

# 2022 Legislative Highlights & Cities ARPA funding updates

July 26, 2022



# Session overview

60 days

Supplemental  
budgets

Transportation  
package

Positive revenue  
forecast

Election year

Virtual session

# 2022 Legislative Session: City legislative priorities & outcomes

The 2022 Legislature addressed AWC's legislative priorities.  
Read the pros and cons for cities.



## Pass a transportation package:

Adopt a new revenue package that emphasizes maintenance/preservation funding and provides an equitable level of local funding and additional long-term, sustainable revenue options.

**Pro:** Passed a 16-year statewide transportation package titled Move Ahead WA.

**Pro:** Adopted expanded local options for a border fuel tax and councilmanic authority to increase local Transportation Benefit District (TBD) sales and use tax.

**Pro:** Expanded authority for traffic safety cameras; including authority for more cities to place one camera per 10,000 residents.

**Pro/Con:** Invested in city preservation and maintenance; but only at **\$5 million** in additional annual funding through the Transportation Improvement Board and **\$3 million** to the Complete Streets program for FY 2021-23.

**Con:** Swept **\$57 million** annually from the Public Works Assistance Account (PWAA) between FY 2024 and FY 2038.

**Con:** Addressed state-owned fish blocking culverts, but failed to provide additional funding for locally owned fish-blocking culverts. This undermines yearslong city efforts advocating for a watershed approach.



## Protect Transportation Benefit District funding authority:

Support expanded local authority for TBDs so cities can continue using the sales tax funding tool beyond the current time limitations.

**Pro:** Adopted expanded authority in the Move Ahead WA transportation package to:

- Allow voters to reauthorize 10-year extensions of local TBD sales and use tax; and
- Provide councilmanic authority to increase the tax by 0.1%.



## Ensure basic infrastructure funding:

Provide flexible state and federal dollars through programs like the Public Works Assistance Account to help cities finance basic infrastructure such as drinking water and wastewater.

**Pro:** Allocated an additional **\$88.3 million** to the Drinking Water Assistance Account.

**Pro:** Allocated an additional **\$236 million** to the Water Pollution Control Revolving Account.

**Con:** Swept the PWAA at **\$57 million** annually from FY 2024 to FY 2038.



## Other significant issues:

Cities identified several significant policies to focus on during the 2022 session.

**Pro:** Adopted necessary modifications to the emergency provisions of the Open Public Meetings Act (**HB 1329**).

**Pro:** Adopted important clarifications related to police reform:

- **HB 2037** defines use of physical force and allows force, when necessary, during an investigative detention;
- **HB 1735** allows physical force, when necessary, during community caretaking functions and to assist with transporting individuals in crisis; and
- **HB 1719** allows use of all less-lethal alternatives, such as rubber bullets from a .50 caliber rifle.

**Pro:** Funded a total of **19.5 classes** in 2022 and **23.5 classes** in 2023 to address wait times at the Basic Law Enforcement Academy. Funded an online training platform for law enforcement training.

**Pro:** Provided cities with **\$21.5 million** to address costs associated with *Blake* decision; **\$4.9 million** to develop and expand therapeutic courts; and **\$2 million** to create alternative response teams.

**Pro:** Appropriated **\$100 million** for low-income customer utility assistance.

**Pro:** Directed a joint legislative taskforce, that includes city representation, to review and recommend best practices related to broadband deployment and local permitting.

**Pro:** Increased cannabis revenue sharing with cities and counties to **\$45 million**, representing an additional **\$5 million** for FY 2023. Ongoing increases are based on revenue percentages, instead of a capped amount (**SB 5796**).

**Pro:** Defeated multiple zoning mandate proposals (**SB 5670/HB 1782 & HB 1660**) preempting local land use authority for certain housing. Instead, the Legislature provided a **\$7.5 million** competitive grant program incentive for cities that want to adopt missing middle housing zoning ordinances.

