

Olympia Planning Commission

June 7, 2021

Olympia City Council
PO Box 1967
Olympia, WA 98507

Dear Mayor Selby and City Councilmembers:

The Olympia Planning Commission (OPC) is pleased to provide a summary of public feedback from our hearing on Olympia's Housing Action Plan.

The Housing Action Plan was funded by a grant from the Washington State Department of Commerce and required a public hearing prior to City Council consideration. The OPC was asked to hold the hearing and provide a summary of what was heard to City Council. We were not asked to make a formal recommendation, **however we have included some of our own comments.**

The OPC heard briefings on the Housing Action Plan on February 22 and May 3, 2021. We conducted a public hearing on May 17, 2021 to solicit feedback about the draft plan. Fourteen people testified and we also received several pages of written public comments. Following is a summary of what we heard:

1. Questions about how the City of Olympia is working with other local services to house the homeless and provide housing affordable for working households, including younger people. How do we make housing accessible when prices are going through the roof?
2. It's a good idea to plan regionally, such as through the Regional Housing Council, but Olympia should not give up finding funding and building housing on its own. Need to do both. Also urges the City to require new developments to include affordable housing, otherwise we won't get it.
3. Support for the Housing First model and low barrier service centers. It's wrong to say that mental health and substance use issues need to be addressed before people are housed. We need supportive housing.
4. The hole in the housing action plan is the funding. A key funding mechanism the City is not taking advantage of are Linkage Fees, which are fees applied to new market rate housing to help provide affordable housing. New market rate development causes impacts in that residents there create more demand for low paying service jobs and the employees in those service jobs will need low-income affordable housing.
5. Excited the plan was developed with regional partners and is comprehensive. Favorite things: Requiring planned unit developments, partnering with local trade schools, relocation assistance, rezoning multifamily home parks to promote their preservation, reducing parking requirements, reducing minimum lot sizes, allowing single room occupancy units and increasing allowed housing types in commercial zones.
6. Housing is a human right and housing first is the only working model that has been successful across the world.

7. All or most of the housing actions sounds great in theory, but it's hard to see what the City is actually doing to help the average working person who is barely making it, scraping by week to week.
8. Opposed to maximizing SEPA exemptions or working with Department of Transportation to reduce SEPA appeals on transportation grounds. The SEPA review process intends to ensure government considers environmental impacts, which are defined broadly and include displacement. Excluding SEPA transportation appeals is especially worrisome as transportation has been an issue in several recent projects.
9. In Rhode Island they used an old mall to make affordable housing. Removing the onsite owner requirement [for ADU's] puts homes at risk of being bought up by out of town investors, which happened in Tennessee and resulted in rent increases and absentee landlords who don't perform maintenance. When we design housing policies we need to look at income trends. Mobile home park residents are especially vulnerable and people experiencing homelessness need care.
10. Support for land trusts as one of the solutions for affordable housing, and shared an introductory video.
11. Support for the Housing First model, land trusts and linkage fees. We need public housing. Otherwise not excited by most of the proposals. Opposed to proposed SEPA changes. Our SEPA rules are already weak but we need them to protect our quality of life, air, lands and waters and potential negative impacts of development.
12. Most important thing about the regional plan is that it contains no recommendations; its just a list of possible actions. Actions have not been thoroughly evaluated and should be approached cautiously. Options dealing with subsidized housing are reliable; we need lots more money. Actions about increasing supply of market rate housing are unreliable; city doesn't provide that, only private sector can. Some actions are based on false assumption that reducing cost of housing will make housing more affordable. This includes the multifamily tax exemption and tax increment financing, which should not be included in the plan.
13. Urges the City to relax rules around tiny homes on wheels, which can also be a solution to a housing shortage. These have reasonable costs, aesthetic appeal, affordability and sustainable features.
14. Concern about how affordable housing is defined. Affordable housing is \$500/month, not \$1,400. Opposes proposed SEPA changes Due to the SEPA threshold exemption downtown, information about environmental remediation when the old Griswolds building is redeveloped will not be disclosed.

