:**

1. Receive the report from the City Manager and provide feedback and direction regarding funding and timing options.
2. Do not receive the report from the City Manager and provide feedback and direction regarding funding and timing options.

**Financial Impact:**

None at this time.

**Attachments:**

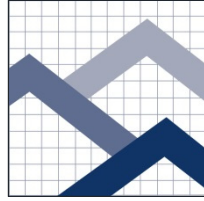
Resident Opinion Survey Results

Funds, Timing and Revenue

Tax Options Comparison

Committee Meeting Summary

Draft Administration and Financial Plan



**City of Olympia**

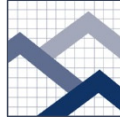
**RESIDENT OPINION SURVEY:  
HOUSING & PUBLIC SAFETY  
PROPOSALS**

**DRAFT**

**JUNE 2017**



**ELWAY RESEARCH, INC.**



City of Olympia

# RESIDENT OPINION SURVEY: HOUSING & PUBLIC SAFETY PROPOSALS

JUNE 2017

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City of Olympia

## **RESIDENT OPINION SURVEY: HOUSING & PUBLIC SAFETY PROPOSALS**

JUNE 2017

### **INTRODUCTION**

This report summarizes the results of a survey to explore Olympia residents' opinions about two packages of proposals being considered by the City Council:

1. A set of proposals to improve policing and public safety in the city; and
2. A set of proposals to address the issue of homelessness.

A total of 636 Olympia adults, selected at random, were interviewed by telephone and online between May 16 and June 2, 2017 for this survey.

The primary purpose of this survey was to explore assess residents':

1. Opinion about significant challenges facing the city;
2. Response to component proposals contained in each of the two packages;
3. Level of support or opposition to the packages and their component proposals;
4. Underlying reasoning for their support or opposition;
5. Level of support for addressing both the public safety and housing issues at the same time;
6. Preferred means of funding the proposals.

Demographic information was collected about respondents to enable comparison of answers across categories of the population.

The survey was designed, conducted and analyzed by Elway Research, Inc. The questionnaire was designed in collaboration with city staff.

This report includes Key Findings, followed by annotated graphs summarizing the results to each question, and a discussion of the results. The full questionnaire, verbatim responses to open-ended questions and demographic cross-tabulation tables are presented in the appendix.



## METHODS

<b>SAMPLE:</b>	636 Adult residents of Olympia (age 18+).
<b>MARGIN OF ERROR:</b>	$\pm 4\%$ at the 95% level of confidence. That is, in theory, had all Olympia adults been interviewed, there is a 95% chance the results would be within $\pm 4\%$ of the results in this survey.
<b>SAMPLE FRAME:</b>	Households with at least one registered voter. Interviews were done with a household member over the age of 18, although not necessarily a registered voter.
<b>TECHNIQUE:</b>	Mixed mode: 307 Telephone interviews with live interviewers; 149 via land line (49%); 158 via cell phone (51%); 329 questionnaires completed online.
<b>FIELD DATES:</b>	May 16 – June 2, 2017.
<b>DATA COLLECTION:</b>	<p>TELEPHONE: Calls for the telephone survey were made during weekday evenings and weekend days by trained, professional interviewers under supervision. Up to six attempts were made to contact each number in the sample before a substitute number was called. Questionnaires were edited for completeness, and a percentage of each interviewer's calls were re-called for verification.</p> <p>ONLINE: Households for which no telephone number was available were invited via letter signed by the mayor to take the survey online. To randomize within-household response, the person in the household over the age of 18 with the most recent birthday was asked to complete the survey. They were mailed a reminder postcard a week after the initial letter.</p>

It must be kept in mind that survey research cannot predict the future. Although great care and the rigorous methods were employed in the design, execution and analysis of this survey, these results should be interpreted only as representing the answers given by these respondents to these questions at the time they were interviewed.



## RESPONDENT PROFILE

In interpreting these findings, it is important to keep in mind the characteristics of the people interviewed. This table presents a profile of the respondents in this survey.

NOTE: Here and throughout this report, percentages may not add to 100%, due to rounding, or the omission of “no answer” in the chart.

<b>AREA OF RESIDENCE</b>	20%	Northwest
	25%	Northeast
	17%	Southwest
	33%	Southeast
	5%	No answer
<b>AGE:</b>	14%	18-35
	25%	36-50
	32%	51-64
	27%	65+
	2%	No Answer
<b>GENDER:</b>	52%	Female
	44%	Male
	1%	Other
	2%	No Answer
<b>OWN/RENT HOME</b>	76%	Own
	22%	Rent
	2%	No Answer
<b>HOUSEHOLD</b>	28%	Couple/ Children at Home
	40%	Couple/ No children Home
	6%	Single/ Children at Home
	24%	Single/ No children Home
	3%	No Answer
<b>OCCUPATION:</b>	14%	Self-Employed / Owner
	22%	Private Sector
	30%	Public Sector
	3%	Not employed
	2%	Student
	27%	Retired
<b>LOCATION OF JOB:</b>	59%	Olympia
	22%	Thurston County
	18%	Outside County
<b>INCOME:</b>	8%	\$25,000 or less
	17%	\$25 to \$49,000
	20%	\$50 to \$74,000
	17%	\$75-99,000
	26%	Over \$100,000
	12%	No Answer



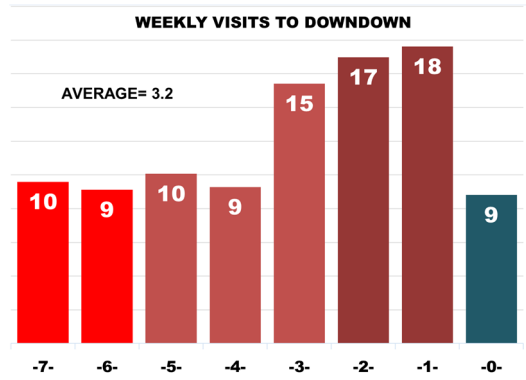


## RESPONDENT PROFILE

### Visits to Downtown

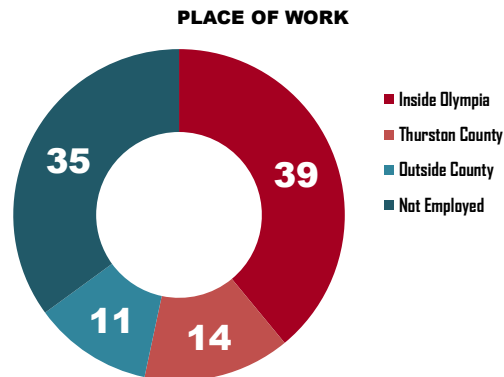
#### 91% were in downtown at least once a week.

- 29% were there at least 5 days in a typical week.
- The average number of weekly visits to downtown was 3.2.



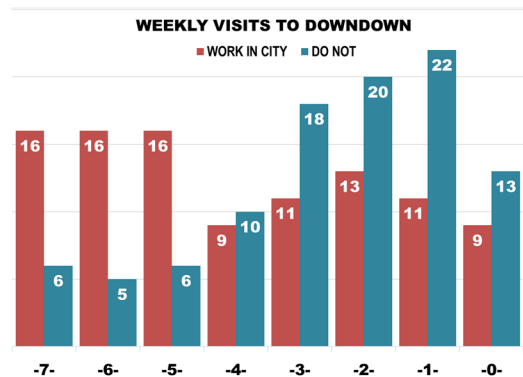
#### 39% of all respondents worked downtown.

- That comprises 59% of all respondents who were employed.



#### 60% of those who did not work in Olympia were downtown 1-3 days per week.

- 17% were downtown 5+ days per week.
- 48% of those who work in the city were downtown 5+ days per week.





# KEY FINDINGS

## ◆ Homelessness was seen as the “most significant issue” facing the City of Olympia.

- In an open-ended question at the outset of the interview, half of all respondents (51%) volunteered an issue related to homelessness or low-income housing as Olympia’s “most significant issue.”
- This finding aligns with a citizen survey in 2014, in which the top reasons for respondents who gave Olympia’s livability a rating lower than “Good” named downtown or homelessness as the top reasons for their low rating.

## Public Safety Proposals

### ◆ There was broad support for the package of programs in the public safety proposal:

- Each of the 5 of the component programs in the package was supported by at least 8 in 10 respondents.
- 54% supported all 5 proposals and 98% supported at least 1.
- Ranked as the highest priorities were:
  - > Partnering to provide mobile mental health services - 32% said that should be the highest priority); and
  - > More officers for downtown walking patrols - 29% said that should be the highest priority.

### ◆ 78% said they would “definitely” (34%) or “probably” support (44%) a package that included all 5 proposals.

### ◆ Reinforcing the idea that these proposals are inter-related:

- 29% of supporters specifically volunteered as their reason, “helping the homeless” – nearly the same number as cited public safety reasons (30%);
- 12% supported it because it is a comprehensive package of proposals;
- Opponents cited the cost, higher taxes, the ambitious nature of the package and a belief that this was the wrong approach to solve the problem.

### ◆ 66% said that the fact that the package consisted of “non-traditional” policing methods made them more likely to support it.

### ◆ 69% did not think it was too soon after the 2012 vote to ask voters to approve another public safety package.



## Housing Proposal

◆ **There was also broad support for the package of housing proposals under consideration.**

- Each of the 4 component proposals was supported by at least 76% of respondents.
- 66% supported all 4 proposals and 91% supported at least one.

◆ **78% said they would “definitely” (43%) or “probably” (35%) support a package than contained all 4 proposals.**

- 52% of supporters said that helping the homeless was the main reason they would support the package.
- Opponents cited a variety of reasons for their opposition, headed by the cost or taxes (29%); the belief that the program would attract more homeless people to Olympia (24%); lack of confidence that the program would work (23%); and a belief that such a package would enable people who do not want to help themselves (22%).

◆ **61% disagreed with the argument that Olympia should wait for a regional solution to the homelessness problem.**

◆ **55% agreed that Olympia should “focus on an immediate response” rather than build permanent housing, which will take years.**

## Simultaneous Proposals

◆ **51% would support both the housing and public safety proposals if they were presented at the same time.**

- 30% would support one but not the other; and
- 8% would oppose both.

## Funding Source

◆ **When asked what would be the best source of money to pay for these proposals:**

- 76% chose at least one tax, but no one source was close to majority support. 64% named a tax that they would have to pay:
  - 24% said the sales tax;
  - 23% said the property tax;
  - 8% said the utilities tax.
- 12% preferred a tax on businesses.



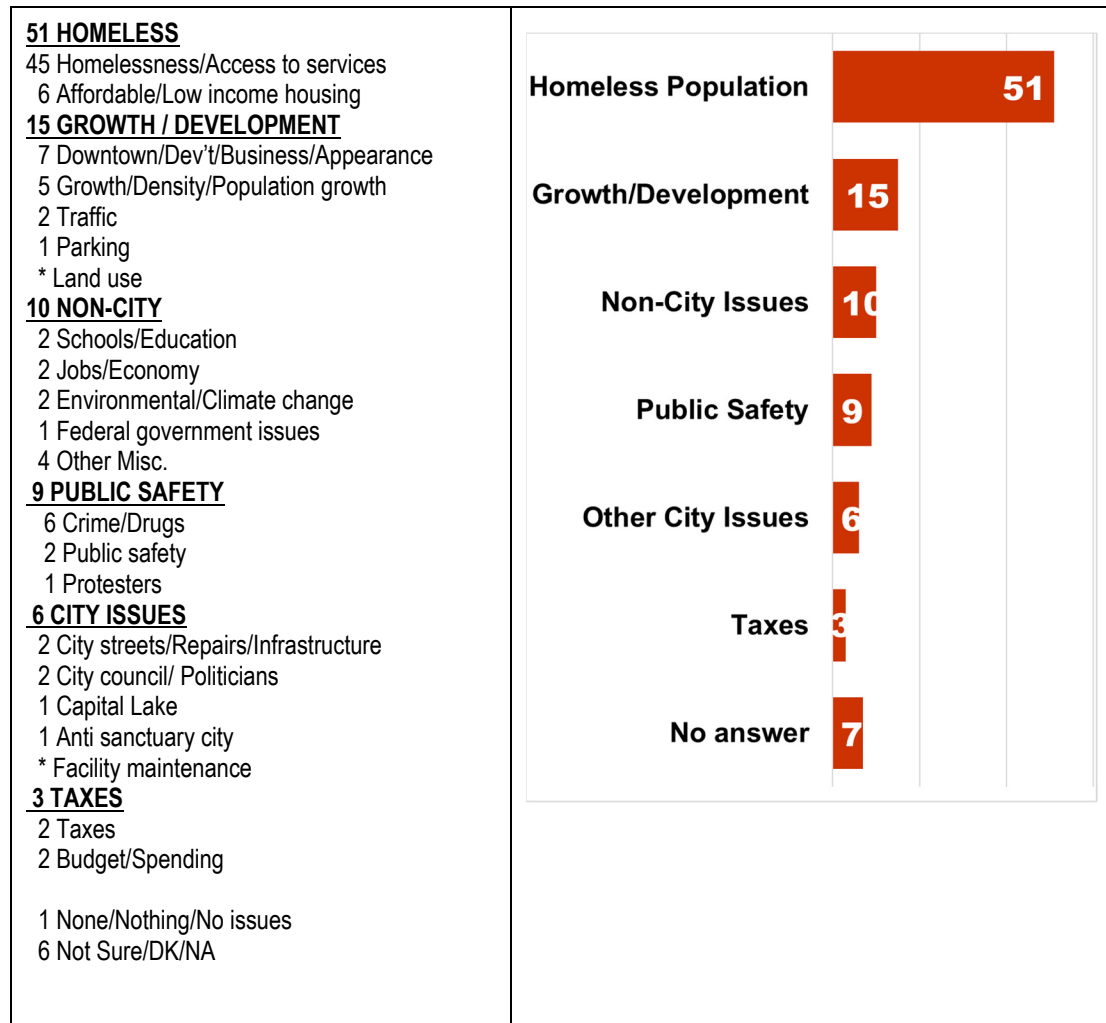
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# FINDINGS

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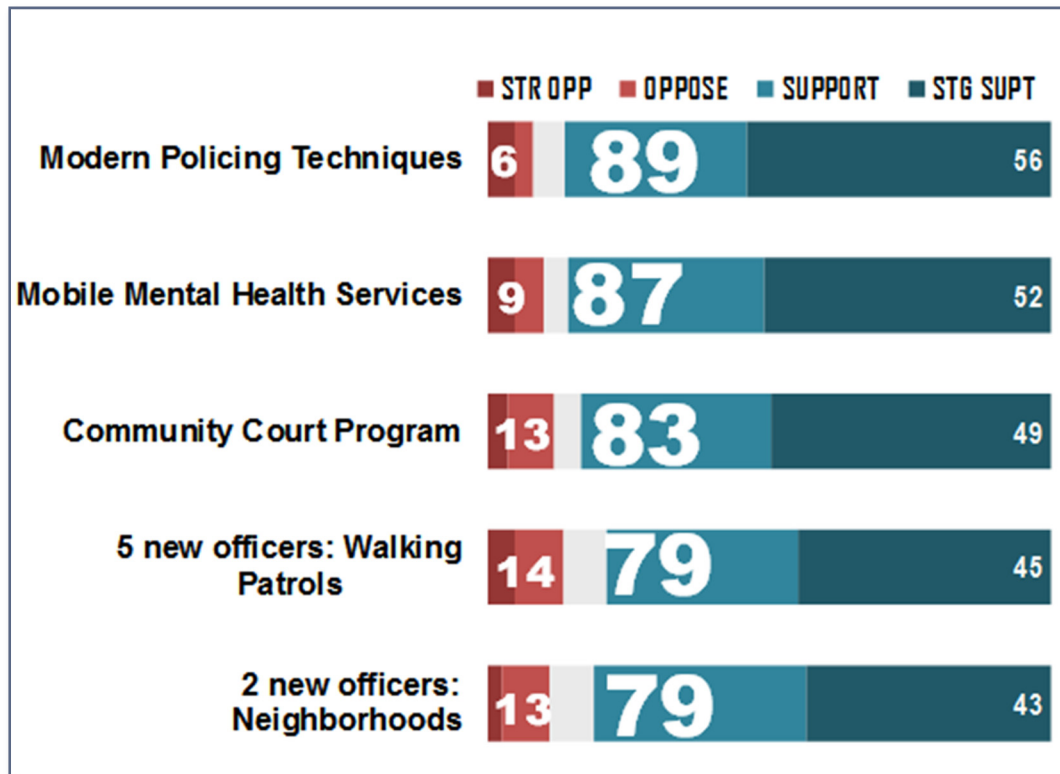
- This section presents the survey findings in the form of annotated graphs.
- Bullet points indicate significant or noteworthy differences among population subgroups.

