

Ordinance No. 7414

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO PUBLIC HEALTH AND SAFETY; DECLARING A STATE OF PUBLIC HEALTH EMERGENCY RELATING TO HUMAN HEALTH CONDITIONS CAUSED BY INSUFFICIENT SUPPLY OF AFFORDABLE HOUSING; AUTHORIZING SUCH ACTIONS AS ARE REASONABLE AND NECESSARY IN LIGHT OF SUCH EMERGENCY TO MITIGATE THE CONDITIONS GIVING RISE TO SUCH PUBLIC HEALTH EMERGENCY; DECLARING AN EMERGENCY SO THIS ORDINANCE IS EFFECTIVE UPON ADOPTION; AND PROVIDING FOR SUNSET OF THIS ORDINANCE

WHEREAS, in Olympia, Thurston County, and in many parts of the nation, there exists a housing crisis in which there is an insufficient supply of affordable housing; and

WHEREAS, affordable housing is defined as housing for which the sum of rent or a mortgage payment and utilities costs no more than 30 percent of a household's gross income; and

WHEREAS, middle housing is defined as housing that is compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, cottage housing; and accessory dwelling units in low density zones; and

WHEREAS, it's recognized that middle housing is often naturally occurring affordable housing; and

WHEREAS, a lack of housing that is affordable, specifically to low-income households whose incomes are less than or equal to 80 percent of area median income, creates housing instability and is a factor in persistent and increasing homelessness; and

WHEREAS, Olympia City Council declared homelessness a public health and safety emergency in 2018; and

WHEREAS, communities such as San Diego, California; Los Angeles, California; Portland, Oregon; the State of Hawaii, and others, have declared states of emergency related to a lack of affordable housing supply; and

WHEREAS, a 2021 Housing Needs Assessment produced by Thurston Regional Planning Council found that over 34,650 Thurston County households are cost burdened, meaning they spend more than 30 percent of their income on rent, mortgage payments, and other housing expenses; and

WHEREAS, of these 34,650 households, 13,900 are severely cost burdened, spending more than half of their income on housing expenses; and

WHEREAS, of these 34,650 households, 7,605 households are Olympia residents; and

WHEREAS, Olympia is projected to need more than 12,600 new housing units by 2045 to accommodate future population growth; and

WHEREAS, it's projected that more than 5,800 of these 12,600 units will be needed for households with incomes at or below 80 percent of the area median income adjusted by household size; and

WHEREAS, living in unaffordable housing is associated with a higher risk of chronic health conditions such as elevated levels of cholesterol, respiratory infections, coronary heart disease, cardiovascular disease, arthritis, stroke, and cancer; and

WHEREAS, living in unaffordable housing is also associated with mental health challenges, including chronic stress, anxiety, and depression; and

WHEREAS, access to housing for all is essential to the security, health, wellbeing, and prosperity of our communities; and

WHEREAS, local housing developers have communicated that Olympia's permitting and development standards increase housing development costs, making it more difficult to increase the supply of housing that is affordable for low-income populations; and

WHEREAS, some of the barriers to developing affordable and middle housing are Olympia's development regulations; lack of infrastructure; high cost of land and building materials; and limited financing sources to assist developers in constructing housing which can be occupied at affordable prices for low-income households; and

WHEREAS, the responsibility for the development of infrastructure to support housing, which historically had fallen on government, has in recent decades been placed on developers, passing the costs of infrastructure development onto housing developers and subsequently increasing the costs for tenants to rent or own a home; and

WHEREAS, streamlining and supporting the regulatory systems through the provision of dedicated community planning and development staff and alternative processes is necessary to reduce the cost and timeline associated with providing new affordable and middle housing for residents of the City; and

WHEREAS, the urgency of the housing shortage in Olympia requires that the City, in addition to developing long range plans, develop solutions that can be implemented in the near future to help ease Olympia's housing supply shortage; and

WHEREAS, the housing shortage in Olympia constitutes a set of circumstances which demand immediate action to preserve public health, protect life, protect public property, and provide relief to neighborhoods affected by such occurrences; and the housing shortage reaches such a dimension or degree of destructiveness as to warrant a declaration of the existence of an emergency; and

WHEREAS, the above circumstances warrant the exercise of the City Council's power to declare a public health emergency under authority of Article XI, Section 11, of the Washington State Constitution; 35A.11.020 RCW; 35A.11.030 RCW; 35A.13.190 RCW; 35A.38.010 RCW and other applicable laws and regulations, and pursuant to Chapter 2.24 of the Olympia Municipal Code, and pursuant thereto, and the authorization of such extraordinary measures as are reasonable and necessary in light of such of public health emergency to mitigate the conditions giving rise to the public emergency;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

It is hereby declared that a state of emergency exists due to an exigent threat to human health related to an insufficient supply of affordable housing affecting the City of Olympia. In order to provide emergency relief consistent with the intent of this Ordinance, the Council hereby adopts the following strategies to increase the supply of affordable housing in Olympia.