Summary of written comments (for full written comments please see attached):

1. The Housing Action Plan has some good ideas but does not go far enough. City must be bold in reducing barriers to housing production. There should be no parking minimums, period. Design Review should be eliminated. Lease rather than give away land; land should be retained for future needs and tax revenue. Allow more commercial activity in residential areas.
2. The multifamily tax exemption is a failed program because it is based on local [Thurston County] median income, but Olympia income is worse than that.
3. Housing affordability has been a problem in Olympia for decades. There are many examples of city policies creating more poverty. Don't adopt the Housing Action Plan. Instead, recommends: publicly owned Kamground of America style housing, support long-term life planning in schools,

retrofit hotels and purchase foreclosed homes for subsidized housing, stop giving tax breaks to developers, promote and educate on how to tenant cooperatives, tenant/landlord education and relationships, investigate how to stop purchase of multiple properties by one person.

4. Concerns about the “anti-landlord” sentiment in City Hall has made this couple no longer want to rent their home in Olympia. Two proposals in the draft plan fuel that sentiment: 1) right of first refusal (tenant opportunity to purchase) and short term rental regulations. These actions will result in less rental housing. Legislation that makes it harder to evict has not resulted in cheaper rent, rather the opposite because landlords will make it harder to qualify and raise rents to offset costs. Helping the landlords would be the better approach.
5. The multifamily tax exemption does not increase density, rather exempts developers and raises the tax burden on everyone else. Objects to its use, expect for housing dedicated to affordable housing for lower income families. Also objects to strategic infrastructure investments – growth should pay for growth. Urges city to work with non-profit agencies to build low income housing.
6. Opposes expanding SEPA exemptions and reducing SEPA appeals regarding transportation. SEPA helps ensure government actions take environmental impacts into consideration and provides citizens a chance to challenge decisions. Especially worried about excluding transportation appeals as transportation has been an issue on several recent local projects.
7. Efforts to get needed housing to address homelessness are failing. The multifamily tax exemption also fails to increase affordable housing due to flaws in the language/definition and lack of enforcement and accountability. For example, using median area income rather than local median income and not ensuring units are actually being rented to low income people. Opposes tax breaks for developers.
8. Support for helping those in need of affordable housing, but not in a way that restricts developers and property owners. If you want more of something, make it easier. Removing barriers is the best way to create a healthy ecosystem of housing options. Less regulation means more options and ability for the market to deliver creative solutions. Well intentioned policies can have unintended consequences. If a landlord wants to complete tenant improvements, expensive city requirements is a disincentive. Right of first refusal for tenants on sales will make it more difficult to sell a house. Penalizing landlords and developers, rather than leveraging them as part of the solution, will make matters worse.
9. Fails to see the logic that appeals add cost to projects and maximizing use of SEPA exemptions. Does not agree that increasing density creates affordable housing. The Puget Sound Lowlands Ecoregion is unique and if we want to protect it we need to do a better job managing urban watersheds. Placing species at risk because of an unsupported notion that removing protections will make property more affordable would be unfortunate.
10. (x4 similar comments) - Homeownership is a wealth building tool that allows low income families to exit cycles of poverty, creating lasting generational change, and requiring less public assistance in the future. But homeownership is increasingly unattainable for many across all age, racial and ethnic groups - especially young people and marginalized communities. The City must act to reverse past discrimination and wrong doings by developing policies that create opportunity for a rich and inclusive community for all. Habitat for Humanity encourages the City to partner with low income housing developers to expand homeownership and to establish a down payment assistance program (often the biggest barrier for first time homebuyers).
11. Support for Community Land Trusts. Link to a video introduction: [Homebuyer's Orientation Presentation - Google Slides](#).