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*Issues Facing Olympia***Homelessness Tops City Issues**

Q2 First, in your opinion, what is the most significant issue facing the City of Olympia at this time?  
 [Open Ended: numbers are percentage volunteering an answer coded into that category.]

- When asked what they thought was the “most significant issue facing the City of Olympia,” half of all respondents (51%) volunteered homelessness or low-income housing.
  - The question was open-ended, meaning that respondents were not given a list of options from which to choose, but answered in their own words.
  - The assessment of homelessness as the top issue was widespread. There were no significant differences between categories of respondent in answer to this question.
- Growth and development issues (downtown development, density, traffic, etc.) comprised the second most-mentioned category – far behind at 15%.

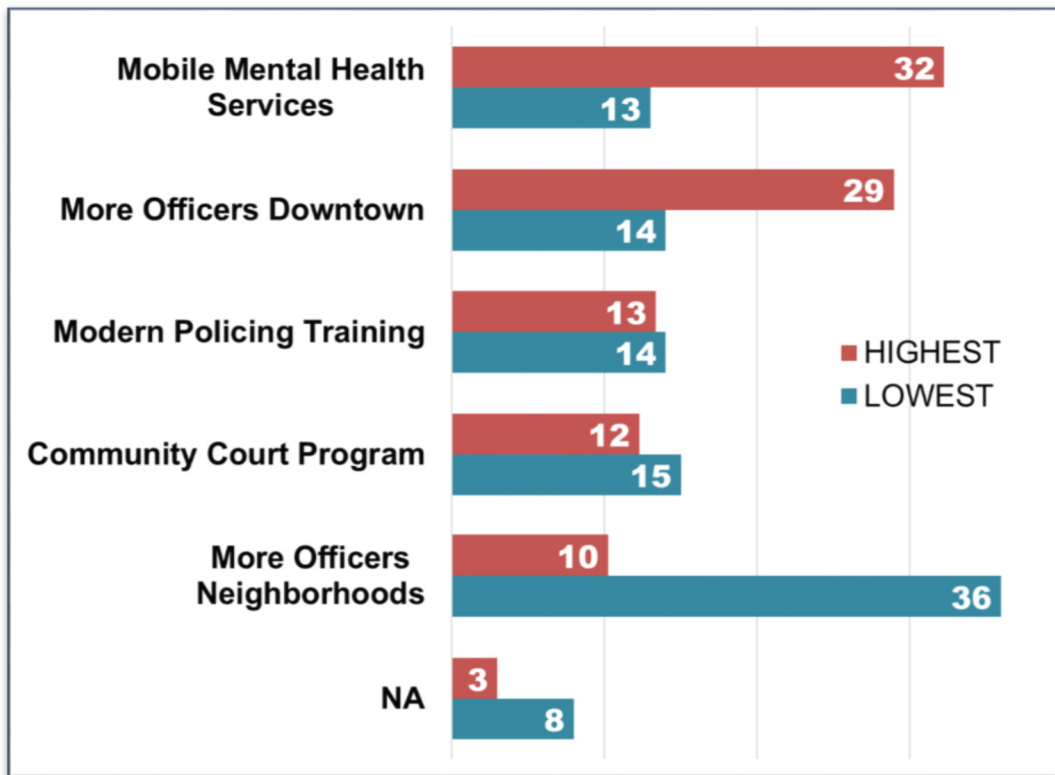
*Public Safety Proposals***Broad Support for Public Safety Proposals**

Q3 I am going to read you the proposals for public safety. As I read each one, tell me whether you would be inclined to Oppose that proposal, Strongly Oppose it, Favor it or Strongly Favor it.

- Continue funding training and policy for modern policing techniques, such as interacting with the mentally ill and training to ensure fair and impartial policing by making officers aware of underlying bias.
- Partner with a mental health provider to deliver mobile mental health outreach and services in downtown and elsewhere in the city
- Provide the funding for the Community Court Program, which diverts low-level offenders from jail and steers them toward education, jobs, and other alternatives. Federal funding for that program runs out next year.
- Hire five new police officers for the downtown walking patrol, bringing the total to seven officers - increasing both day time and night time walking patrols
- Hire two new police officers - plus one new code enforcement officer assigned to neighborhoods -to deal with drug houses, speeding, trash and other nuisances

- **Five proposals that make up the public safety package were tested individually.**
  - Each of the five were supported by at least 8 in 10 respondents.
  - 54% supported all 5 of the proposals; with 98% supporting at least 1.
- **Two of the proposals were “strongly supported” by majorities:**
  - Training in modern policing techniques (89% support; 56% “strongly”);
  - Provide mobile mental health services (87% support; 52% “strongly”).
- **There was strong support for each proposal in every category of respondent.**
  - Even the lowest level of support for *any* of the five proposals was high: 57% of those with incomes under \$25,000 for increased walking patrols.

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*Public Safety Proposals***Priorities for Public Safety Proposals**

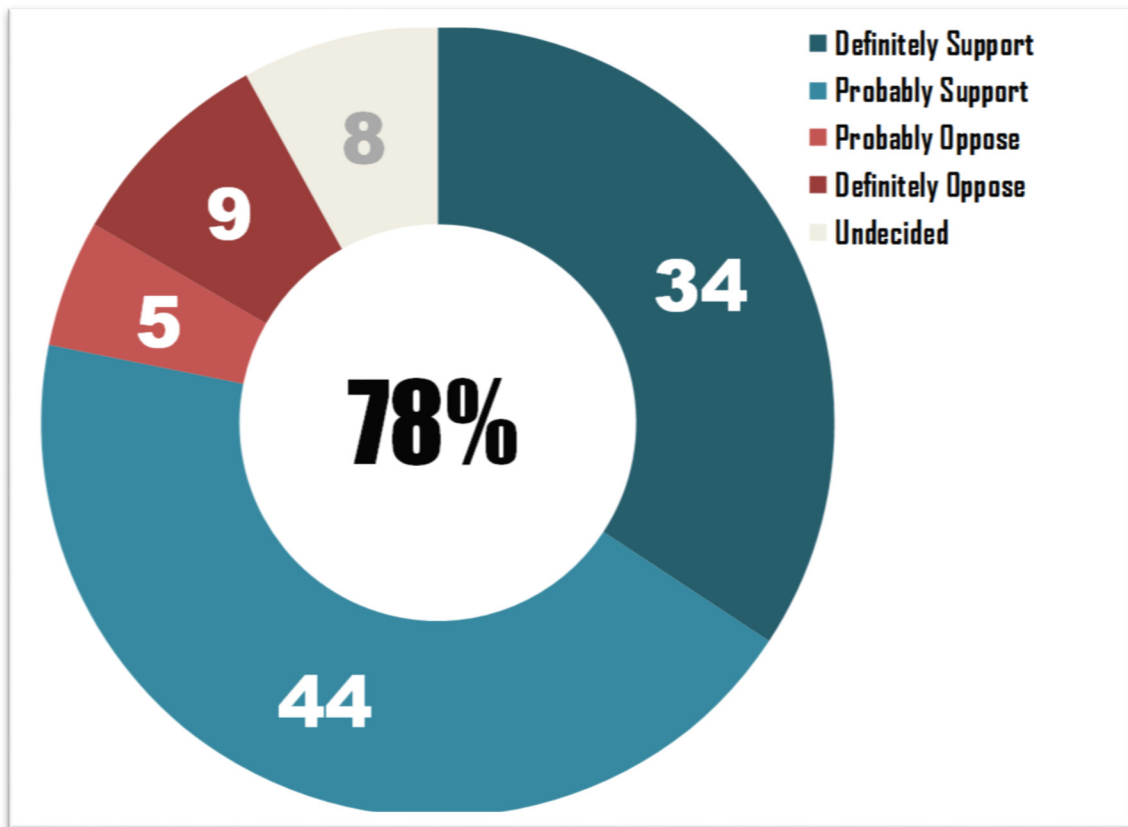
Q4-5 Of the public safety programs we have just talked about, which one do you think should be the highest priority for the City of Olympia? Which should be the lowest priority for the City of Olympia?

- When asked to choose what should be the highest and lowest priority among the 5 proposals, more than half said the highest priority was either:
  - Mobile mental health services - 32% said that should be the highest, while only 13% said that should be the lowest priority; or
  - More walking patrols downtown - 29% said “highest”; 14% said lowest.
- Most likely to rank mobile mental health services #1 were:
  - Self-employed or business owners (41%);
  - Those age 51-50 (39%);
  - Women (37%);
  - People who work in Olympia (36%).
- Most likely to rank more walking patrols #1 were:
  - Private sector employees (41%);
  - People with incomes over \$100,000 (39%);
  - Senior citizens (35%).
- Hiring 2 officers assigned to neighborhoods was ranked lowest, with 36% saying that should be the lowest priority of the 5 proposals.

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## Public Safety Proposals

**Broad Support for Public Safety Package**

Q6 If all of these public safety programs were presented to the voters in a single package, would you be inclined to [ \* ] the package?

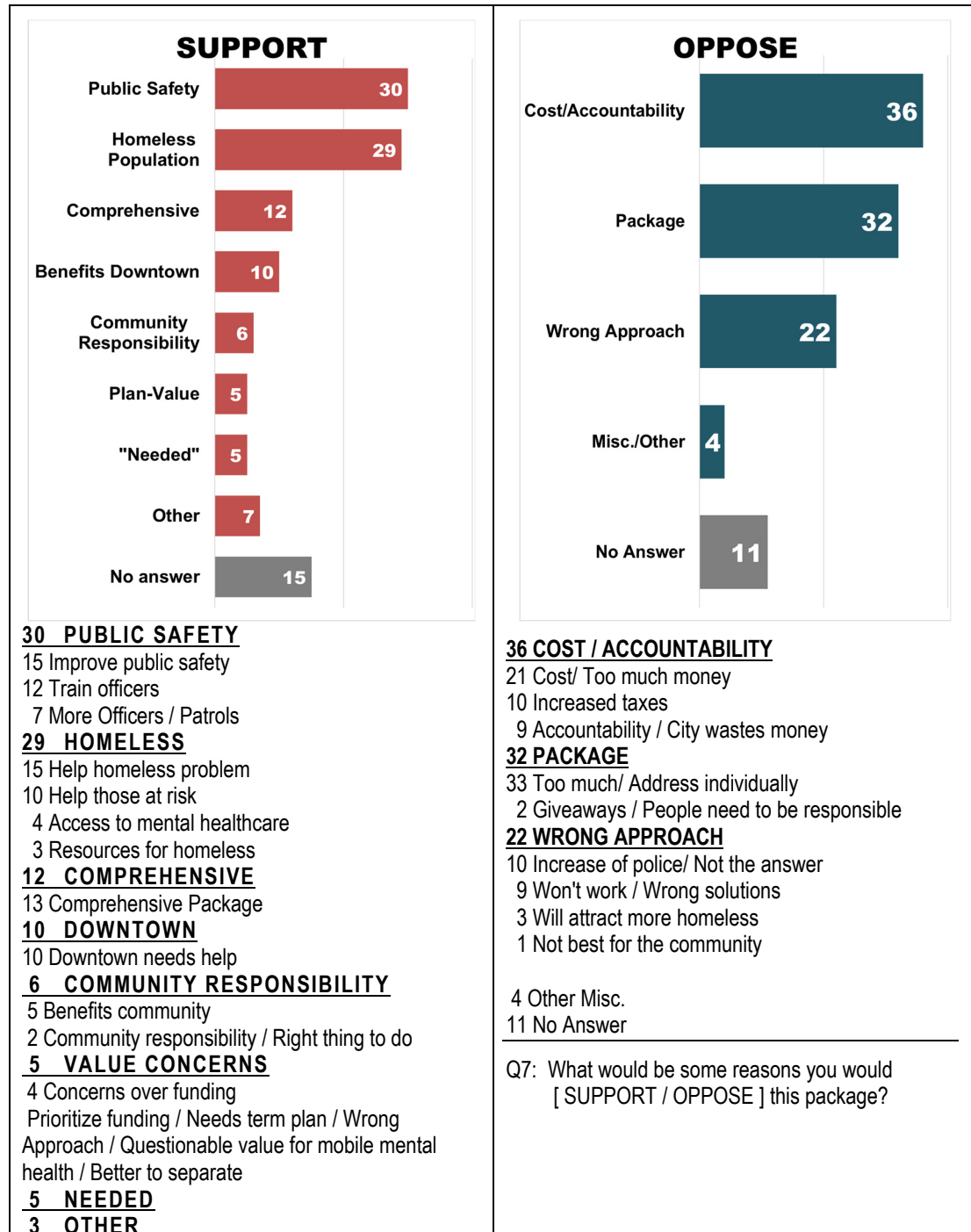
- **Nearly 8 in 10 respondents were inclined to support the public safety package, including 34% who said they would “definitely support” it.**
  - A 44% plurality said they would “probably” support it, indicating strong latent support. These residents would support the proposal unless convinced of a reason to oppose it.
  - “Definite” supporters outnumbered opponents by 20 percentage points. This is significant because “definite” supporters and opponents are likely to be most vocal in the public discussion of the issue.
- **Overall support topped 75% in 29 of the 34 categories of respondent;**
  - The most support came from residents of Southwest (91%);
  - The lowest level of support - which is still high - came from those who never visit downtown (67%).
- **Support for the package increased with the frequency of downtown visits, from:**
  - 67% of those who never go downtown; to
  - 81% of those who are there at least 3 days a week.



