

## **Affordable Housing Emergency Declaration Accomplishments & Next Steps**

The Affordable Housing Emergency Declaration was adopted in December 2024. Much of 2025 was spent implementing the declaration and sharing the strategies to increase affordable housing supply with the public and housing developers. An affordable housing incentives fact sheet featuring all available incentives was updated in the first quarter of the year and can be found on the Housing and Homeless Response website and within the City's permit portal. In February 2025, news of the declaration was included in a Difference Makers internal staff newsletter. In March, Housing and Strategic Communications staff worked together to create a signature graphic. In April, news about the declaration and middle housing code updates were included in a utilities insert. That same month, Housing staff worked with the Strategic Communications team to publish a blog post about the declaration and share why affordable housing is so important and what the City is doing to increase it. In June, an e-news item was released with an update on the implementation of the six strategies adopted under the declaration. With each of the six strategies operational, Housing staff now frequently share the fact sheet as well as participate in site plan review committee meetings with developers interested in building housing. Staff share what incentives are available should developers choose to build affordable housing units and work with developers to help them apply for the incentives.

### Affordable Housing Emergency Declaration (AHED) Successes

The declaration has been received well. Five projects, representing 538 units, have benefitted from the declaration. All five have moved to the front of the permit queue. Four of the five have received assistance from planning and engineering staff. An exemption to city code was made for one project— South Puget Sound Habitat for Humanity's 3900 Boulevard Road project. The Habitat project benefits from several AHED and other affordable housing development incentives. The exemption to city code decreased the affordability period associated with the city's impact fee exemptions incentive from an indefinite period to 25 years. This exemption was made in recognition that the project is constructing homeownership units and there exist a few instances in which the units could potentially transfer to ownership who are not low-income. One example of this is a transfer to next of kin when a homeowner passes away. One project is pursuing the permit fee grant. No projects have yet applied for the infrastructure grant or partaken in a 1033 tax exchange transaction. Each project has benefitted from AHED incentives in combination with other affordable housing incentives.

### Other Affordable Housing Incentives

In addition to the six AHED strategies, the City offers several other affordable housing incentives intended to encourage development of affordable housing. Transportation and park impact fees are exempted by 80%. In partnership with both Olympia School District and North Thurston School District, school impact fees are also exempted by 80%. A 50% exemption of City general facility charges and a 50% exemption of LOTT Clean Water Alliance capacity development charges are also offered. LOTT's Affordable Housing Supply program started as a pilot in 2023 and is now in its first biennium as a full-fledged program. Olympia has drawn its full allocation, plus relied on a shared pool among other partner jurisdictions, since the introduction of the program.

#### Next Steps

Should council extend the declaration, Housing staff intend to spend the later part of 2026 focusing on increasing education and identifying process improvements. After an extended time without a Housing Director, the position will be filled spring 2026. This will increase staff capacity to shift more focus to the AHED and other affordable housing incentives. Staff intend to update the Housing program's webpages and look for opportunities to collaborate with other internal and external partners, such as Economic Development and Regional Housing Council, to provide increased awareness and a better understanding of AHED and other incentives.

Staff also plan to actively promote incentives to organizations that develop affordable housing in effort to attract more developers to Thurston County and Olympia. Lastly, efforts to increase the impact of affordable housing development incentives by considering the intersection with other city programs and initiatives such as the City's land banking strategy is also planned for 2026 and into 2027.