Section 1. The above-stated recitals are adopted as findings of the City Council.

Section 2. Prioritize affordable and middle housing projects in City permitting process

Community Planning and Development staff will prioritize affordable housing and middle housing projects meeting the eligibility criteria in Section 8, below in the permitting process by moving these projects to the front of the permitting que.

Section 3. Specialized CP&D staff dedicated to affordable & middle housing projects

A Principal Planner in Community Planning and Development will act as an ombudsperson to affordable housing and middle housing projects. This staff person will work collaboratively and creatively with other Community Planning and Development staff, Housing staff, Public Works staff, and the developer to proactively guide affordable housing and middle housing projects through the permitting process in a timely manner.

Section 4. Give City Manager or City Manager’s designee authority to waive, postpone, or exempt City processes for affordable housing as described below

The City Manager is hereby authorized and empowered to carry out those powers and duties as are reasonable and necessary to mitigate the *effects* of the emergency on a case-by-case basis and is authorized and empowered, among other things, to do the following:

1. Obligate funds for emergency expenditures as directed by the City Council;
2. Notwithstanding OMC 3.16.020, enter into contracts and incur obligations necessary to increase the supply of affordable housing, regardless of the dollar amount of such contracts;
3. Exempt or postpone any Engineering Design and Development Standards (EDDS) which are under the City’s control;
4. Take other actions, as appropriate, in response to such emergency.

The City Manager is authorized to exercise the powers vested under Section 4 of this ordinance in the light of these exigencies of an emergency situation without regard to time consuming procedures and formalities prescribed by law (with the exception of mandatory constitutional requirements).

Section 5. Participate in 1033 Tax Exchange transactions with willing property owners

The City will participate in a 1033 Tax Exchange transaction, exercising of threatening to exercise the City’s power of eminent domain, when the transaction is agreed upon by the current property owner and the City, a future property owner has been identified, and the transaction will permit the property in question to remain affordable, provided legal constraints to ensure affordability, such as a deed restriction, are imposed.

Section 6. Grant Program for Infrastructure Improvements

Staff will develop and implement a grant program which makes funding available for off-site infrastructure improvements necessitated by affordable housing projects. Seed funding for the program will originate from a 0.5% drinking water utility rate increase and a 1% wastewater utility rate increase effective January 1, 2025.

Section 7. Grant Program to Exempt Permit and Other Fees

Staff will develop a grant program which reduces permit and development fees. In developing such a program staff shall identify a funding strategy and plan for implementation and may proceed with the program with the identified funding strategy and implementation plan.

Section 8. Eligibility Criteria


The strategies apply to housing for which the following criteria has or will be met upon the development of housing units:

- All units produced are affordable to households whose income does not exceed 80 percent of the Olympia-Tumwater Metropolitan Statistical Area Median Income, adjusted for household size and updated annually by the U.S. Department of Housing and Urban Development (HUD), or a similar metric, should the HUD metric be unavailable.
- A Restrictive Covenant pursuant to the property’s use is executed between the property owner and City of Olympia outlining that all housing units developed are subject to a 25- year affordability period.

Section 9. Sunset Provision. This Ordinance sunsets and is no longer in force or effect at 11:59 p.m. on June 30, 2026. The City Council shall, no later than 18 months after the effective date of this Ordinance, review the conditions that have given rise to this public health emergency to determine if such conditions warrant keeping in place the extraordinary measures authorized herein to respond to this public health emergency. Thereafter, this Ordinance shall come back before Council at least once every 12 months to ascertain if the public health emergency still exists and if the sunset date should be extended.

Section 10. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 11. Effective Date. This Ordinance is for the immediate preservation of public health, safety, and welfare of the public, and takes effect upon adoption, as provided by law.



 MAYOR

ATTEST:

Sean Krier

 CITY CLERK

APPROVED AS TO FORM:

Michael M. Young

 DEPUTY CITY ATTORNEY

PASSED: December 17, 2024

APPROVED: December 17, 2024

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