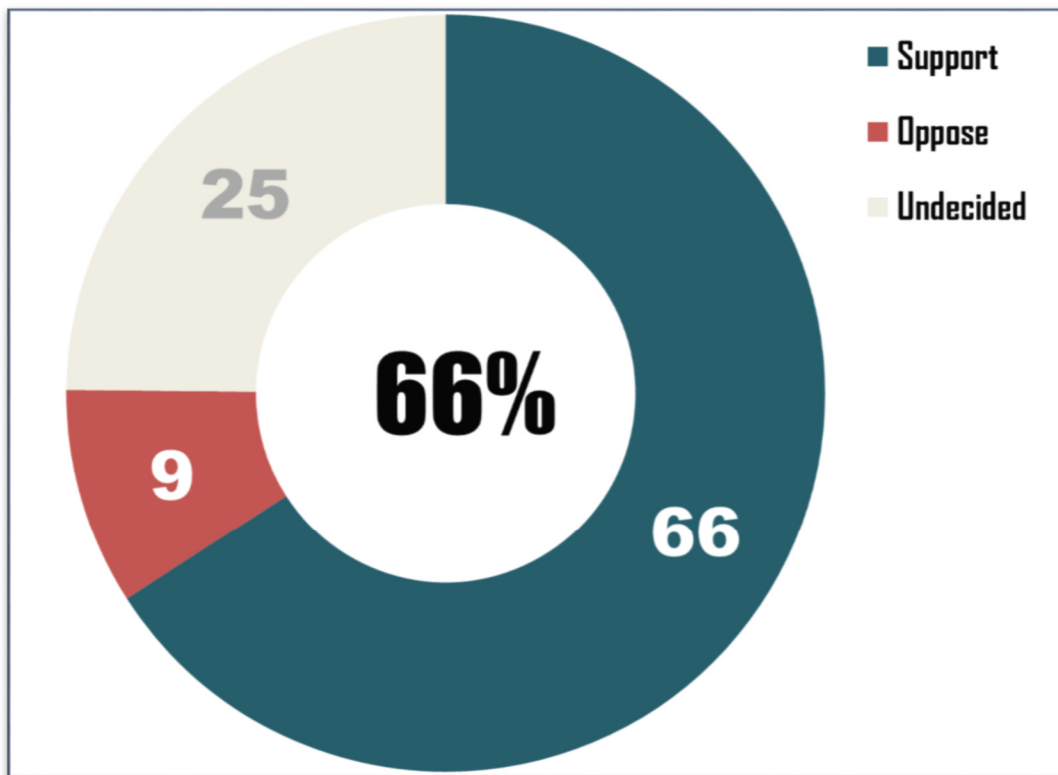


## Public Safety Proposals

## Reasons for Support, Opposition



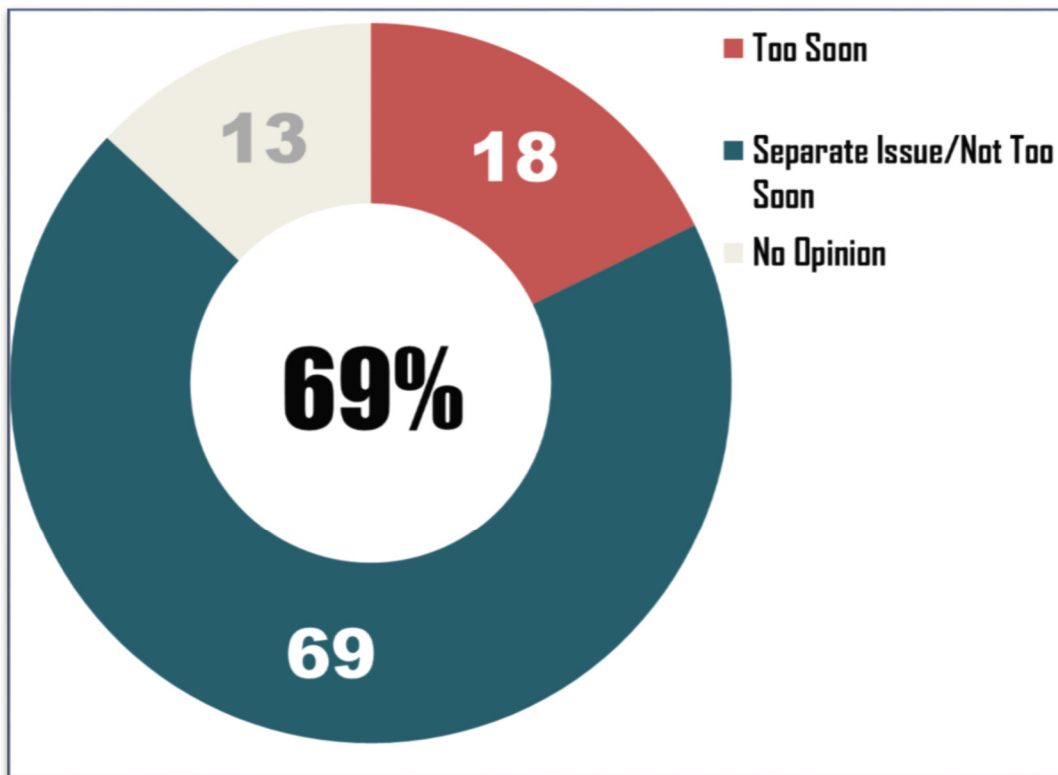
- When asked why they supported or opposed the public safety proposal:
  - Supporters most spoke about more and better trained officers, and addressing the homelessness problem; while
  - Opponents spoke mostly about the cost and the size of the package.

*Public Safety Proposals***Non-Traditional Policing Methods Adds to Support**

Q8 The proposals in this package are somewhat non-traditional for a police department. Does that fact make you more likely to support or oppose the package?

**The fact that the proposal consisted of “somewhat non-traditional” policing methods strengthened support for the package.**

- **66% of all respondents said that fact made them more likely to support the measure, vs. only 9% who said it made them less likely to support it.**
- **Of those who said initially they would “probably support” the proposal:**  
67% said the non-traditional methods made them more likely to support; vs. 5% who said that made them more likely to oppose the proposal.
- **Of those initially undecided:**  
41% said the non-traditional methods made them more likely to support; vs. 6% who said that made them more likely to oppose the proposal.
- **Of those initially opposed:**  
24% said the non-traditional methods made them more likely to support; vs. 43% who said that made them even more opposed.

**Public Safety Package****Timing of Proposal Not Seen as Obstacle**

Q9 There has been some discussion about the timing of this proposal. In 2012, Olympia voters approved a public safety funding package to avoid cuts in programs and services. Which of these two statements come closest to your opinion about the timing of this new proposal?

There has been some question as to whether the timing of the public safety package would be a problem, since the city approved a public safety measure in 2012.

- 7 in 10 respondents (69%) said that this was a separate issue and it is not too soon to ask the public to approve another public safety measure.
- 72% of those would said they would “probably” support the proposal did not think it was too soon, so the timing was not an obstacle for them.
- Among opponents:
  - 56% said it was too soon, but
  - 36% disagreed. (19% had no opinion).

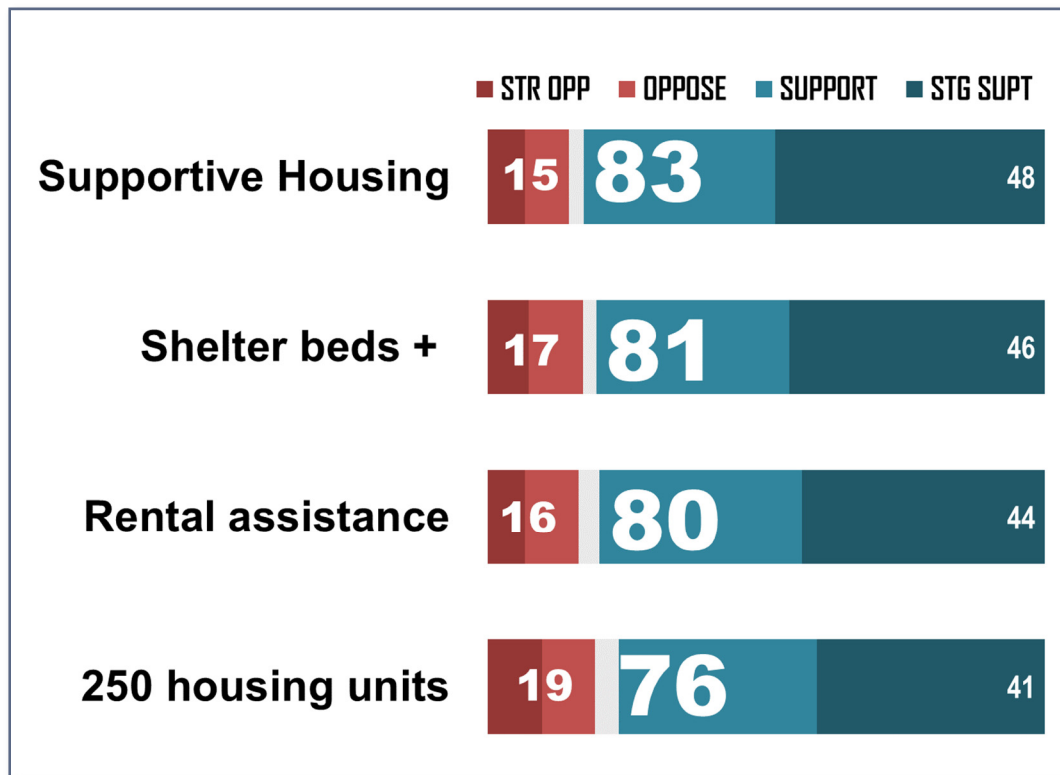


# HOUSING

**The housing section of the interview was introduced with this statement:**

Another proposal concerns housing for Olympia's most vulnerable citizens. "Most vulnerable" means people not able to meet basic needs of shelter and safety. Like many cities, Olympia has increasing rental rates and decreasing housing vacancy. These circumstances, coupled with a lack of shelter space, has contributed to a concentration downtown of people who are homeless.

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*Housing Proposal***Broad Support for Housing Proposals**

Q10 The city council is considering a package of services to help vulnerable youth, adults and families in Olympia, such as low-income, developmentally disabled, chronically homeless, mentally ill, and others. The package has several parts. As I read each one, tell me if you would be likely to Oppose that proposal, Strongly Oppose, Support or Strongly Support having the city do that. The first one is...

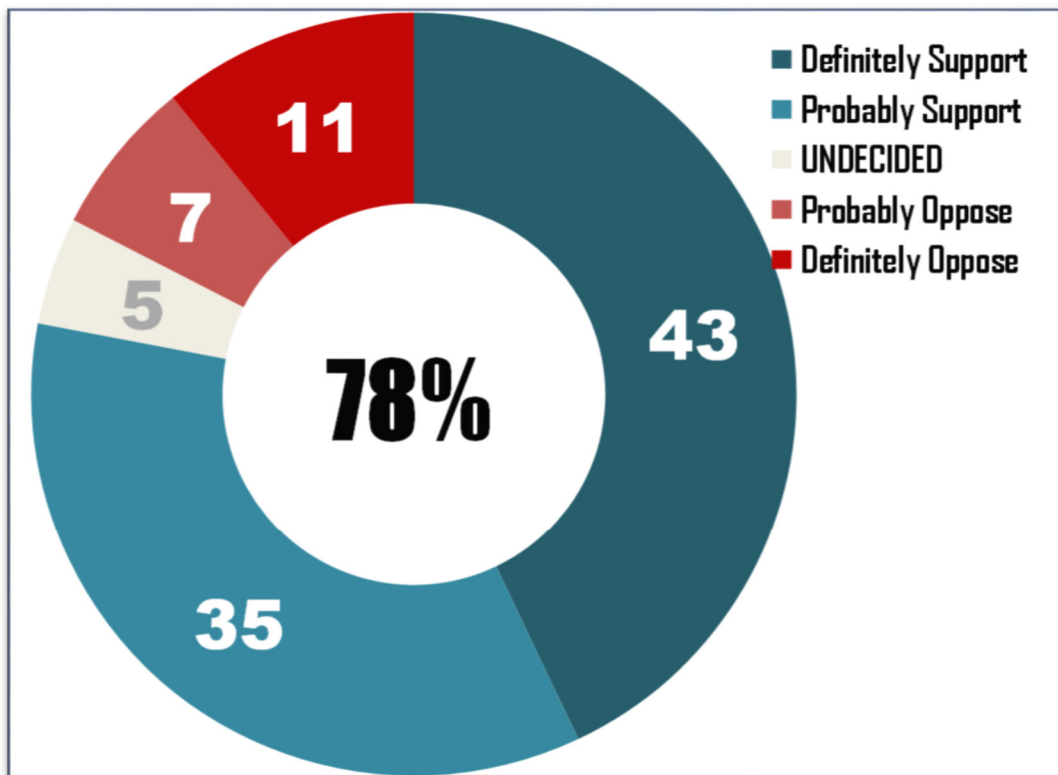
- The City would fund the construction or renovation of 250 housing units over the next seven years for this vulnerable, chronically homeless population
- Make this what is called Supportive Housing, which includes services such as mental health services as well as drug and alcohol treatment
- Include rental assistance and other programs to prevent homelessness.
- Include more shelter beds, a day center or day shelter and other services for people who are homeless

- **As with the public safety package, the components of the housing package enjoyed broad support:**
  - For each of the 4 proposals, more than 3 in 4 respondents said they were likely to support it;
  - All 4 proposals had more than 4 in 10 who said they “strongly” supported it.
- **66% of all respondents supported all 4 of the proposals in the package.**
  - 91% supported at least 1 of the proposals.
- **The lowest level of support for any of the proposals among any category of respondent was above 75%.**



