



## City Council

# Approval of a Resolution Authorizing an Agreement between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis

**Agenda Date:** 5/7/2024  
**Agenda Item Number:** 4.G  
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**Type:** resolution **Version:** 1 **Status:** Passed

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### Title

Approval of a Resolution Authorizing an Agreement between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis

### Recommended Action

#### Committee Recommendation:

Not referred to a committee.

#### City Manager Recommendation:

Move to o Approve a Resolution Authorizing an agreement between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis.

### Report

#### Issue:

Whether to Approve a Resolution Authorizing a Memorandum of Understanding between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis.

#### Staff Contact:

Christa Lenssen, Senior Housing Program Specialist, Office of Community Vitality, 360.570.3762

#### Presenter(s):

Christa Lenssen, Senior Housing Program Specialist, Office of Community Vitality, 360.570.3762

### Background and Analysis:

In 2021, the Washington State Legislature changed the planning requirements for housing through House Bill 1220 (HB 1220). Jurisdictions planning under the new Growth Management Act (GMA) requirements in RCW 36.70A.070(2)(e-h) are required to address policies, programs and zoning that may have a racially disparate or exclusionary effect and address patterns of disinvestment. Local governments must also identify displacement risk and establish policies to prevent displacement or reduce the hardships caused by displacement. This analysis will inform the housing element of the City's Comprehensive Plan.

The Cities of Olympia, Lacey, Tumwater and Yelm are each working to update their Comprehensive Plans by December 2025. The Cities have worked together on regional and individual plans (Housing Needs Assessment and resulting Housing Action Plans) and wish to work collaboratively with one consultant to complete this analysis. The City of Olympia will be the lead contract manager and will enter into a contract with the selected consultant. Each City will provide one or more staff representatives to participate in regular meetings and information-sharing with the consultant. The City of Olympia will provide payment to the consultant and seek reimbursement from the cities of Lacey, Tumwater, and Yelm at the completion of the contract at a proportional rate based on the number of zoning districts in each jurisdiction. The City has offered to lead the effort on a regional displacement study to help reduce costs, align visioning around the comprehensive plan update, and honor the nature of a regional effort around housing and homelessness response.

**Climate Analysis:**

The displacement analysis is not expected to have an impact on greenhouse gas emissions.

**Equity Analysis:**

The consultant will identify disparities and develop policy and regulatory recommendations that can begin to undo racially disparate impacts, displacement, and exclusion in housing in Olympia. Black, Indigenous and People of Color (BIPOC) and low-income households will benefit from anti-displacement measures taken by the City. City staff, housing developers and housing providers may be impacted by changes in regulations, such as zoning changes, tenant protections, land use decisions, housing preservation efforts, and increased investments in housing for low-income households.

BIPOC households have been historically excluded from purchasing homes in Olympia, as evidenced by racially restrictive covenants catalogued by the University of Washington and identified by the Thurston County Auditor's Office. Today approximately 42% of BIPOC households in Thurston County rent their homes, compared to 31% of white households. Renting households are at higher risk of displacement than homeowner households. BIPOC households earn less on average than white households in Thurston County, putting them at higher risk of displacement due to rising housing costs. White households are the most likely to earn over \$100,000 annually and least likely to earn under \$35,000 annually than any other racial or ethnic group countywide. The median household income of white households in Thurston County is \$83,030, compared to: \$70,331 for Hispanic/Latinx households, \$73,338 for American Indian & Alaska Native households, \$77,944 for Black/African American households, and \$74,095 for multiracial households.

The consultant will engage community-based organizations and trusted advocates to help facilitate outreach and engagement to community groups who can help identify disparities, displacement, and exclusion, as well as help to identify potential interventions. The consultant will contract with community-based organizations and interpreters, as needed, to ensure that language and cultural access is thoughtfully incorporated in outreach efforts. City staff will provide connections with local advocates and groups to help reach communities who are often underrepresented in the public process.

**Neighborhood/Community Interests (if known):**

As part of the Assessment of Fair Housing completed for Thurston County in 2023, over 600 community members participated in an online survey. About 26% of survey respondents (154

individuals) reported that they could be at risk of eviction or foreclosure in the next 6 months. Overall, 46% of respondents (278 individuals) reported that in the past year they have considered moving out of the city or county where they currently live because their housing does not meet their needs. The primary reason that survey participants considered moving is because it is too expensive where they live. BIPOC residents were more likely than white residents to report that they have considered moving out of the area in the past year.

During the public hearing on March 19, 2024 for proposed tenant protections (including tenant relocation assistance), several community members indicated that they knew of community members who moved due to rising housing costs in the area.

**Financial Impact:**

Funds have been allocated for a consultant to complete this analysis as part of the Comprehensive Plan update. Olympia will contribute 33% of payment for the consultant contract. The contract for consultant services outlines a total budget of \$99,000. Olympia will be the lead contract manager and will seek reimbursement at agreed upon percentages from the other cities upon completion of the contract.

**Options:**

1. Approve a Resolution Authorizing a Memorandum of Understanding between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis.
2. Modify a Resolution Authorizing a Memorandum of Understanding between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis. Modification will delay contract start date.
3. Do not approve a Resolution Authorizing a Memorandum of Understanding between the Cities of Olympia, Lacey, Tumwater, and Yelm to Complete a Joint Housing Displacement Analysis. Risk noncompliance with Growth Management Act requirements if an analysis is not completed to inform Olympia's Comprehensive Plan.

**Attachments:**

Resolution  
Agreement