**Pro:** Passed reforms to the State Environmental Policy Act (SEPA) in **SB 5818** to facilitate housing development by expanding SEPA categorical exemptions and providing appeal protections for development regulations that increase housing capacity and affordability.

**Pro:** Created dedicated and ongoing planning funding of **\$10 million** annually for cities to complete Growth Management Act (GMA) comprehensive planning updates, including implementing 2021's **HB 1220**.

**Pro:** Created historic **\$430 million** capital investment in rapid acquisition of housing for shelter, crisis stabilization, and housing construction under the Housing Trust Fund.

**Pro:** Appropriated **\$52 million** to transition encamped individuals living on state-owned rights-of-way to permanent housing and remove debris.

**Con:** Did not pass **HB 1099**, a GMA proposal aimed at integrating climate change and resiliency planning into the comprehensive planning process. It would have provided planning funding for cities and a new, sustainable revenue incentive to address missing middle housing types.

**Con:** Declined to pass **HB 1117**, a GMA bill that would have integrated salmon recovery planning into the comprehensive planning process and provided planning funding for cities.

# 2022 Supplemental Budget Outcomes



## Operating

- Additional BLEA classes
- Funding for Blake response
- New GMA/planning funding
- Utility assistance
- Housing assistance
- Additional cannabis revenue sharing



## Transportation

- Complete streets funding
- Additional TIB funding
- Electrical vehicle infrastructure
- Safe routes to schools funding
- Expanded Transportation Benefit District sales & use tax authority
- PWAA sweep



## Capital

- Housing funding
- Broadband
- CERB funds
- Additional Drinking Water Assistance Account funding
- Additional stormwater grants
- Weatherization for public buildings

# Looking ahead to 2023

- **New mix of legislators**
- **Expected issues for cities**
  - **Public Works Assistance Account funding**
  - **Middle housing mandate**
  - ***Blake* response** – requesting data and feedback to inform future budget requests on impacts to cities and municipal courts.