## Housing Proposal

### Broad Support for Housing Package

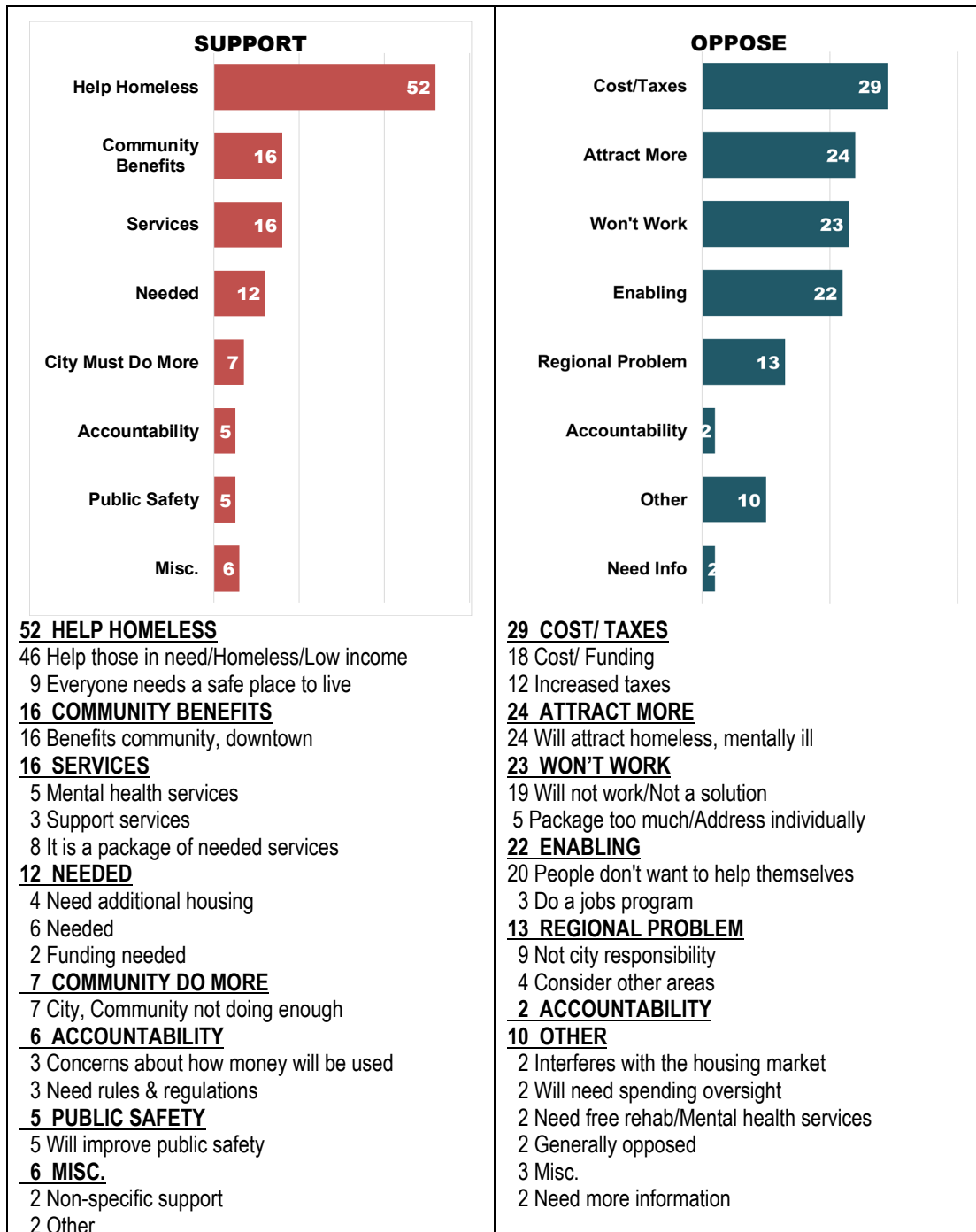


Q11 If a proposal including all these features were put before the voters, would you be inclined to [ \* ] this proposal

- **As with the public safety package, there was broad support for the housing package. In fact, the overall support was almost identical:**
  - 78% were inclined to support the package, including 43% who would “definitely” support it.
  - The comparable numbers for the public safety package were: 78% support with 34% “definitely.”
- **There were no significant differences in level of support across categories of residents. The support ranged from**
  - 91% among resident under age 35; to 71% among men.
- **Support did rise with number of visits to downtown, from**
  - 73% among those who go downtown less than twice a week, to 83% among those who go downtown 3+ days a week.

*Housing Proposal*

## Supporters Focused on Need, Opponents Cited Cost, Anticipated Effects

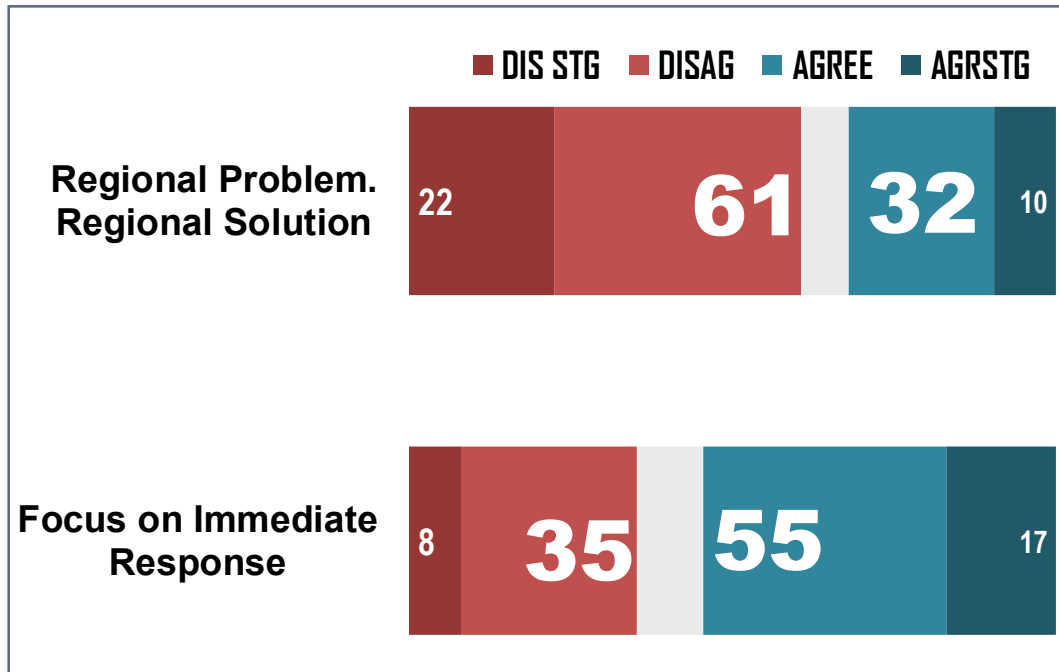


- Opponents cited a variety of reasons for their position, from taxes to efficacy, to their belief that the package would be enabling and would attract more homeless people to the city.
- Supporters for primarily focused on the to help homeless people.

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*Housing Proposal*

## Most Disagreed with Potential Objections to Housing Proposal



Q13 Next, I am going to read a few statements about this housing proposal. As I do, tell me whether you Disagree, Disagree Strongly, Agree or Agree Strongly with each one.

- Housing is a regional problem. Olympia should wait & be part of a regional solution with other cities in the county
- Building permanent housing will take several years. The city should focus instead on an immediate response to homelessness in the city

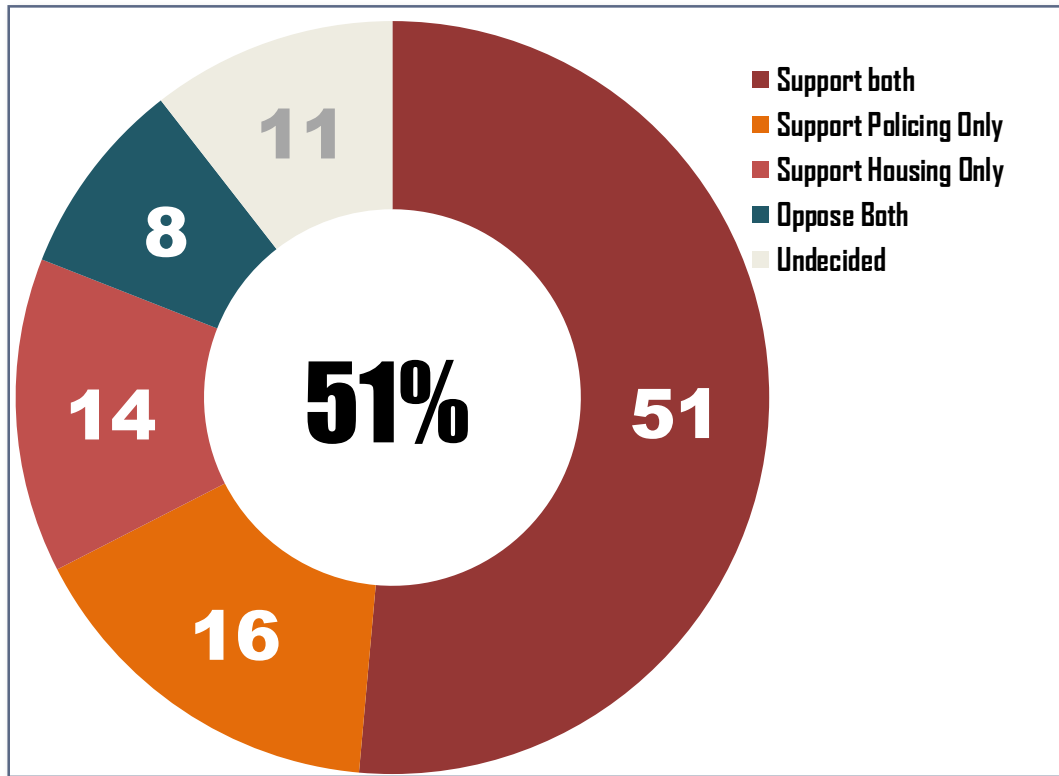
**To test response to familiar objections to the housing package, respondents were asked to agree or disagree with a pair of statements about it. The results indicate that Olympia residents favor moving ahead to address the problem:**

- 61% disagreed that Olympia should wait to be part of a regional solution;
- 55% agreed that Olympia should focus on an immediate response to homelessness in the city;
- 30% both agreed that Olympia should focus on an immediate solution and disagreed that Olympia should wait for a regional solution.
- **There is some ambiguity in these results, owing to the wording of the statement that Olympia should wait AND be part of a regional solution. Those are not the same thing. Thus,**
  - 21% seemed to agree that Olympia should wait for a regional solution, but they also agreed that Olympia should focus on an immediate solution.
  - Most likely, given the other findings, most respondents meant to say that homelessness is a regional problem, but that Olympia should proceed with an immediate solution. But the data are not crystal clear on that point.



*Simultaneous Proposals*

## Half Would Support Both Measures if Presented Simultaneously



Q14 Both the policing programs and the housing proposal will require more taxes. If both were on the ballot, what you would most likely do? Would you...

- Support both proposals
- Support the policing measure, but not the housing proposal
- Support the housing proposal, but not the policing proposal
- Oppose both proposals

**A critical question before the council is whether to submit these two proposals to voters separately or simultaneously. The findings are not conclusive.**

- **Half of these respondents (51%) said they would support both if they were on the ballot at the same time.**
  - 30% would support one proposal, but not the other;
  - Only 8% would oppose both.
- **Inclination to support both proposals:**
  - Went up with age, from 47% of those under 35 to 56% of those over 65;
  - Was higher among women (61%) than men (43%);
  - Was highest among upper middle income (64% among those earning \$75-100,000)
  - but lowest among the highest and lowest income households (49% among those over \$100,000; 51% among those under \$25,000).

CONTINUED ►



## *Simultaneous Proposals*

### **Support for Simultaneous Proposals**

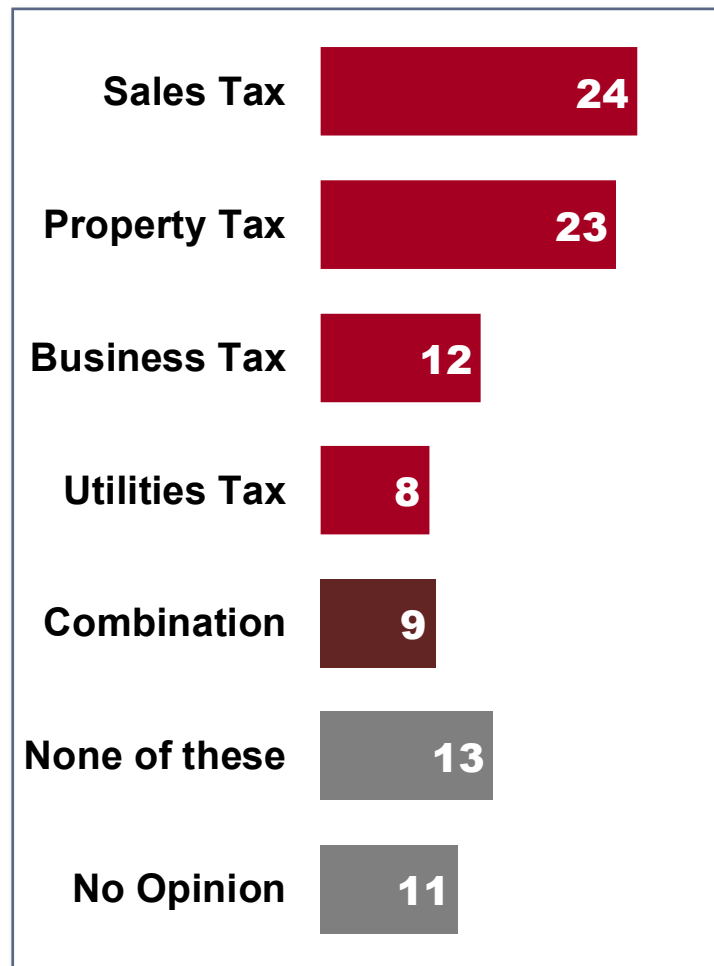
Although each proposal had a high level of support, that support appeared to diminish if they were considered at the same time.

- Each proposal had 78% support when they had been presented separately.
- 69% of respondents expressed support for both proposals individually.
- If the proposals were presented together, however, just 51% said they would support both.
- Of those who favored both proposals individually:
  - 70% said they would support both if presented simultaneously;
  - 12% would support only the housing proposal;
  - 7% would support only the public safety proposal;
  - 9% were undecided if presented with both; and
  - 1% decided they were opposed to both.

There is no clear pattern in these findings to breakdown the equilibrium of support.

- In both cases, “definite” supporters of each proposal were far more likely to support both simultaneously. The patterns were identical:
  - Among those who initially supported the public safety package 80% of “definite” supporters would support both; while only 49% of “probable” supporters would support both.
  - Similarly, among those who initially supported the housing package 80% of “definite” supporters would support both; while only 48% of “probable” supporters would support both.
- Exclusive support for the two proposals was equivalent:
  - Of those who had initially supported the public safety package 15% said they would support only that proposal if they were presented together;
  - Of those who initially supported the housing package, 17% said they would support only the housing proposal if they were presented together.

With high support for each of the proposals individually, the obvious challenge for proponents – were the proposals submitted at the same time - would be to maintain the original strong support for each while overcoming reluctance to say “yes” twice.

**Revenue Sources****Preferred Revenue Source**

Q15 The city has four potential sources of money to pay for these proposals. Which of the following – if any – do you think would be the best way to pay for these programs?

- Increase the property tax; Increase the sales tax; Increase taxes on city utilities; Increase the tax on businesses in the city

- **The equilibrium of support for the two proposals extended to the means of paying for them:**
  - Taken together, 64% named some tax that they themselves would pay (sales, property, utilities, and combination);
  - But none of the taxes was close to majority support.
  - As with other finding in this survey, there were not significant differences between categories of respondents;
  - Nor were there differences according to support for the two proposals.

CONTINUED ►



- Unsurprisingly, those opposed to both measures mostly favored “none” of these taxes (69%).
- Only 20% of respondents undecided on their support for the simultaneous proposals said “none” to the tax question, indicating that the tax was not the determining factor in their decision.
- Similarly, among those who supported one proposal but not the other, only 13% said “none” of these taxes should be used. – indicating that the tax was not the determining obstacle for them.

DRAFT



# DISCUSSION

Olympia residents are clearly concerned about the issue of homelessness and they are just as clearly ready to do something about it.

Homelessness was volunteered by a majority of respondents as the “most significant” issue facing Olympia. Respondents recognized that homelessness is a regional, complex and long-term problem, but most want their city to get started on solutions without waiting for others or for better timing.

