# THE ASSOCIATION OF WASHINGTON CITIES MAGAZINE



# **PAGE TURNERS**



Cities plot development for their unique growth stories



# Emily is making a career—and a difference.

Long before she became a truck technician at Waste Management's Woodinville facility, Emily Ruch knew her way around engines.

As a young girl, she had a knack for fixing things and grew up repairing cars alongside her dad. Today, she keeps our fleet running.

A graduate of Lake Washington Technical College, Emily encourages other women to consider tech work as a career option.

We agree! Waste Management is committed to achieving an inclusive and diverse workforce. From drivers to technicians and beyond, we actively recruit from trade and technical schools, veterans' groups and other organizations to find today's best talent. Like Emily.

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To learn more about WM careers and recruiting events, visit **wm.com/careers**.

"It's a fantastic job — great benefits, great pay, and equality is a big thing."

-Emily Ruch

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425.814.7844
mevans4@wm.com
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### CITYVISION MAGAZINE VOL.10 NO.2

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# FROM THE PRESIDENT

Buckley is in the midst of a building boom, with new people moving in daily. In the next 18 to 24 months, our population will go over that

magical number of 5,000, and we will lose our small-city status. People are driving until they can afford the mortgage; they're willing to commute three hours a day if it means appropriate housing. It's not exactly the way I'd want to spend my life—and I know because before I retired, I commuted to Federal Way, and that drive was up to an hour each way.

Buckley missed out on the last building boom around 2005 because we did not have adequate sewer capacity. Right when our new sewer plant went online, the recession hit. We averaged over 70 homes in foreclosure at a time for nearly two years. It was a really tough time for the city and for anyone trying to sell a home.

On the bright side, the downturn gave us time to decide what we would want our city to look like "when we grew up." We had several old farms inside city limits with acreage that would accommodate well over 500 homes. We went to work asking our citizens what



WE WENT TO

**WORK ASKING** 

**OUR CITIZENS** 

COULD IMAGINE

WHAT THEY

they could imagine and had help from students in the UW Master of Urban Planning program.

What we came up with is a walkable community. All developments had to connect to the adjacent properties so that some streets (but not all) would connect to future development. Major streets into the development had to have sidewalks to connect to the older sections of town. We encouraged builders to put front porches on their houses. I really dislike the statement "build it and they will come," but it is true. Residents and people from out of town are coming to Buckley to walk, and they are being greeted by people sitting on their front porches.

Only time will tell, but I am confident that we will keep our small-town "feel" as we continue to grow.

Sincerely,

Patricia Johnson

Pat Johnson Mayor, Buckley



# 3/4.18



# Welcome note CityBeat

As they grapple with growth, area cities address new industries, new housing, and renewed streetscapes. And in our popular **NOTED** feature, we survey the promise of development activity maps.

### **FEATURE**

# **Housing Smarts**

Washington communities delve deep into the data and take time to hear people's stories as they strive to provide the optimal accommodations for growth. By Ted Katauskas

# CityWise

Expert perspectives on planning under the Growth Management Act, so-called zombie homes, and the latest movement on a possible "Foster fix."

# CityScape

Cities grow best when their residents can thrive.

2

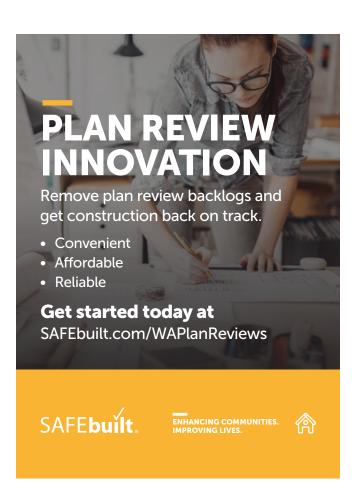
CITYVISION MAGAZINE

MARCH/APRIL 2018

PHOTOGRAPH BY DON FRANK

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28



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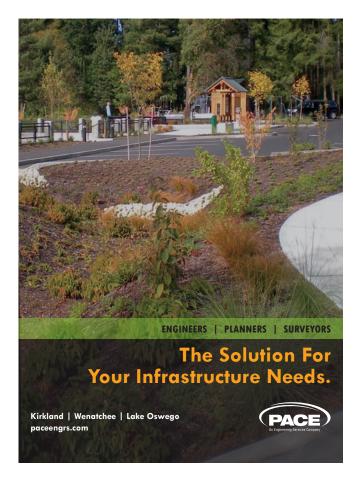
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# CITYBEAT