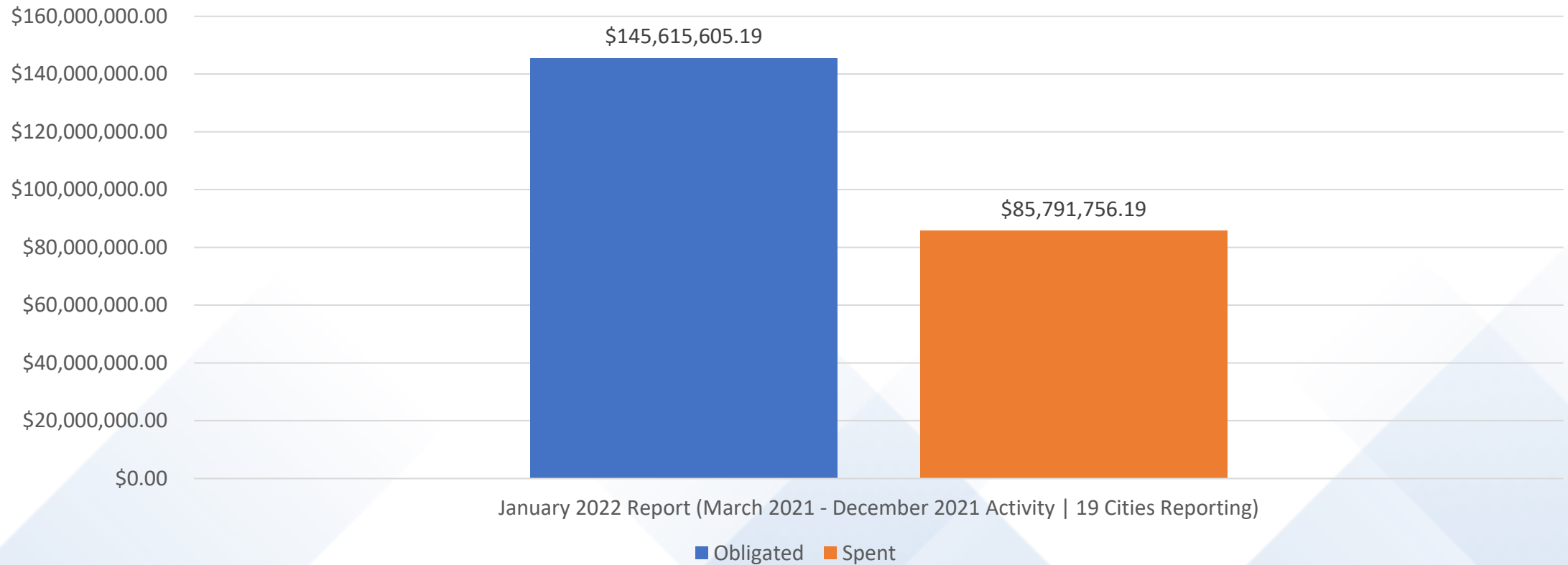
# Quick Reminders

- Washington cities received more than \$1.1 billion
- Cities have received their second tranche of federal funds
- Cities submitted their first reports to Treasury this year
- Funds must be obligated by the end of 2024 and spent by the end of 2026
- Treasury Final Rule is published and in full effect

# Final Rule – Revenue Replacement

- \$10 million standard allowance for revenue replacement
- Allows cities to use funds for general government services as well as projects and programs approved under the Final Rule
- Revenue replacement funds allow for simpler and streamlined reporting requirements

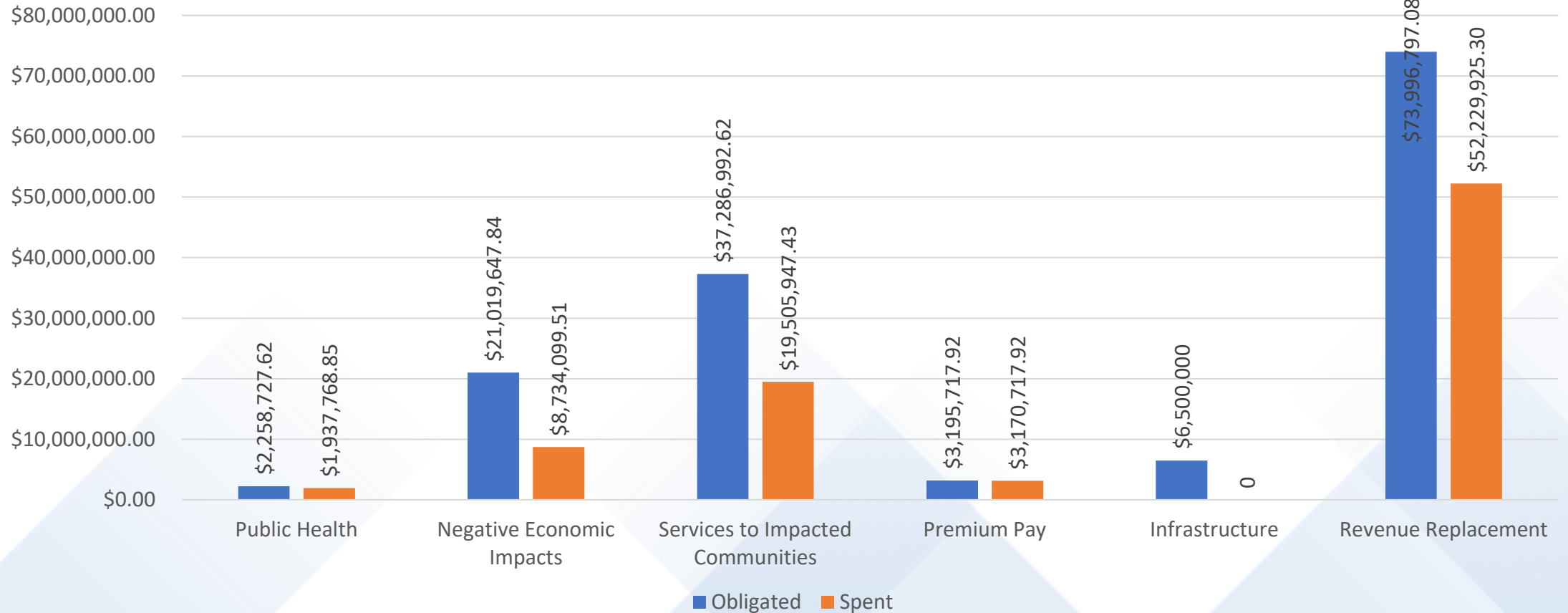
# How have cities spent funds?