Both the housing and public safety proposals under consideration have components that address homelessness. Recognition of the complexity of the issue was found in the fact that 8 in 10 respondents favored each of eight proposals that focused directly on helping people who are homeless. A top reason given for supporting the public safety package was to address homelessness.

Attention was focused especially, but not exclusively, on downtown. There was strong support for increased walking patrols downtown, and even stronger support for police partnering with mobile mental health services and more training in modern policing techniques for interacting with people who are mentally ill.

For each package, the key constituency is those who said they would “probably” support it. The “definite” supporters and the opponents will be most vocal in the public debate over these issues. The “probable” supporters will decide the issue. They are likely to support each proposal unless given a reason to oppose it.

That reason could be the cost. The caveat in this expression of support is that the costs of these proposals were not explicitly discussed in this survey. The high levels of support and recognition of the issue – together with the finding that 2/3 suggested a tax source that they would pay - suggests that support will be there for a reasonable tax increase to fund these proposals. But since no specific dollar amount was attached to any of these proposals, that remains a consideration.

A second, related issue is one of timing. There was broad support for the two separate but inter-related packages. However, the proportion of respondents willing to support *both* packages simultaneously drops to a bare majority (51%), compared to a super majority (78%) for each package considered separately.

A key to the timing question may also be cost. Since Olympians are ready to address the problem and they favor the solutions being proposed, they could decide that it is worth a somewhat larger investment to implement a comprehensive approach, rather than wait for one or the other of the packages.



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# APPENDIX

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## TOPLINE DATA

<b>SAMPLE:</b>	636 Olympia residents
<b>SAMPLE FRAME:</b>	Registered Voter List
<b>MARGIN OF SAMPLING ERROR:</b>	±4% at the 95% level of confidence
<b>DATA COLLECTION:</b>	Mixed Mode: 307 Telephone survey with live interviewers 149 via cell phone 158 via landline 329 online
<b>FIELD DATES:</b>	May 16 - June 2, 2017
<b>REGION:</b>	NW=20% NE=25% SW=17% SE=33%
<b>GENDER:</b>	MALE=44% FEMALE=52% OTHER=1% NO ANS 2%
<ul style="list-style-type: none"> <li>• The questions are presented here as they were asked in the interview</li> <li>• The figures in bold type are percentages of respondents who gave each answer.</li> <li>• Percentages may not add to 100% due to rounding.</li> </ul>	

1. First, in your opinion, what is the most significant issue facing the City of Olympia at this time? [OPEN]

Homeless (51%)  
 Growth/Development (15%)  
 Non-city issues (10%)  
 Public Safety (9%)  
 Taxes (3%)  
 Other City Issues (6%)

2. In a typical week, how many days are you in Downtown Olympia?

0	1	2	3	4	5	6	7	AV
9%	18%	17%	15%	9%	10%	9%	10%	3.2

- The City Council is considering some new or expanded services in the areas of public safety and affordable housing. These next questions are about these proposals.

*[The Housing questions and Public Safety sections were rotated. The housing questions were asked first in the telephone version; the policng questions were asked first in the online versiion.]*

**PUBLIC SAFETY**

3. First, I am going to read you the proposals for public safety. As I read each one, tell me whether you would be inclined to Oppose that proposal, Strongly Oppose it, Favor it or Strongly Favor it. The first one is...

**ROTATE**

STG OP    OPP    NoOpin    FAV    STG FAV

- 1: Hire five new police officers for the downtown walking patrol, bringing the total to seven officers - increasing both day time and night time walking patrols ..... 5 ..... 9 ..... 8 ..... **34.....45**
- 2: Hire two new police officers - plus one new code enforcement officer assigned to neighborhoods - to deal with drug houses, speeding, trash and other nuisances ..... 5 ..... 8 ..... 8 ..... **37.....43**
- 3: Partner with a mental health provider to deliver mobile mental health outreach and services in downtown and elsewhere in the city..... 4 ..... 5 ..... 5 ..... **35.....52**
- 4: Provide the funding for the Community Court Program, which diverts low-level offenders from jail and steers them toward education, jobs, and other alternatives. Federal funding for that program runs out next year. .... 5 ..... 8 ..... 5 ..... **34.....49**
- 5: Continue funding training and policy for modern policing techniques, such as interacting with the mentally ill and training to ensure fair and impartial policing by making officers aware of underlying bias ..... 2 ..... 3 ..... 6 ..... **33.....56**

4. Of the public safety programs we have just talked about, which one do you think should be the highest priority for the City of Olympia?

- 32 Providing mobile mental health services  
29 Additional officers for the walking patrol downtown  
13 Training in modern techniques  
12 Continuing the community court program  
10 Additional officers for neighborhood nuisance issues  
3 [NA]

5. Which of the public safety programs we have just talked about do you think should be the lowest priority for the City of Olympia?

- 36 Additional officers for neighborhood nuisance issues  
15 Continuing the community court program  
14 Additional officers for the walking patrol downtown  
14 Training in modern policing techniques  
13 Providing mobile mental health services  
8 [NA]



6. If all of these public safety programs were presented to the voters in a single package, would you be inclined to [ READ & ROTATE ] the package?

9 Definitely Oppose  
 5 Probably Oppose  
 44 Probably Support  
 34 Definitely Support  
 8 Undecided

7. What would be some reasons you would [ SUPPORT / OPPOSE ] this package? [ OPEN ]

SUPPORT	OPPOSE
Public Safety (30%)	Cost/Accountability (36%)
Help Homeless (29%)	Too many Items in package (32%)
Comprehensive (12%)	Won't work/ Wrong approach (22%)
Downtown Improvement (10%)	Other (4%)
Community Responsibility (6%)	

8. The proposals in this package are somewhat non-traditional for a police department. Does that fact make you more likely to support or oppose the package?

66 SUPPORT  
 9 OPPOSE  
 25 UNDEC

9. There has been some discussion about the timing of this proposal. In 2012, Olympia voters approved a public a safety funding package to avoid cuts in programs and services. Which of these two statements come closest to you opinion about the timing of this new proposal?

18 It is too soon to ask voters to increase taxes again for public safety  
 69 This is a separate issue and five years is not too soon to ask voters  
 13 [NO OPINION]

## HOUSING

- 10.** Another proposal concerns housing for Olympia's most vulnerable citizens. "Most vulnerable" means people not able to meet basic needs of shelter and safety. Like many cities, Olympia has increasing rental rates and decreasing housing vacancy. These circumstances, coupled with a lack of shelter space, has contributed to a concentration downtown of people who are homeless.

The city council is considering a package of services to help vulnerable youth, adults and families in Olympia, such as low-income, developmentally disabled, chronically homeless, mentally ill, and others. The package has several parts. As I read each one, tell me if you would be likely to Oppose that proposal, Strongly Oppose, Support or Strongly Support having the city do that. The first one is...

	STG OPPOSE	OPP	NO OPIN	SUPPORT	STG SUPT
1: The City would fund the construction or renovation of 250 housing units over the next seven years for this vulnerable, chronically homeless population.....	10	10	4	36	41
2: Make this what is called Supportive Housing, which includes services such as mental health services as well as drug and alcohol treatment .....	7	8	3	34	48
3: Include rental assistance and other programs to prevent homelessness.....	7	10	4	36	44
4: Include more shelter beds, a day center or day shelter and other services for people who are homeless .....	7	10	2	35	46

- 11.** If a proposal including all these features were put before the voters, would you be inclined to [READ & ROTATE] this proposal?

**11** Definitely Oppose  
**7** Probably Oppose  
**35** Probably Support  
**43** Definitely Support  
**5** Undecided

- 12.** What would be some reasons you would [SUPPORT / OPPOSE] this proposal? [OPEN]

SUPPORT	OPPOSE
Help Homeless (52%)	Cost/Taxes (29%)
Benefits community (16%)	Will attract more people (24%)
Mention services (16%)	Won't work/ Wrong approach (23%)
Needed (12%)	Enabling (22%)
City needs to do more (7%)	Regional Problem (13%)

- 13.** Next I am going to read a few statements about this housing proposal. As I do, tell me whether you Disagree, Disagree Strongly, Agree or Agree Strongly with each one. The first one is...

DIS STG   DISAGR   NO OP   AGREE   AGR STG

- 1: Housing is a regional problem. Olympia should wait and be part of a regional solution with other cities in the county ..... **22.....38** ..... 7..... **22..... 10**
- 2: Building permanent housing will take several years. The city should focus instead on an immediate response to homelessness in the city..... **8.....27..... 10.....** **38.....17**

- 14.** Both the policing programs and the housing proposal will require more taxes. If both were on the ballot, what you would most likely do? Would you...

- 51** Support both proposals  
**16** Support the policing measure, but not the housing proposal  
**14** Support the housing proposal, but not the policing proposal  
**8** Oppose both proposals  
**11** [ UNDEC ]

- 15.** The city has four potential sources of money to pay for these proposals. Which of the following – if any – do you think would be the best way to pay for these programs?

- 23** Increase the property tax  
**24** Increase the sales tax  
**8** Increase taxes on city utilities  
**12** Increase the tax on businesses in the city  
**13** [NONE]  
**9** [COMBINATION] (Unread option, not available online)  
**10** [NO OPIN]

- 16.** I have just a few last questions for our statistical analysis. How old are you?

- 14** 18-35  
**25** 36-50  
**32** 51-64  
**27** 65+  
**2** No Answer

- 17.** Which of these best describes your household at this time:

- 28** Couple with Children at Home  
**40** Couple with No Children at Home  
**6** Single with Children at Home  
**24** Single with No Children at Home  
**3** No answer]

- 18.** In which area of the city do you live?

- 20** Northwest (NW)  
**25** Northeast (NE)  
**17** Southwest (SW)  
**33** Southeast (SE)  
**5** No answer

**19.** Do you own or rent the place in which you live?

- 76** OWN
- 22** RENT
- 2** No answer

**20.** Which of these the following best describes you at this time? Are you. . .

- 14** Self-Employed or Business Owner
- 22** Employed in Private Business
- 30** Employed in the Public Sector, Like a Govt Agency or Educational Institution
- 3** Not employed outside the home
- 2** Student
- 27** Retired
- 2** No answer

**20.1. IF WORKING [1,2,3]:** Is your place of work...

- 59** Inside the city of Olympia
- 22** Elsewhere in Thurston County
- 18** Outside Thurston County
- 2** No answer

**21.** Finally, I am going to list five broad categories. Just stop me when I get to the category that best describes your approximate household income - before taxes - for this year.**ROTATE TOP/BOTTOM**

- 8** \$25,000 or less
- 17** 25 to 50,000
- 20** \$50 to 75,000
- 17** \$75 to 100,000
- 26** Over \$100,000
- 12** No Answer

**22. GENDER**

- 44** Male
- 52** Female
- 1** Other
- 2** No Answer



May 2017

Dear Olympia Resident:

I am writing to ask for your help. Your household was chosen at random to participate in a survey being conducted by the City of Olympia to learn about residents' opinions on issues facing our city.

It is important that we hear from you so we hope you will let us know what you think.

The survey results will be used to inform City Council decisions about important issues facing Olympia. The survey is online. To take the survey, just type the address at the bottom of this page into your internet browser. You will be asked for a password, which is provided below.

For this survey to be representative of all citizens, we ask that the survey be completed by the person in your household with the most recent birthday who is age 18 or older.

Your answers will be anonymous and confidential. No one from city government will see the individual responses. The survey is being conducted by Elway Research, Inc., a highly respected independent research firm. Elway will compile the results and publish a summary analysis, which will be available in a few weeks.

I know you are busy, and greatly appreciate you taking a few minutes to help shape the future of our city.

If you have any questions, please contact Kellie Purce Braseth at 360-753-8361 or [kbraseth@ci.olympia.wa.us](mailto:kbraseth@ci.olympia.wa.us).

Thank you,

*Cheryl Selby*

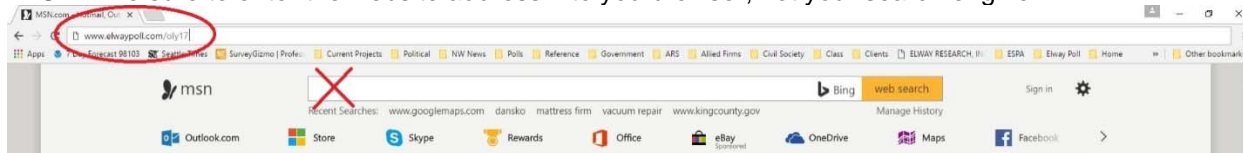
Cheryl Selby  
Mayor

### **TO TAKE THE SURVEY**

GO TO [www.elwaypoll.com/oly17](http://www.elwaypoll.com/oly17)

YOUR PASSWORD: **EDCBA**

NOTE: Be sure to enter the website address into you browser, not your search engine.



**TIMING AND REVENUE OUTLOOK TO RAISE FUNDS FOR  
PUBLIC SAFETY, HOMELESS AND AFFORDABLE HOUSING NEEDS**

ELECTION DATE	COUNCIL ACTION DATES 1 <sup>st</sup> & 2 <sup>nd</sup> Reading	ELECTION RESOLUTION DUE TO COUNTY	TYPE OF TAX <sup>1</sup>	PROJECTED ANNUAL REVENUE	WHEN RECEIPT OF REVENUE BEGINS
2017				2018	
Nov 7	7/18, 7/25/2017	8/1/2017	Property	\$ 2,061,000 <sup>2</sup>	May 2018 <sup>3</sup>
2018					
Feb 13	11/28, 12/5/2017	12/15/2017	Sales	\$718,920	Sept 2018 <sup>4</sup> (4 mos)
Apr 24	2/5, 2/12/2018	2/23/2018	Sales	\$ - 0 -	March 2019
Aug 7	4/24, 5/1/18	5/11/2018	Property	\$ - 0 -	2019
			Sales	\$ - 0 -	March 2019
Nov 6	7/24, 7/31/18	8/7/2018	Property	\$ - 0 -	2019
			Sales	\$179,167	March 2019
				2019	
			Property	\$ 2,290,000 <sup>5</sup>	
			Sales	\$1,800,000	Mar 2019 (10 mos)
				2020, beyond	
			Property	\$2,290,000	
			Sales	\$2,200,000	Jan 2020 (12 mos)

<sup>1</sup> Based on property tax levy of \$0.36 per \$1,000 of assessed value or sales tax of 0.01%.

<sup>2</sup> 2018 calculated as 90% of projected annual property tax revenue; 2019 and thereafter, projected full annual amount \$2,290,000.

<sup>3</sup> The County makes monthly transfers to City for previous month's property tax collections. Tax bills are mailed in mid-Feb for taxes due 4/30 and 10/31. Largest transfers to City are in May/June and Nov/Dec.

<sup>4</sup> Sept 2018 receipts would be for July 2018 sales.

<sup>5</sup> RCW allows collecting property tax for housing for up to 10 years from year of voter approval.