### **INSIDE:**

NOTED The benefits of development activity maps THE QUESTION How do you engage community in planning? TRAINING The AWC Annual Conference and more

# The Long Straw

Dayton and Starbuck welcome a nearby pulp plant.

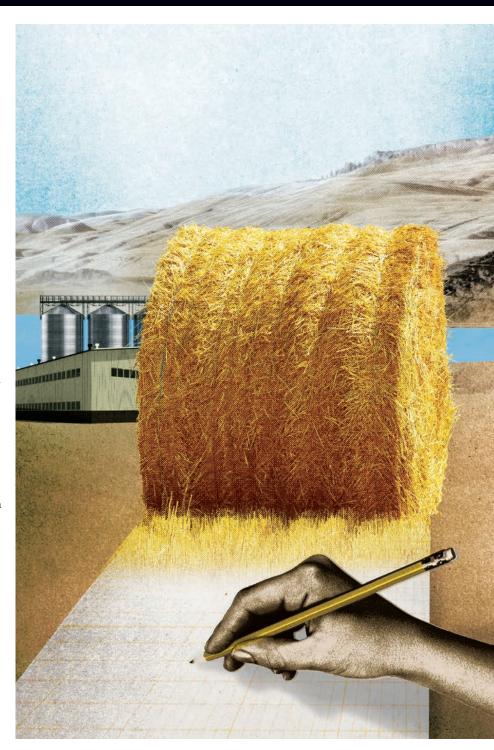


COLUMBIA PULP'S Lyons Ferry Straw Pulp Plant has been on the drawing board for so long that locals in the nearby cities of Dayton and Starbuck referred to the \$185 million factory on the Snake River in rural Columbia County by a skeptical nickname.

"For years, many of us called it 'pulp fiction," says Craig George, who recalls that the company's cofounders—University of Washington scientists who had developed an innovative way to turn waste straw from wheat farming into processed pulp for papermaking—first came to town to talk about the mill in 2007, the year he was elected mayor of Dayton. "We're looking forward to it, but we're also being careful about not putting all of our eggs into one basket."

And for good reason. In 2005, Seneca Foods closed its Dayton packing plant—the world's largest asparagus processing facility, which employed 1,000 during the summer season—after its largest client, General Mills, started buying processed asparagus from Peru. Over the next decade, some relief came from the

continued on page 10 →





SLICE OF LIFE

# Home Stretch

Grandview strives to secure the housing to match its growth.

IN GRANDVIEW, a port and farming community of about 12,000 along the Yakima River, there are only 10 mid- to high-range houses without offers on the market. More accurately, there are only those 10 mid- to highrange houses on the market counting Sunnyside, a slightly larger city some five miles upriver, and Grandview-and everything in between.

This lack of appropriate housing is becoming an increasing problem as a big, \$100 million hospital project is in development in Sunnyside. The hospital is attracting doctors, radiologists, and other high-wage earners, but they don't have a place to live. Currently, many of these workers are having to find houses around 40 miles away, in Yakima or the Tri-Cities, and commute.

"We want to be able to keep these people in our community," says Grandview Mayor Norm Childress, "but we just don't have the housing stock."

The workforce coming in to Grandview, and the families growing in Grandview, aren't looking for lowincome housing; they're looking for homes to match their lifestyle and needs. "In most markets, we have first-time buyers who buy a one- or two-bedroom home, maybe a fixerupper. Then their family grows, and they want to move up into a home with a couple of bedrooms and a couple of bathrooms. It's the American Dream," Childress says. "In Grandview, that's not happening."