# Activity by category

January 2022 Report (March 2021 - December 2021 Activity | 19 Cities Reporting)



# Project & Program Highlights

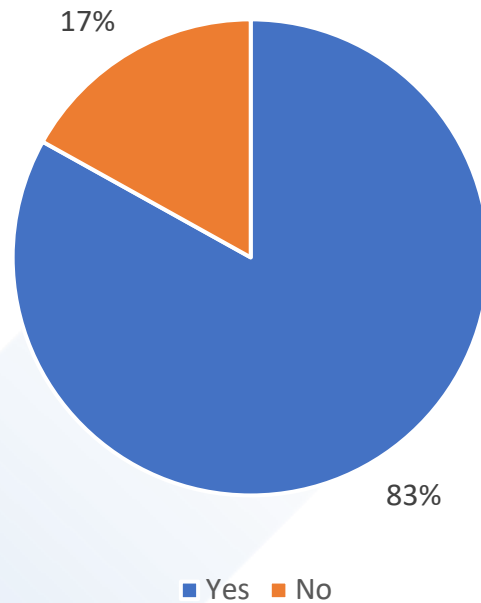
January 2022 Report (March 2021 - December 2021 Activity | 19 Cities Reporting)

- Spokane – Pop-up vaccination clinics
- Auburn – Utility payment assistance to 236 households
- Bremerton – Virtual courtroom upgrades
- Kent – Park for a park-deficient neighborhood
- Federal Way – Hazard pay for essential grocery workers
- Kennewick – Water, sewer, pavement expansion and improvements

# Spending Funds & Spending Plans

AWC Survey June 2022 (March 2021 – May 2022 Activity | 65 Cities Reporting)