## HOW NEW TAXES CAN BE USED FOR AFFORDABLE HOUSING UNDER STATE LAW

### PROPERTY TAXES

Could generate up to \$3,180,750/yr at \$0.50/\$1,000 AV

Would generate \$2,290,160/yr at \$0.36/\$1,000 AV

RCW 82.52.105 – Affordable housing levies authorized – Declaration of emergency and plan required

Majority of voters may approve ballot proposition authorizing county or city to impose additional property tax levies of up to \$0.50/\$1,000 AV each year for up to 10 consecutive years to:

- finance affordable housing for very low-income households
- after the governing body declares the existence of an emergency re: availability of housing affordable to very low-income households in the district
- and the governing body adopts an affordable housing finance plan

Very low-income household means single person, family, or unrelated persons living together whose income is  $\leq 50\%$  of median income determined by HUD for the county.

### SALES TAXES

Could generate up to \$2,156,790/yr

ESHB 2263, effective 10/9/2015, new section to RCW 82.14 – Local Option Sales and Use Tax for Housing and Related Services:

- Counties have first option to propose up to 0.01% to voters at special or general election.
- If county has not imposed full 0.01% within 2 years of effective date (by 10/9/2017), city may submit proposition to city voters at special or general election for whole or remainder of the .01% sales tax.

Minimum 60% of the moneys must be used for:

- (1) Constructing affordable housing, including new units within an existing structure, and facilities providing housing-related services; OR
- (2) Constructing mental and behavior health-related facilities; OR
- (3) Ops and maintenance costs of new affordable housing units and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

Affordable housing and facilities providing housing-related programs may be provided only to persons whose income is  $\leq 60\%$  county median income AND with mental illness, veterans, senior citizens, homeless or at-risk families with children, homeless youth or young adults, with disabilities, OR domestic violence survivors.

Remainder of tax revenues must be used for operation, delivery, or evaluation of mental and behavior health treatment programs and services or housing-related services.

County or city imposing the tax has authority to issue GO or revenue bonds pledging up to 50% of these new sales taxes moneys for repayment in order to finance construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers.

Up to 10% of these new sales tax moneys may be used to offset reductions in state or federal funds for the purposes described.

## Ad Hoc Committee on Housing Affordability

### Meeting Highlights

March 10<sup>th</sup>:

1. **Meeting with Thurston County to Review the Housing Pipeline and Discuss the Regional Response to Homelessness and Housing Affordability** -- we learned about County's proposed Housing Pipeline anticipates 172 new affordable housing units over the next five years with 50% of those being permanent supportive housing. We learned that LIHI has submitted a proposal for another mixed use project in Olympia consisting of 60 units targeting homeless families, homeless adults, veterans, disabled and workforce housing. This project is anticipated for 2018. The other significant project scheduled for Olympia is the Family Support Center's Pear Blossom Place II with 44 units of supportive housing targeting families with children, mentally ill, workforce families and victims of domestic violence. Panza also plans another project, however, they have not designated a location other than in Thurston County. They anticipate 30 units in 2020.
2. **Discussion of the Housing Tool Kit and Developing Options for Implementation** - The Committee reviewed the City of Seattle's [Pathway's Home](#). This document was developed by the City of Seattle to help guide decisions around homelessness and affordable housing. As we've seen with so many of the City's successful efforts over the years: good plans lead to good results. A good plan is a tool that we need to develop. Much of the work at the CIP is consistent with the major principles included in the [Pathway's Home](#) document. These include:
  - A. It is clear that the focus on the development of a comprehensive system, rather than exemplary individual programs, is critical to successfully reducing homelessness.
  - B. Now is the time to demonstrate our commitment to better serving those experiencing homelessness and provide meaningful access to the necessary services to ensure that homelessness is rare, brief and one-time.
  - C. Better align our efforts with local and national best practices.
  - D. Heavy focus on basic intervention services, such as shelters and hygiene centers focused on immediate crisis, rather than a cohesive and comprehensive continuum of strategies designed to end people's homelessness.
  - E. Expanding funding for program approaches that are most effective at exiting people from homelessness such as diversion, rapid re-housing and permanent supportive housing.
  - F. Prioritizing shelter and housing access for people living unsheltered and people who have the longest histories of homelessness.



- G. Orienting all aspects of the homeless response system towards exits to permanent housing.
- H. Working together urgently and boldly to implement meaningful solutions.
- I. A systemic response to homelessness involves more than having quality individual programs available. Those programs must be accessible, coordinated, and achieving results.
- J. Form a person-centered crisis response system.
- K. Only by concentrating investments on programs with a relentless focus on permanent housing can our system obtain enough throughput to adequately begin to address our large unsheltered population.
- L. Living unsheltered with young children creates a serious health and safety risk with potentially lifelong negative consequences.
- M. Shelter must be perceived as a preferable option to living outdoors.
- N. By embracing a housing first, low barrier, service-oriented shelter model, the City is committed to making shelter accessible and moving away from survival only shelter models to comprehensive shelters that focused on ending a person's homelessness.

*Staff Note siting and development of ADUs will be addressed through the ongoing Missing Middle Process as will and exploration of other tools and strategies to encourage the production of affordable housing.*

**April 3, 2017**

# **1. Meet with Representatives from the County and the Homeless Housing Hub to better Understand the County's Five Year Plan**

The 5-year goal outcome is to achieve functional zero unsheltered homelessness overall. The strategies for reaching the desired outcome are:

Increase inventory of diversion, rapid rehousing, and Permanent Supportive Housing (PSH)

- objective 1: successfully identify and divert all applicable households
- objective 2: quickly rehouse all eligible households
- objective 3: develop sufficient PSH stock to serve the most vulnerable
- objective 4: solidify existing shelter capacity without undercutting resources for housing

Provide adequate support services for housing stability

- objective 1: ensure that voluntary supportive services and flexible retention funds are available to all people placed into permanent housing to prevent a reoccurrence of homelessness should the household face a crisis that threatens housing stability

- objective 2: increase job and income growth for people placed into permanent housing once housing stability is achieved

## 2. Homeless Service System and Affordable Housing Options Briefing

### Warming/Day Center Debrief:

- A. The committee received a report from Meg Martin with the Interfaith Works on the 2016/2017 Warming Center. Meg noted that the shelter served nearly 200 people per day when located at 408 Olympia Avenue.
- B. Ms. Martin noted that in their survey they found that 35% were originally from Thurston County. 65% of those from outside Thurston County report they have been in the County for seven years. While only 16% reported that they have been in the County for less than one year. The average person served at the Warming Center was a 40+ year old, white male experiencing mental illness, physical disability or chronic health condition or substance abuse challenges. Clearly part of Olympia's most vulnerable population.
- C. Funding for the 2016-2017 Warming Center - total \$131,000
  - Thurston County: \$40K
  - City Of Olympia: \$17K
  - City of Lacey: \$15.6K
  - City of Tumwater: \$7200
  - Interfaith Works: \$36K including \$5K from United Way emergency fund and \$11K from the Unitarian Church

Projected cost for 2017/18 season: \$210K/5 months = \$42K/month

This would include reasonable staffing accommodations (still under our preferred staffing ratio but higher than this past year), supply purchases and an estimated low rental cost similar to that of Alpine Experience (\$3k/month) but obviously we can't predict that without a clear location in mind. We asked for this full amount to the county and expect to not get funded at the full amount.

- D. Ms. Martin identified the following successes:
  - Served a high number of people
  - Broad range of people served
  - Served the most vulnerable
  - Coordinated with the Family Support Center
  - Formed partnerships with service providers
  - Had a positive impact on the streets of downtown

E. Ms. Martin identified the following challenges:

- Lack of adequate (and well located) outdoor space
- Inadequate restrooms for the size of the facility and the number of guests served
- Impact on neighbors
- Low staffing ratio of 48/1
- Lack of a pet area
- Magnet

F. The County's 2013 Gaps Analysis notes that, "In the short-term, a low-barrier shelter program needs to be developed that can also meet the need for a day center. This solution would also address the need for a public restroom that is accessible to people during the night. This resource will also fill an outreach and engagement gap in the system for those who are chronically homeless."

G. *Staff Note:*

- *Start work on a 2017-2018 shelter now*
- *Pursue regional support for a cold weather shelter through a regional task force*
- *Find a location that meets operational and community needs*

## **2013 Thurston County Gaps Analysis:**

### **Top 5 Gaps in Thurston County's Homeless System** (in no order of priority)

- Youth Shelter\*
- Youth Bridge Program
- Low Barrier Shelter Program for Adults\*
- Rapid Rehousing for Families
- Permanent Supportive Housing for Adults

*\*immediately needed to plug short-term gaps*

## County-wide System Delivery Gaps

In addition to analyzing the gaps in the system by population type, it is important to look at how the system works as a whole. This section describes some of the needs to improve the ability of the homeless system *to deliver seamlessly and effectively*.

There is a lack of a **coordinated entry** by which people that are homeless access information, housing and services.

There is a lack of **outreach and engagement services** for those who routinely fall through the cracks of the existing system, i.e. chronically homeless adults often with mental illness, addictions and with multiple barriers to stable housing.

**Capacity building** is needed as a few programs serving homeless people are relatively new and/or have taken on big projects and need to get their feet under them before they can reach their full potential or before more can be asked of them.

The Gaps Analysis identifies the following needs:

1. 50 rapid rehousing slots for various programs for families with children
2. 40 beds of year round, low-barrier shelter, harm reduction model for singles and couples
3. 40 Rapid Rehousing or Transitional Housing slots for singles and couples
4. 48-60 Rapid Rehousing or Transitional Housing for youth

## Existing Shelter Bed Capacity According to City Staff:

City staff reported that there are currently 210 shelter beds. There are 138 permanent beds that are approximately 90% full. There are an additional 72 winter shelter beds. These are 44% full on average. (see Pathways Home item M. above)

## Point and Time Census:

The 2016 Point in Time Count (PIT) found that there were 586 homeless in Thurston County of which 189 were unsheltered, 223 were in emergency shelter and 174 were in transitional housing. 2016's 586 was above last year's 476 and below the 976 identified in the 2010 PIT. Of the 301 individuals surveyed 90 or 29% were from outside Thurston County and 205 reported at least one significant disability.

The 2017 PIT was conducted on January 26, 2017. Results of the 2017 PIT are still being tabulated.

April 19, 2017

## Overview of Bellingham, Vancouver, Seattle and Everett's Affordable Housing and Homelessness Response efforts:

### Bellingham:

City staff presented an overview Bellingham's housing levy. In 2012 Bellingham voters approved a property tax levy of \$21 million over a 7-year period (2013-2019) to provide, produce, and/or preserve affordable housing. 2/3rds of the funding must benefit those households earning less than 50% of the Area Median Income (AMI). Through the first five years of the Bellingham Home fund they have preserved or produced a total of 568 units exceeding their goal of 417. Bellingham has also provided rental assistance to over 4,700 people far exceeding their goal of 2,250 people.

The Bellingham Fund provides for ongoing administration of the program and has established an annual monitoring fee.

Bellingham has a rental registration and inspection program that helps to ensure the quality of the rental housing stock is maintained overtime. This program can also be tied to issues such as source of income, notice of rent increases and notice of no cause evictions.

*Staff Note: Bellingham moved quickly on its housing levy with the process being initiated in January of 2012 and the vote in November of that same year. This effort was preceded by a yearlong community conversation in 2008 known as the County-wide Affordability Task Force (CHAT).*

### Vancouver:

The City of Vancouver is the most recent community to adopt a housing levy in the state of Washington. It is anticipated that their levy of .36/\$1,000 of assessed value will generate over \$42,000,000 over the next seven years. Projects will be aimed at those earning 50% of the area medium income or less. They plan to use 67% of the revenue for production or preservation of 790 affordable units, 25% for rental assistance, 5% for shelter and 3% for implementation.

The City of Vancouver adopted three ordinances early in their process:

- 45 day notice of rent increase beyond 10%
- 60 day notice of no cause eviction
- No discrimination based on source of income

Staff also learned that Vancouver uses its multifamily tax exemption program to strategically leverage low income housing production.

- 8-year exemption for projects with 20% of units affordable to households earning up to 100% of area median income (AMI).
- 10-year exemption for projects with 20% of units affordable to households earning up to 80% AMI.
- 12-year exemption for projects with 20% of units affordable to households earning up to 60% AMI.
- In addition to the above requirements, households in income-restricted units must pay no more than 30% of their income for rent and utilities.

The City of Vancouver in cooperation and partnership with the Vancouver Housing Authority and Share, a local not for profit serving the homeless community, operated a downtown warming center and are pursuing construction of a permanent day center in downtown Vancouver.

*The City of Vancouver adopted the following ordinances early in their process to help provide some minimal levels of protections for vulnerable renters:*

- 45 day notice of rent increase beyond 10%
- 60 day notice of no cause eviction
- No discrimination based on source of income (Olympia adopted this language in 2016)

*Should Council direct staff to move forward with these ordinances staff recommends that outreach be done to land lords, property owners and rental management agencies to inform them of these proposed changes and receive their feedback.*

*Staff recommends that we examine how we can fine tune our multiple family tax exemption program to pursue housing affordability goals while continuing to encourage downtown housing development consistent with the Comprehensive Plan.*

#### **Seattle:**

The City of Seattle passed a housing levy in 2009 and in 2016 and is planning on pursuing a sales tax levy to support homeless housing and services in conjunction with the County.

#### **Everett:**

The City of Everett engaged a broad based stakeholder process known as the Community Street Initiative in 2014. The Community Streets Initiative Task Force developed dozens of recommendations focused on changing the “street level social issues” in their urban core.

We believe a strong systems approach is needed to effectively address street level social issues in Everett. Efforts must be coordinated. Agencies must evaluate actions by identifying and addressing cross-system impacts and coordinating between criminal justice, human services, housing and service provider systems/communities. (12) 1 Moreover, we believe this system analysis and engagement must occur not just within Everett, but on a countywide basis. (72), 74(R). Everett should not be the single locus of activity to address what are in fact countywide challenges.

Some of the strategic highlights from the report include:

#### Category 1: Improving Public Safety and Reducing Crime

- Strategy 1.1: Expanded use of effective traditional policing practices
- Strategy 1.2: Expand efforts to divert non-violent homeless individuals and others suffering from mental illness and substance abuse problems to more effective, less expensive alternatives to detention.
- Strategy 1.3: Take steps to ensure individuals leaving the County Jail are less likely to become homeless.
- Strategy 1.4: Provide skills and outreach services to businesses and residents in the commercial core areas to help reduce crime, more quickly identify emerging problems and ensure prompt response when problems arise.

#### Category 2: Providing More and Enhanced Services to Street Populations

- Strategy 2.1: Increase capacity of, and access to, drop-in day centers in the City. Supporting tactics/actions endorsed by the Task Force include: Expand the hours of existing drop in centers. (20) Explore the need/feasibility of establishing additional centers. (20) 10 Where possible, expand services and amenities available at day centers (e.g., showers, laundry). (20) • Careful consideration must be given to minimizing impacts on commercial core areas and neighborhoods. One specific tactic of this nature: Request accommodation by the Health Department to allow Compass Health clients to smoke in a less visible location than the sidewalk and lawn on Broadway, one of the City's gateway arterials. Help other facility operators as appropriate secure similar accommodations. (54)(R)
- Strategy 2.2: Expand availability of basic service facilities available for homeless individuals in commercial core areas of the City.
- Strategy 2.3: Expand countywide capacity to effectively serve the specialized treatment needs of homeless populations.
- Strategy 2.4: Expand outreach services to both homeless youth and adults.