It's not from a lack of overall economic development. Grandview's port and Wal-Mart distribution center are doing really well, there is land available, and the infrastructure exists to support big housing developments, but still the housing gap persists.

"This isn't unique to Grandview. We have very few houses all throughout the state. I get offers on houses I put on the market within minutes," says Yakima Valley real estate agent Melissa Christianson. "If we had hundreds of houses built and ready to sell, we could sell them no problem."

For Childress, the worry goes beyond the current housing shortfall to its impact on his city's potential. "If we attract some huge employer, like a Boeing or an Amazon, where are these folks going to live? We don't want to see businesses and industry slipping through the cracks because we don't have places for their employees to live."

Grandview's plan is to conduct a comprehensive study to find out what the city can do to be more attractive to housing developers. Despite the puzzling nature of the existing housing gap, Childress expresses confidence that the city will find answers.

"It's like anything in a capitalist system: If you have a need for something, it seems like there's an opportunity for someone to make some money," he says. "As a government, we're going to tax it and make some money, too. Sounds like a good thing all around to me."

-Rachel Sandstrom Morrison ©

## **OUTGROWTHS**

As Washington's population continues to grow, what's the impact on everyone's world?

**POPULATION** (actual & forecast)

1980-81

4,229,300

2000-01

5,970,452

2018-19

7,511,857

2029-30

8,403,599

2039-40

9,100,086

### **HOUSING PERMITS ISSUED**

2005	<b>52,988</b>
2010	20,691
2016	44,077

### **PER CAPITA PERSONAL INCOME**

2005	\$37,759
2010	\$42,149
2016	\$54,579

### **LICENSED CARS**

2005	4,030,302
2010	4,250,563
2016	4,994,769

### **ENERGY CONSUMPTION PER**

**CAPITA** (million BTUs per person)

	WA	US
2005	202	233
2010	193	218
2015	189	215

Source: Office of Financial Management 2017 Data Book **FRESH IDEA** 

# Sidewalk Hustle

Kirkland improves livability through the creation of Park Lane.

**THE STREET** has a history of its own.

In the early '80s, Park Lane—now a vibrant downtown hub flush with cafés and foot traffic—was called Commercial Avenue. With its two-way traffic, parking, and retail shops, it was nothing special. In the first effort to improve this area, Kirkland created a local improvement district, and the property owners voted to rebuild the street.

The investment from that initial project brought everything into good repair, but Commercial Avenue remained very much the same: curbs, parking, two-way traffic. Over the years, the sidewalks deteriorated; even though some had been removed and

Park Lane provides an apt mantra for growth planning: Why simply maintain when you can improve?

updated, the paving didn't match. And a number of tree roots buckled the sidewalks and created tripping hazards and challenges for restaurants who wanted to offer sidewalk dining.

In response, Kirkland's public works department and landscape architect Eric Schmidt came up with a more radical overhaul. "The design is evocative of the Dutch concept of woonerf—shared-use space between pedestrians and cars," says Eric Shields, Kirkland's planning director. "The whole idea is that you allow a car to go through there, but you design the space so that it really feels like a pedestrian space. Cars are obliged to go very slowly, so the pedestrians are

the chief owners of the space."

The rechristened Park Lane did away with traditional sidewalks in favor of more even pavement, incorporated rain gardens, and kept the sidewalk café option open for restaurant owners. Traditionally, the liquor and cannabis board has said that any space serving alcohol had to be surrounded by a fence so that it would be separated from the main pedestrian way. That rule presented a challenge for this street, because everybody felt that putting up fences would destroy the openness of the design.

So the city got creative. "We were able to work out with the board an alternative to a fence," says Shields. "By using these medallion markers on the surface of the pavement that mark out the limit, it preserves the openness of the design while serving a necessary function."