12. Tenant Opportunity to Purchase raises a lot of questions and potential problems. Home sellers shouldn't be told they can bid but then someone else has "right of first refusal."
13. House Bill 1236 has been passed by the Legislature and severely restricts a landlords ability to end a lease. The Housing Action Plan indicates the City is developing a tenant protection ordinance. Please do not incorporate wording that would go beyond the scope of House Bill 1236.
14. Save existing affordable housing by giving tax breaks to owners of such property. Every tax increase gets passed onto tenants. Every action that makes it harder on small scale property owners nudges them closer to selling, most likely to large entities that are not as flexible or affordable. Olympia should not give tax breaks to those with substantial wealth. It's making things worse. Read the Reuters U.S. Legal News "[Special Report – Giant U.S. landlords pursue evictions despite CDC ban.](#)"
15. The options in the regional plan have not been evaluated for likely effectiveness, cost-shifting or other criteria, so approach them with caution. The options dealing with subsidized housing are the most reliable and our greatest need; we need a lot more money for this. The most unreliable section deals with increasing the supply of market rate housing. The City can do very little in this area.
 - It's not true that reducing the cost of producing housing will decrease cost of housing. We should avoid unnecessary costs, but do not sacrifice quality of life or fiscal fairness.
 - The logical way to protect mobile home parks is to rezone them.
 - Do not expand the multifamily tax exemption. A couple of years ago, legislative performance staff found there is no evidence the multifamily tax exemption helps produce more housing, it only subsidizes land owners and housing developers.
 - Do not make strategic infrastructure investments to spur housing. This is unjustified and only amounts to a public subsidy to land owners. Growth should pay for growth.
 - Do not start using Tax Increment Financing (TIF). TIF is a scam that diverts taxes meant for general costs to pay for infrastructure, thus increasing taxes.
16. Housing is the number one social concern of the Thurston County Real Estate Board of Realtors.
17. Homelessness is increasing in our area. The solution to homelessness is permanent housing. It's not correct that things like mental health and substance use be addressed first – it's the opposite. Provided powerpoint slides.
18. Insist on mixed income development, requirements for wheelchair accessible spaces and use the Housing Land Trust model to extend affordability.
19. If you want to encourage small builders to develop affordable housing, reduce impact and permit fees, and remove the sprinkler requirement. An average of \$40,000 in permit fees to build one house is too high.
20. Concern that City provides property tax exemptions for large downtown developments, while small scale local property owners who rent, and often have more affordable rents, do not receive the same benefits. Property taxes are passed onto tenants.
21. It is difficult to understand how Olympia is impacted by giant landlords who operate across the nation. Nowhere in all the mountains of housing documents does the city even mention who owns what in Olympia.
22. Concern that too much is being spent on homeless response without results, and this "plan" does not address housing, substance rehab, & mental illness for the homeless.

23. Concerns that Olympia favors market-rate projects over low-income projects. Rich developers can take care of themselves & don't need my taxes to build projects that are meant to bring more rich people from Seattle and Tacoma to gentrify the Olympia area.
24. Olympia has stepped up, and there is so much more to do. This is an issue that takes courage and tenacity. Instead of being overwhelmed by the immensity of the problem, the staff and the council keep moving forward.
25. There is "a big economic grey area" with an uneven scale of justice regarding housing. A personal story from someone with a long work history who is now houseless following an eviction and unable to find affordable housing. It is difficult to get a response from or assistance from local homeless service agencies.
26. Impact fees are very important for City finances and for fair treatment of residents, and don't even begin to cover the costs of the impacts.
27. Concern about the gigantic size of the problem and the solutions, for the significant part, are expensive. Desires a regional approach, and concerned by the lack of engagement and meaningful commitment from the other Thurston cities and the county.
28. Concerns about displacement, and that the City is doing nothing about it. A personal story about being displaced from downtown when her landlord decided to renovate and raise costs and how painful it is to be removed from the neighborhood one calls home.

The Commission [Commissioners] would also like to make the following comments:

29.

The Commission would like to thank the City Council for this opportunity. We are pleased with the City's commitment to taking action to address housing needs in our community. And we are excited to be part of upcoming implementation, including providing our recommendations about any land use or zoning changes and the update to Olympia's Comprehensive Plan housing element.

Sincerely,

Candi Millar, CHAIR
Olympia Planning Commission

Aaron Sauerhoff, VICE-CHAIR
Olympia Planning Commission

cc: Leonard Bauer, FAICP, Director of Community Planning and Development
Cari Hornbein, AICP, Senior Planner, Staff Liaison to the Planning Commission, Olympia CPD
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CPD file #21-1702

Encl: Written Public Comments