- Strategy 2.5: Take steps to keep people from becoming homeless in the first place.
- Strategy 2.6: Ensure the City's multiple faith-based feeding programs operate with best practices and engage them in helping to reduce potential negative impacts on neighboring businesses/residents.

#### Category 3: Providing More Housing and Shelter

Strategy 3.1: Build more shelter bed capacity to serve a range of populations in need. (50)

Strategy 3.2: Increase supply of permanent supported subsidized housing. (52)(R)

#### Category 4: Improving Public Understanding

Strategy 4.1: Enhance public understanding of the complexity of street level social issues and work to build a more inclusive and welcoming community

#### Category 5: Improving Inter-Agency Coordination & Communication

#### Category 6: Advocacy

Strategy 6.1: The City, County, service providers, and business community should join forces to advocate for additional state, federal and private funding resources to help address the City's street level social issues.

Strategy 6.2: Broaden the discussion to include all Cities and other key agencies in Snohomish County.

*Staff Note: The Mayor of the City of Everett convened a broad based task force to examine street life issues effecting downtown Everett. This group met from July of 2014 until November of 2014 and developed 63 recommendations for consideration by the City. Two of the more interesting actions included in Everett's plan are the Embedded Social Worker and the Chronic Utilizer Alternative Response Team. Both efforts would appear to be approaches worth exploring in Olympia.*

### **Review the Downtown Strategy Recommendations Regarding Homelessness and Affordable Housing**

The Downtown Strategy recommends the following actions for housing (H):

- H1. Develop a Comprehensive Housing Strategy to establish a mixed income residential community in downtown
- H2. Dedicate additional resources for an ongoing housing program to implement the Housing Strategy described in H1.

The Downtown Strategy recommends the following elements for a Housing Strategy:

- Consider downtown housing in a citywide and regional context
- Establish affordability goals · Identify implementation measures and funding
- Create means to monitor progress and adapt to changing needs



The Downtown Strategy recommends the following actions for homelessness (HS):

- HS1. Convene a broad range of community stakeholders to form an action plan leading to a more coordinated response to homelessness/street dependency and the impacts of downtown
- HS2. Initiate a discussion with regional policymakers about future social service siting, funding and support needs throughout the region

*Staff Note: The Downtown Strategy encourages council and the city to take a leadership role in convening a broad based community conversation about housing, homelessness and its effects on downtown.*

### **Overview of the Coordinated Entry System and the Vulnerability Index**

The vulnerability index is a triage tool for identifying and prioritizing the street homeless population for housing according to the fragility of their health based on if they have/are/have had:

- More than three hospitalizations or emergency room visits in a year
- More than three emergency room visits in the previous three months
- Over 60 years of age · Cirrhosis of the liver
- End-stage renal disease · History of frostbite, immersion foot or hypothermia
- HIV+/AIDS · Tri-morbidity (co-occurring psychiatric, substance abuse and chronic medical condition)

The current state requirements for coordinated entry are:

- In each county in the state where there is a consolidated homeless grant; each county must develop a small set of processes and policies
- At a minimum, a community must identify a coordinated entry lead agency or governed body · Each community must identify coordinated entry access points and partners, and advertise them widely
- Use a standardized assessment tool at each of the coordinated entry access sites that matches households with the most appropriate service interventions and also prioritizes families and households with the highest needs, although you can access different populations on different metrics
- There must be a procedure to describe how referrals will be made
- There must be a policy that ensures the assessment is uniform · There must be a protocol for rejecting referrals

Steps in the coordinated entry process are:

- Eligibility screening · Homeless Management Information System (HMIS) data collection

- Diversion
- Vulnerability assessment
- Program matching and master list placement

*Staff Note: City Staff has continued its efforts to better understand the coordinated entry process and what models are most effective. Jeff Spring recommended that staff contact Kitsap County. Leonard Bauer and Keith Stahley had a telephone conference with Monica Bernhard the Director of Housing and Community Support for Kitsap Community Resources. Monica described their coordinated entry system. Most significantly they are the sole provider of coordinated entry for the entirety of Kitsap County (same population as Thurston County and similar homeless population), they provide coordinated entry at five different locations throughout the county, they receive \$295,000 in funding from Kitsap County (\$100,000 in Thurston County) and the County does not include this funding in their competitive process.*

**May 1, 2017**

**Consider options for educating the general public about the housing affordability and homelessness issues.**

Need for a broad public process that engages all stakeholders:

- Service providers
- People experiencing homelessness
- Registered Neighborhood Associations and the Coalition of Neighborhood Associations
- Business and commercial building owners

Three Primary Impacts of Homelessness:

- Individuals/families with children
- Public resources
- Surrounding neighbors (residential and businesses) and environment

Vulnerable Renter Protections -- Identify a timeline for public process to ensure we reach all stakeholders, including:

- Renters
- Landlords (Washington Landlord Association and other organizations)
- Other public stakeholders concerned about regulating Business

Include vulnerable renter protections as part of a more comprehensive homeless planning process.

Public Participation Efforts Related to Housing Actions by Other Washington Cities:

- Bellingham - levy first, task force second approximately 10 months from inception. Preceded by the County-wide Housing Affordability Task Force in 2008
- Everett - task force first, many actions but not a levy approximately five months
- Vancouver - task force first, public process, then levy approximately 18 months from inception

Ad Hoc Committee on Housing Affordability Recommendations for Public Participation:

- Design a comprehensive public process
- Initiate Council level discussion soon on options for vulnerable renter protections

*Staff Note: Continuing Staff Work Related to Public Participation:*

- *Present options for public participation re: funding option;*
- *Present options for public participation re: vulnerable renter protection; and*
- *Present options for whether or not City Council should direct staff to further flesh out a broader public participation plan around housing affordability and homelessness*

*If Council intends to proceed with a November ballot measure a decision must be made by July 25, 2017 and transmitted to the County no later than August 1, 2017. This leaves little time to convene and conduct a thorough stakeholder and public participation process. The public safety and housing survey will need to serve as a proxy for this process. Staff recommends that a public information piece be prepared similar to what was prepared for the MPD. All other public outreach would need to be conducted by private parties. Later dates will allow for more robust public outreach and stakeholder involvement.*

# Olympia Affordable Housing Fund

## “Home Fund”

### Administrative and Financial Plan

June 20, 2017

#### INTRODUCTION

The growing urgency and impact of homelessness and the effect of cost-burdened households is evident throughout Thurston County and in Olympia in particular. Last winter’s Warming Center saw nearly 200 people per day pass through its doors (Interfaith Works Warming Center 2016-17 Season Report). According to the United Way of Thurston County’s ALICE Report over 35% of Thurston County residents and 41% of Olympia’s residents struggle to afford basic necessities. These necessities include: housing, food, child care, health care and transportation.

HUD’s Comprehensive Housing Market Analysis (HMA) for the Olympia-Tumwater HMA reports that as of September 2016, the average apartment rent in the HMA increased 10 percent from September 2015, to \$1,022, with average rents of \$900, \$1,175, and \$1,264 for one-, two-, and three-bedroom apartments, respectively. These rents exceed levels attainable for low-income households (\$668 or less for a one person household). Rents are likely to continue to increase during the forecast period as new construction lags behind market demand.

The Office of the Superintendent of Public Instruction reports that countywide 1,526 students were identified as homeless in the 2014-2015 schoolyear; up from 889 in 2009-2010, a 71% increase. School age homelessness continues to impact our region with over 444 students being identified as homeless in the Olympia School District and 754 in the North Thurston School District. Of the 1,526 students identified as homeless in 2014-2015, 85 were identified as unsheltered.

Thurston County’s 2017 Point In Time Count (PIT) identified 579 people as being homeless in Thurston County on January 26, 2017. This number is comparable with the 586 reported in 2016 and the five year average of 576. Current measures and approaches have not resulted in a significant decrease in the number of people experiencing homelessness in our community.

Olympia is home to many of the region’s most vulnerable (defined as those most likely to die on the streets as a result of compounded health risks and other factors) homeless citizens. The lives of these individuals are threatened by a lack of a targeted and adequately funded response. These individuals also have significant impacts on City and regional services as well as collateral impacts on downtown businesses and property. A response to this challenging problem is needed. While by no means a panacea, the Home Fund will provide a source of revenue to begin to address these problems.

Other communities in Washington have taken steps to address this issue by creating Home Funds of their own. The City of Bellingham approved a fund in 2012 and the City of Vancouver approved one in 2016. The Cities of Everett, Tacoma and Seattle have also taken recent action to address homelessness in their communities. These efforts are summarized below.

Community	Levy	Date	Amount/ 7 years	Target
Seattle	Yes	2009, 2016	\$290,000,000 (\$41million per year)	Production, Preservation, Rental Assistance/ Homelessness Prevention
Everett	No	2014	NA	Community Streets Initiative 63 recommendations
Bellingham	Yes	2012	\$21,000,000 (\$3 million per year)	Production, Preservation, Rental Assistance/ Homelessness Prevention
Vancouver	Yes	2016	\$42,000,000 (\$6 million per year)	Production, Preservation, Rental Assistance/ Homelessness Prevention
Tacoma	No	2017	NA	Immediate Shelter

The actions of the Cities of Bellingham and Vancouver are most similar to the [Olympia's local](#) Home Fund proposal and have served as an excellent source of information about this effort and approach to addressing homelessness. [The chart below contrasts these three cities by total population, homeless count, projected total Home Fund revenues and the projected costs per capita. While the revenues are not exactly proportionate to needs identified by the respective homeless counts or the individual costs per capita, this comparison is useful for consideration of a Home Fund as a new- fiscal tool:](#)

Municipal <del>Housing Levy</del> Comparisons —2016						
City	City Pop	County Pop	<del>PIT</del> Homeless Count	Fund <del>Amount</del>	Cost Per Capita	Cost Per PIT
Bellingham	84,850	212,540	720	\$21,000,000	\$247	\$29,167
Vancouver	173,500	461,000	688	\$42,000,000	\$242	\$61,047
Olympia	51,600	272,690	586	\$16,000,000	\$310	\$27,304

Affordable housing, workforce housing, transitional housing, permanent supportive housing, emergency shelter, and day center are all part of the full spectrum of affordable housing and services needed in our region to respond to and prevent

homelessness and its impacts. Resources are limited for these services and facilities while the need for these services is high, thus resources must be allocated in a well-coordinated and strategic manner to have the maximum benefit. Funds from the ~~Olympia~~ Home Fund will be targeted at services and facilities designed to serve the most vulnerable in our community whose income is less than 50% of the area median income.

While moving people into permanent supportive housing is the primary goal of this effort, well-run emergency shelters and day centers can serve as a pipeline for associated supportive housing facilities. In 2013 the County's Homeless System Gaps Analysis recognized the need for a low barrier shelter in the community. It identified this need as one of the "Top Five Gaps in Thurston County's Homeless System." Nationally, The U.S Interagency Council on Homelessness suggests that to maximize resources and get the best results, communities should shift their model from sheltering people over night (with late entry and early exit) to a model that provides a place for someone to be 24/7.

This type of shelter provides a place for people to store belongings, access employment services and healthcare, and quickly move on to permanent housing. Emergency shelters and day centers, When coupled with effective coordinated entry, low barrier and day shelters can play a critical role in the overall success of the system and address the more immediate needs seen daily on the streets of downtown Olympia. Shelters and other facilities and services should be sited in a manner that allows for effective access and use by targeted populations while minimizing the impacts to the surrounding properties, businesses, residences and neighborhoods.

The City's Comprehensive Plan provides guidance and support for this initiative. Some of the most relevant goals include:

GS5: Special needs populations, such as people with developmental disabilities, the homeless, the frail elderly, and others who have difficulty securing housing, have adequate, safe, and affordable housing.

GS6: Our community is safe and welcoming and social services are accessible to all who need them.

GS7: There is enough emergency housing, transitional housing and permanent housing with support services and independent affordable housing.

- Encourage a strong network of emergency shelter resources for homeless and at-risk families with children, childless adults, unaccompanied youth, and victims of sexual and domestic violence.

GS8: The existing low-income housing stock is preserved.

GS9: New low-income housing is created to meet the demand.

Housing affordability and homelessness have been issues that have been a concern for the City of Olympia and community for many years; however, these issues have recently risen to the fore through the City's Downtown Strategy process and grassroots community efforts. The [County's Draft Five Year Homeless Housing Plan identifies a "triple impact-of" as affecting, 2\) individuals experiencing homelessness on the lives of individuals, on; 2\) limited government resources; and, 3\) neighborhood impacts on local businesses, residences and property owners-is, all of which are](#) significant. In 2015 the Thurston County Economic Development Council interviewed 105 small businesses owners in downtown and their number one concern was the impact of homelessness. Thurston County's Community Investment Partnership and Olympia's Community Development Block Grant program routinely receive more proposals than can be funded, and our homeless citizens continue to impact our emergency response system while suffering the effects of living unsheltered.

In March of 2017 the City formed the Ad Hoc Committee on Housing Affordability to examine these issues. In addition the City commissioned a community survey aimed at gauging the community's interest and understanding of these issues. In June of 2017, following four of months of consideration by the City of Olympia's Ad Hoc Committee on Housing Affordability (AHCOHA), City Council reviewed several recommendations to address Olympia's lack of affordable housing options. Creating a locally controlled affordable housing fund was identified as the first high priority option to move forward in 2017 [and address this housing emergency](#).

### **Public Safety and Housing Survey**

[Elway Research Inc., conducted a telephone and online survey between May 16, 2017 and June 2, 2017 and heard from a total of 636 Olympia Residents. In this pole, Elway Research asked respondents, "what is the most significant issue facing the City of Olympia at this time?" Over 50% of the participants responded that homelessness was the most significant issue. No other issue was mentioned by more than 15% of the participants. When asked, "If a housing proposal including all these features were put before the voters, would you be inclined to \(Definitely Oppose, Probably Oppose, Probably Support, Definitely Support, Undecided\) this proposal?" 78% of the participants said that they would support or strongly support the measure.](#)

After exploring potential revenue sources for an affordable housing fund, a property tax levy was identified as the most practical and timely option (or sales tax RCW 82.14). The State of Washington allows cities to enact a property tax levy for affordable housing if such a measure is approved by a majority of voters (RCW 84.52.105). Funds raised must serve very low-income households in Olympia, defined as earning up to 50% of the area median income (“AMI”).

The proposed levy would raise approximately \$16.3 million over seven years (\$2.29 million per year) for affordable housing and services to very low-income residents. This Administrative and Financial Plan (“Plan”) lays out objectives for the Olympia Affordable HousingHome Fund and describes how funds would be managed and spent if approved by voters.

## Timeline

In accordance with state regulations in RCW 84.52.105, a final version of the Plan must be adopted by Council prior to any levy funds being generated. The following is an estimated timeline based on a general election ballot measure:

- November 2017- Ballot measure put before voters
- December 2017- Deadline to adopt Administrative and Financial Plan
- January 2018- Property tax increase effective January 1st (if measure passes)
- 2019 - Affordable HousingHome Fund awards spent on community projects

Other options include:

2018 Election Dates:		
Ballot options	Resolution due to County	City deadline
13-Feb	15-Dec-17	8-Dec-17
24-Apr	23-Feb	20-Feb
Aug 7 (primary)	11-May	8-May
Nov 6 (general)	7-Aug	31-Jul

## Program Objectives

Every communityMost communities are—is comprised of a wide array of different housing types spanning the range from luxury to itinerate. Likewise almost allmost communities are comprised of a wide range of people who range from housing secure to unhoused. The primary objective of this fund will be to help to provide housing and services to those who are at the far end of this spectrum -- those without housing, those who are burdened with mental and physical disabilities and those who are chronically living on the streets and need help in managing daily living.