The response to the new Park Lane has been enthusiastic. Residents and business owners alike love it, and they're not the only ones: Schmidt nominated Park Lane for the American Planning Association (APA) Great Streets Award, and it won. "It's an honor to be one of three cities that earned this award," Shields says. "It's a great thing for the city."

And it all began when Kirkland got buy-in from property owners and residents to rebuild a street, but ultimately decided that like-for-like updates weren't enough. "We stepped back and thought, 'How can we do this differently?" says Shields. "How can we improve the street, instead of just maintaining it?" While not every city will win a Great Streets award, the example of Park Lane provides an apt mantra for growth planning: Why simply maintain when you can improve?

-Rachel Sandstrom Morrison ©

## **DEVELOPMENT ACTIVITY MAPPING**

Keep your community in the know as you grow.

A map like this allows residents to keep track of what's happening on the ground in their community and what's planned next for that corner down the street.

A great communication tool many Washington cities are using is the "development activity map," also called a construction map or project map. An example from the fast-growing City of Ridgefield is shown here.

Maps can be simple
PDFs that are
frequently updated
on a city's website.
They make for helpful
handouts at public
meetings and in the
permit center.

# **Ridgefield Development Activity - 2017**

25

Maps can also be web-based GIS maps, with the ability to click on a parcel or project and get more information.

Showing major streets, geographic features, and city boundaries helps orient the reader. 35 30 32 467 10 28 467 10

LEGEND Incorporated Projects
Final Plats
Philminary Plats
Philminary Plats
Final Site Plans
Site Plans
Development Agreements
Pre-Agaication Conferences

PROJECTS: 1 Pioneer Place - 45 lots 2 Codar Creek - 31 lots 3 Quall Hell - 61 lots 4 Ridgefield East-Greety Acr

7 The Winge of Caryon Ridge PUD-23 lofs 13 Deather Forking Lot 6 Hillhard Rightends PUD - 79 lofs 14 WDPW 9 Zeveror Ridge Phases 50-11 - 115 lofs 15 Afric

20 Hidgefield Internediate-Verv Ridge Midd 21 Ridgefield Outdoor Recreation Careter 22 Ridgefield HS Modular Classrooms 22 Union Ridge Modular Classrooms 23 Union Ridge Modular Classrooms 25 Brown 26 Ridgefield Heights 27 Gastl Hill Phases 2-3 - 564 26 Boss Products 29 Boyse PUD - 23 lots 30 Ridgefield Apartments 21 Union Ridge Ranch PUD - 64 tots 32 The Vancouver Cirile 33 Union Ridge FUD - 54 tots 34 Yosts Ridge PUD - 54 tots 35 Viteller Pubcee PUD - 29 tots 35 Viteller Pubcee PUD - 14 tots 37 Ridsoffeits Orseano

Coloring in project parcels, instead of using points or symbols, visually communicates the size and scale of a project.

Cities can provide a list of definitions to help the public understand what these development phases mean.

Interested neighbors can use the right project name when contacting city staff with questions or look it up accurately on the city planning website.

# **The Question**

# How do you engage your community in planning?



**GEOFFREY THOMAS** 

Mayor, Monroe

Monroe engages the community through active social media and by holding community meetings, having advisory groups, and meeting people where they are and listening to what they say. Events like Coffee with the Mayor or Coffee with the Community Development Director help build trust and foster those positive relationships.



LIBBY GRAGE
Planning Manager, Anacortes

Anacortes keeps citizens informed of planning topics by publishing articles in the city's quarterly magazine, on webpages, via emailed updates, and through presentations to community groups. Our most recent Comprehensive Plan update process saw participation by more than 1,000 people through a combination of written comments, online surveys, and public meetings. We are looking for ways to increase involvement by families and young people in planning.



CHRIS LARSON Senior Planner, Fife

Fife is currently coordinating regional transportation projects and forming a sub-area plan for the city center. Traditional use of direct mailings, site postings, and newspaper notices is now supplemented using social media to disseminate information and encourage engagement at open houses and public forums. Fife's Public Portal, through our permitting software, allows anyone to view the status of projects, as well as public notice and application documents.