Spent funds as of May 2022

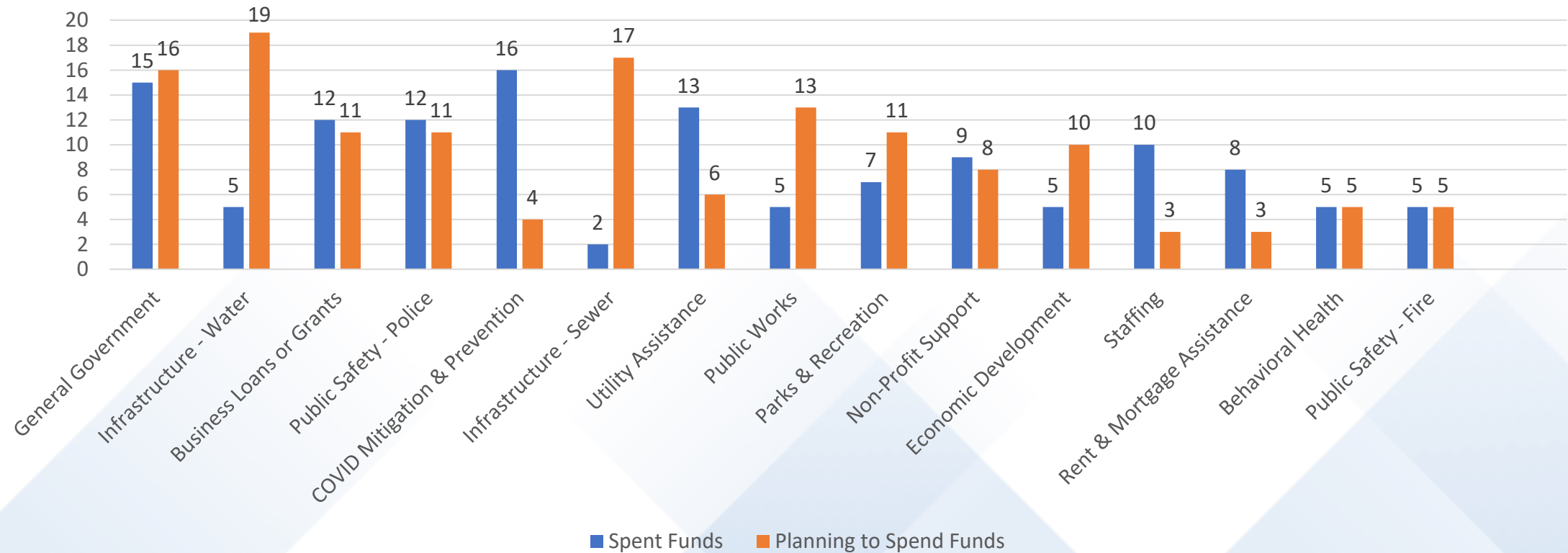


Have or developing a spending plan



# Top Spending Categories

AWC Survey June 2022 (March 2021 – May 2022 Activity | 65 Cities Reporting)



# ARPA City Highlights

AWC Survey June 2022 (March 2021 – May 2022 Activity | 65 Cities Reporting)

- Tacoma, Lakewood, Pierce County: Purchase and converted hotel to temporary shelter
- Kenmore: Provided direct cash assistance to residents
- Port Angeles: Invested in preserving local housing stock
- Walla Walla: Improving local senior center
- Edmonds: Local business support
- Waitsburg: Made historical investment in city sewer system

# Some extra notes...

- AWC's 2022 Salary & Benefits Survey data will be available soon
- AWC is wrapping up data collection on the biennial 2022 Tax & User Fees Survey (TUFS) data should be available in September
- AWC's annual City Conditions Survey was just sent out
- AWC's annual Municipal Budgeting & Fiscal Management Workshop is back in Leavenworth August 18-19

# Government Relations team

## [Candice Bock](#)

### **Director**

(360) 951-5390

Issue areas – Economic development; federal; finance; human resources, labor relations & pensions; open government

## [Carl Schroeder](#)

### **Deputy Director**

(360) 485-7604

Issue areas – Environment & natural resources; housing & homelessness; land use & planning; Building codes

## [Vacant](#)

### **Government Relations Advocate**

Issue areas – Cannabis; emergency management & cybersecurity; general government; human services & behavioral health; liability; open government; public safety & criminal justice

## [Brandy DeLange](#)

### **Government Relations Advocate**

(360) 515-8360

Issue areas – Public works & infrastructure; telecommunications; transportation; utilities & energy

## [Tonna Siegler](#)

### **Government Relations Assistant**

## [Brianna Morin](#)

### **Legislative Policy Analyst**

Issue areas – Public works & infrastructure; telecommunications; transportation; utilities & energy

## [Matt Doumit](#)

### **Legislative Policy Analyst**

Issue areas – Human resources; labor relations; pensions

## [Vacant](#)

### **Legislative Policy Analyst**

Issue areas – Cannabis; economic development; emergency management & cybersecurity; general government; human services & behavioral health; liability; open government; public safety & criminal justice

## [Shannon McClelland](#)

### **Legislative Policy Analyst**

Issue areas – Building codes; environment & natural resources; housing & homelessness; land use & planning

## [Sheila Gall](#)

### **General Counsel**

Issue areas – Municipal finance & taxes

## [Jacob Ewing](#)

### **Special Project Coordinator**

Issue area – American Rescue Plan Act (ARPA)