Four primary objectives will guide implementation of the Olympia Affordable Housing



Fund. Through the Home Fund tThe City of Olympia will strive to:

- Create and preserve affordable homes for Olympia's most vulnerable residents at 50% AMI or lower, promoting housing opportunity and choice throughout the City and the region.
- Contribute to efforts to end homelessness by providing housing, shelter and services for vulnerable individuals and families who are homeless or at risk of homelessness.
- Collaborate with nonprofit and for-profit developers and agencies to promote a variety of housing choices, including units in mixed-income developments.
- Leverage City investments with other funding sources to maximize the number of quality affordable housing units that are created or preserved each funding cycle.
- Reduce the impacts of homelessness on Olympia's downtown and neighborhoods.

### Levy Amount, Tax Rate, and Duration

The proposed levy could generate \$16.3 million (\$2.29 million per year) over seven years (RCW 84.52 allows levies to be in place for up to 10 years) for Olympia affordable housing projects and support services.

Based on current assessed values in Olympia, a levy of \$2.29 million annually translates to additional taxes of approximately \$0.36 per \$1,000, costing the average Olympia homeowner approximately seven dollars per month.

Seniors (61 and older) and people with disabilities who make less than \$40,000 are eligible for a property tax exemption and will not be affected by this levy.

~~The amount of funds collected would be capped at \$2.29 million annually. As the city's assessed value changes due to shifts in property values or the number of taxable properties in Olympia, the levy rate may also change to generate \$16.3 million over the seven-year period. For example, if there is an overall increase in property values, the rate charged to each property owner would adjust downward accordingly.~~

Taxes collected for the Olympia Affordable HousingHome Fund will be held in a dedicated account that is separate from the City's general fund. The money may be spent only on eligible uses and cannot be diverted to cover other City expenses.

### Eligible Fund Uses

The Olympia Affordable HousingHome Fund may be only used to serve households at 50% AMI or below. Collected funds will be deposited into a restricted account that can only be used for housing and services for this population. The 2017 income levels established by HUD are:

HUD 2017 Annual Income Levels for Thurston County (50% AMI)
1-Person Household - \$26,750
2-Person Household - \$30,550
3-Person Household - \$34,350
4-Person Household - \$38,150

This plan will be amended periodically to reflect changes in the area median income and to align programs and services with eligible projects and changing populations.

The City will provide funds to community partners (for-profit and non-profit developers, property owners and housing/service providers) for acquisition, construction, and preservation of rental housing, supportive housing and assistance to very low-income homeowners to make critical repairs. The money will also support shelter, housing and services for people who are homeless or at risk of becoming homeless.

The ~~Olympia Affordable Housing~~Home Fund may be used for four activities serving households at 50% AMI or below:

- **Housing Production:**
  - Provide funds to developers (non-profit and for-profit) for construction of new affordable rental housing (state prevailing wages apply).
  - Provide funds to developers (non-profit and for-profit) for acquisition/purchase of land or property for affordable housing development.
  - Provide incentives to property owners to convert existing market-rate units to affordable units.
- **Housing Preservation:**
  - Provide funds to property owners to rehabilitate existing multifamily housing to correct health, safety and livability problems.
  - Provide funds to very low-income homeowners to make basic repairs and accessibility improvements.
  - Provide funds to publicly subsidized projects (e.g. 20-year affordable tax credit project) with expiring affordability periods to ensure continued affordability.
- **Homeless Prevention:**
  - Provide funds to non-profit service providers for rent vouchers and stability services.
  - Provide funds to non-profit service providers to build and operate shelters, including day centers and supportive housing and provide services to people who -are homeless or at risk of homelessness.
- **Implementation:**

- Resources for staff to develop contracts, manage the program and conduct annual monitoring for compliance.

Specifically, the ~~Olympia Affordable Housing~~Home Fund proposes to use funds as follows:

- **Increase Housing Supply (72%):** Through a competitive grant process, the levy provides funds to developers and nonprofits to rehabilitate, preserve, and build new affordable housing, supportive housing and shelter space for Olympia's most vulnerable homeless and at risk of homelessness citizens.
- **Operations & Support Services (15%):** Provides funds to operate the newly constructed units and facilities and to provide case management and other support for vulnerable adults and children.
- **Rent Assistance (5%):** Provides funds for rent vouchers and self-sufficiency services, primarily via rapid rehousing and shelter diversion programs.
- **Implementation-Program Management (8%):** Resources for staff to develop contracts, manage the program, and conduct monitoring for compliance.

## Program Goals

~~The City estimates creating~~serving approximately 36 new affordable or supportive housing units~~35 households annually. Many more will be served through rental assistance and rental rehabilitation. The City anticipates creating a minimum of 250 supportive and shelter units over the seven year life of the measure. Reaching this number is dependent on the availability of other funds from federal, state, not for profit and for profit partners. Funds will also be used to help over 1000 additional households through provide supportive services and for rental assistance and homelessness diversion. However, this number does not include additional units or households that may be created or served by leveraging Olympia Affordable Housing Fund investments with other funding sources.~~

The chart below describes the proposed allocation of funds among eligible uses and estimated number of units and households assisted. If the pool of projects in a given award cycle does not support this funding breakdown, allocations may be shifted between uses as appropriate.

	Annual Funding 2018-2024	Funding breakdown by use	Amount per unit or household	Annual units or households assisted	Total funding (7 years)	Total units or households assisted (7 years)
Levy Revenue	\$2,290,000				\$16,030,000	250
USES						
Increase Housing Supply	\$1,648,800	72%	\$45,800	36	\$11,541,600	250
Operations and Support Services	\$343,500	15%	\$9,542	36	\$2,404,500	

Rent Assistance	\$114,500	5%	\$670	171	\$801,500	1,200
Implementation	\$183,200	8%	XX	XX	\$1,282,400	
TOTAL	\$2,290,000	100%			\$16,030,000	1,450
The <del>Olympia</del> Home Fund anticipates a leverage rate of approximately two additional dollars for each dollar raised by the Home Fund.						

### Alt 1 Includes Shelter Funding:

	Annual Funding 2018-2024	Funding breakdown by use	Amount per unit or household	Annual units or households assisted	Total funding (7 years)	Total units/ households assisted (7 years)
Levy Revenue	\$2,290,000				\$16,030,000	
USES						
Housing Supply Production	\$1,030,500	45%	\$50,000	21	\$7,213,500	144
Housing Supply Preservation	\$458,000	20%	\$25,000	18	\$3,206,000	128
Shelter	\$160,300	7%			\$1,122,100	40 beds
Operations and Support Services	\$343,500	15%	\$9,542	36	\$2,404,500	
Rent Assistance	\$114,500	5%	\$670	171	\$801,500	1200
Implementation	\$183,200	8%	XX	XX	\$1,282,400	
TOTAL	\$2,290,000	100%			\$16,030,000	1512
The <del>Olympia</del> Home Fund anticipates a leverage rate of approximately two additional dollars for each dollar raised by the Home Fund.						

### Leveraging Additional Dollars/Units

The number of units and households listed above will be directly impacted by the ability to leverage dollars from other sources. The funding awarded for housing production will leverage additional units that are both market rate and ~~subsidized~~~~affordable~~ ~~subsidized~~. Specifically, while the levy would generate \$2.29 million in direct revenue annually, it ~~is anticipated that it~~ will leverage \$4.5 million annually. *(For example, in 2014 the City of Olympia provided approximately \$500,000 of its Community Development Block Grant funds for the Family Support Center's Pear Blossom Place project. The Family Support Center used these funds and the City's donation of the property to leverage an additional \$1.4 million dollars in other funds to create 50a mixed use property offering 13 total units (seven (7) units of affordablepermanent supportive housing and six (6) family shelter spacesuites) that house over 60 homeless family members.)*

## Household Eligibility

In accordance with RCW 84.52.105, the ~~Olympia Affordable Housing~~ Home Fund will be limited to serving very low-income households, defined as earning 50% of the area median income (AMI). Very low-income limits are provided annually by the U.S. Department of Housing and Urban Development. See chart below for current income limits and rents.

2017 Thurston County Very Low-Income (50% AMI) Income Limits and Rents					
1-Person Household		2-Person Household		4-Person Household	
Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent
\$26,750.00	\$668.75	\$30,550.00	\$763.75	\$38,150.00	\$953.75

## Funding Priorities

Several higher-need populations exist among Olympia's very low-income households. To best meet the needs of these residents, the ~~Olympia Affordable Housing~~ Home Fund will prioritize projects and programs serving the most vulnerable members of our community:

- Senior households (must include one or more individuals age 62 or over);
- People who are ~~experiencing homelessness~~chronically homeless, unsheltered and need supportive services; particularly those living in or near downtown
- Families with children; and
- People with special needs, including but not limited to:
  - Individuals with disabilities;
  - Individuals with mental/behavioral or substance abuse issues;
  - Victims of domestic violence; and
  - Veterans.

## Geographic Focus

~~While the~~ program is not targeted to specific neighborhoods it is the objective of this fund to measurably reduce homelessness within Olympia and to significantly reduce the impacts of homelessness on downtown and neighborhoods. Funds will be available to housing projects, facilities and services located within the city limits of Olympia and to programs serving Olympia Residents. Projects located outside the bounds of Olympia may be considered if housing and services would benefit Olympia's most vulnerable residents.

## Award Process

Awards will be allocated through an annual application process in combination with the Community Development Block Grant (CDBG) awards. The program year begins (September 1st) and runs through (August 31st) of the following year. [Managing the Home Fund simultaneously with the CDBG annual process would allow for a more efficient use of staff resources and would offer the City Council the opportunity to leverage CDBG funds accordingly.](#) Applications may be provided on a rolling basis if the need arises-.

### **Eligible Costs**

Funds will be disbursed to awardees on reimbursement basis for eligible costs, which include but are not limited to:

- Appraisals
- Architectural fees
- Closing costs
- Construction, including sales tax
- Development fees and permits
- Engineering fees
- Environment assessments and fees
- Inspections and surveys
- Insurance
- Interest
- Financing fees
- Replacement reserves
- Professional services
- Purchase/acquisition
- Rental assistance
- Case Management costs for services
- Ongoing operations and maintenance
- Rent buy-down

## Eligible Fund Recipients

Through the City selection process, priority will be given to applicants with a demonstrated ability to develop, own, and/or manage affordable housing. Applicants that do not have previous experience in these areas will be expected to propose an appropriate relationship with an entity that does have this experience.

Eligible fund recipients are:

1. **Nonprofit agencies:** Eligible nonprofits must have a charitable purpose. The City's preference is to provide funding to nonprofit borrowers that have established housing as a primary mission. Private nonprofit agencies will be required to submit articles of incorporation and an IRS letter as proof of nonprofit status.
2. **Any corporation, limited liability company, general partnership, joint venture, or limited partnership** created and controlled by a nonprofit or public corporation in order to obtain tax credits or for another housing-related objective approved by the City.
3. **Housing Authority of Thurston County**
4. **Private for-profit firms/property owners:** Eligible for-profits must have experience developing, owning, and managing multifamily rental housing. Private for-profit firms can include partnerships between one or more firms, such as a building contractor and a property manager. Private for-profit firms may also partner with nonprofit or public agencies as needed to provide sufficient capacity to develop, own and operate housing on long-term basis.
5. **Homeowners:** Low-income homeowners where projects are managed and overseen through a housing and/or rehabilitation program operated by the City of Olympia, Habitat for Humanity, or other programs as approved by the program manager.

## Financing Methods

### Housing production and preservation

Financing through the ~~Olympia Affordable Housing~~ Home Fund for acquisition and capital projects will be made available as half grant/ half loan, secured by the property unless otherwise allowed. Loan conditions are meant to promote and

encourage long-term use of properties for low-income housing. The City may deviate from the loan terms and conditions depending on the cash flow of the project.

- **Loan terms-** The loan terms for capital projects may be in the form of either:
  - 50% grant and 50% loan at 1% simple interest repaid over 10 years; or
  - Differed ~~payment-loan~~grant.
- **Affordability requirement-** The property will be secured by a deed of trust that states the units will be available to households at 50% AMI for not less than 20 years.
- **Covenant-** A covenant will be recorded against the property that requires continued use of the property for very low-income housing for the period of affordability and for any period for which the loan is extended.

### Homelessness Prevention

Funding for services and rental assistance will be in the form of a grant. Funding for capital projects for people who are homeless will be negotiated based on project needs.

### Use of funds owing to the City

Sale of a project during the loan term requires City consent. Loan payments to the City will be deposited into the ~~Olympia Affordable Housing~~Home Fund. Payments will be reallocated by the City to very low-income housing projects according to priorities established in the current Administrative and Financial Plan.

### Affordability Period

There will be a required affordability period of ~~up to~~not less than 20 years for units built or preserved with levy funds. The affordability period will be secured with a covenant. If a property is sold during the affordability period, the award must be paid back proportionally.

### Monitoring

Projects will require initial and ongoing monitoring to ensure that all ~~Olympia Affordable Housing~~Home Funds are being used to assist households at or below 50% AMI.

### Plan Amendments

The ~~Olympia Affordable Housing~~Home Fund Administrative and Financing Plan will be monitored and updated as needed. All changes will be approved with consultation of the Olympia City Council.



## How Will We Measure Success

This fund will allow the City to have a greater impact on homelessness and to begin to more proactively manage this crisis in our community. While the home fund may not eliminate homelessness, without it the problem is only going to continue to grow.

The City of Olympia is a Community Development Block Grant entitlement community and receives approximately \$350,000 in federal funds annually to assist low to moderate income households. These funds, while helpful in addressing some needs, cannot be used to construct new affordable housing and can only be used in a limited way to support service providers. These funds have also been proposed to be eliminated by the President's 2018 budget proposal. A new revenue source is needed.

If passed these funds will allow Olympia to assist those who are the most vulnerable - the chronically unhoused mentally and physically disabled, seniors and families. It will allow us to work towards finding a housing solution that meets their needs.

In coordination with Thurston County, Olympia will strive to reduce homelessness in our community. To be successful a well-functioning coordinated entry system is critical. The data generated through the coordinated entry process will serve as the benchmark we will use to gauge our success. In addition to the data from the coordinated entry system and the point in time count, Olympia will develop methods to count the number of homeless living on its streets and to use this data to assist in making management and funding decisions. When better data is available more specific goals and measures will be added to this plan.

Olympia will measure and report on the success of the Home Fund in coordination with its annual Consolidated Annual Plan Evaluation Report (CAPER). This report will detail the projects and activities funded by the fund and measure progress towards stated objectives and goals. Olympia will also monitor all project partners on no less than an annual basis to ensure that funds are being used to assist Olympia's most vulnerable.