### TRAINING HIGHLIGHTS

# AWC ANNUAL CONFERENCE June 26-29 Yakima

Three strong elements tie together AWC's 2018 conference: the harmony, balance, and rhythm of focused teamwork; a new small cities workshop track that delivers topics the cities themselves requested; and a multifaceted workshop lineup that delves into both basics (especially useful for newly electeds) and more targeted complicated issues. And it's AWC's 85th anniversary! Registration opens mid-April. Check the conference website for session and event details.

# GMA COMP PLAN CONVERSATION STARTERS

The starter package is a series of 12 videos, covering everything from roles and responsibilities, budget, and economic development to implementation and community engagement. Each video is 5-8 minutes long and comes with a set of discussion questions that help you relate the video to your community.

### **SMALL CITY CONNECTORS**

April 18 Eatonville April 24 Kalama May 29 Palouse May 30 Kettle Falls May 31 Odessa

Small cities are unique with their personal and close-knit nature. But governing a small town isn't easy. Join your peers for networking and dinner to share best practices and challenges. AWC will update you on the 2018 legislative session and bring you info on Commerce's Community Economic Revitalization Board (CERB)—what projects are eligible for funds, including a special rural broadband program.

### **AWC TRAININGS**

Apri

- 17 Retro WorkSafe Employer Moses Lake
- 24 Drug & Alcohol Supervisor Training Bridgeport
- 24 Retro WorkSafe Employer Federal Way
- 25 Drug & Alcohol Supervisor Training Kennewick

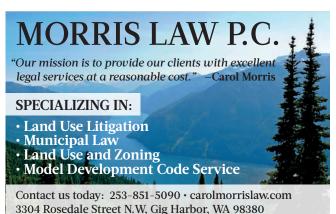
May

- 2-4 Labor Relations Institute
  Yakima
- 16 Trust Regional Meeting West Richland
- 17 Trust Regional Meeting East Wenatchee
- 22 Elected Officials Essentials Webinar
- 22 Trust Regional Meeting Bainbridge Island
- 24 Trust Regional Meeting Kelso



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## **CITYBEAT**

# The Long Straw continued from page 5

renewable energy sector, as Pacific Power and Puget Sound Energy built wind farms in area wheat fields, helping assessed property values in the county rise from just \$250 million in 2006 to \$985 million today.

Nevertheless, with a population of 4,200 and just 1,687 jobs, Columbia County struggles as a "distressed area." Columbia Pulp's new factory is projected to add 100 new full-time jobs and an anticipated payroll of \$9 million to the local economy. Not only that, but an environmental liability—straw left over from the wheat harvest that typically was burned, adding tons of carbon into the atmosphere—would be made into compostable food containers and other paper products, and the new factory promises to use far less energy, water, and chemicals than conventional paper pulp mills.

Recognizing the potential, Jennie Dickinson, first as director of the local chamber of commerce and then as manager of the Dayton-based Port of Columbia, provided assistance to the pulp plant through many hurdles and delays over nearly a dozen years. With the port's support, Columbia Pulp sought economic development grants, sited the plant, and negotiated water rights and permitting for building and infrastructure improvements.

"It's a very big deal: it adds so much to the tax base," says Dickinson. "The cities don't benefit as much from this directly through assessed value, but they will benefit from the business activity." Columbia Pulp CEO John Begley estimates that the plant, which is under construction and expects to be operational before the end of the year, will add as much as \$70 million to the regional economy.

In Starbuck, four miles east of the new plant, a local entrepreneur at press time was preparing to open the town's first restaurant, and at least seven lots were for sale—at \$50,000 apiece. "We're going to have problems with trucks—it's going to increase wear and tear on our roads, and we're going to try to reroute traffic so it's not all coming down Main Street," says Mayor Richard Ells. "Hopefully it all works out. Whatever happens, you just deal with it."

And in Dayton, where Columbia Pulp will employ a dozen in a new headquarters building it just purchased on that city's Main Street, one developer is planning to build as many as 200 new homes.

"With the pulp mill there, maybe other entities will want to come out here and tap into our natural gas, river, and rail," says Mayor George. "This is bigger than just Dayton and Starbuck. This will help the whole southeast part of the state." —Ted Katauskas ©



# Cape Crusader

Long Beach Mayor Jerry Phillips talks about the growth challenges facing a coastal community and the partnerships that can help solve them.



### What brought you to Long Beach?

I was stationed in the Northwest in the early 1970s when I was with the US Air Force, and a few of us would spend our weekends in Long Beach. I just loved the area. I was transferred to San Antonio, and I always wanted to move back.

You finally did in 2004 and became mayor in 2016, after spending a decade on the city's council. What's the biggest challenge facing the city?

Long Beach has about 1,400 residents, and 40 percent of our homes are second homes. We're basically a tourist destination. Fishing still brings a lot of people to the area—we had 50,000 people on the peninsula during our last clam dig—and we have a great cranberry industry, but we don't have a real industrial base on the peninsula. So it becomes a matter of: how do you raise funds to pay the bills?

Let's talk about growth. Long Beach only adds 10 to 15 new full-time residents a year, but on the Fourth of July, your busiest summer weekend, the population surges to 80,000.

It puts a real strain on law enforcement. We want to make sure everyone is safe, but it's a challenge. Public safety takes up 70 percent of our general fund; we

PHOTOGRAPHS BY DON FRANK

MARCH/APRIL 2018

CITYVISION MAGAZINE

## **CITYBEAT**



have seven police officers, including the chief, and we end up bringing in 25 officers just for different events.

# What's another impact that the summer visitor surge creates?

We're spending over \$22,000 on paper towels and toilet paper for the public restrooms.

### That's a lot of toilet paper!

I thought we made a math error, but we didn't. Some of the public restrooms at our beach area are 25 years old and falling apart. Rebuilding just one of them is going to cost \$225,000. The port is looking to partner with us to help us pay for this project.

# The Port of Peninsula also recently helped Long Beach pay for its new welcome sign.

It used to be a sign on a 4x4 post. With financing from the port, we hired a guy to carve a 13-foot sculpture of two whales, an octopus, and some clams that says, "Welcome to Long Beach" on one side, and on the other side it says, "Ocean Park 7 Miles."

### Why did you include Ocean Park on your welcome sign? Aren't they the competition?

It's all about working together as communities. I didn't ask them for a penny for that. It's more important to work together, because we all are trying to do the same thing: take care of our communities.

# What are some other key partnerships?

We did an interagency agreement with the county for technology, street repairs, and paving machines and equipment. The Pacific County Public Utilities District helped us



# Just be creative—and also be involved, so the citizens see you are involved.

with the beautification of our North End and put in all LED streetlights to cut power consumption. We've been working with a fiberglass company that makes light poles that are \$600 cheaper than metal poles and never have to be painted.

### What's the lesson learned there?

It's important to think outside the box, especially for small cities.... Just be creative—and also be involved, so the citizens see you are involved.

# One way you do that is with your Making A Difference Awards. Do you have an example?

We had go-kart tracks in Long Beach that had drug issues. It took several years to do it, but we arrested everybody and closed down the go-kart tracks. Then a business owner purchased the property and cleaned it up. He's putting in an 18-hole mini golf course, an ice cream parlor, and other retail. I gave him that award for beautifying the city and creating economic development so more people will come in and spend money for the city's growth.

# You also write a column in the local newspaper.

I do a Mayor's Corner every two months in the newspaper here. I put the whole budget in there, and it's my way of informing the community about what's going on, because a lot of people cannot come to city council meetings.

# When you write about the city's beautification efforts, sometimes you publish photos of code enforcement violations.

The main goal was to fix up or remove properties that were failing to meet code or that were safety hazards. I had a lady come up to me and say that her neighbor never fixed his fence or cut the grass, but once my articles started hitting the paper she came home one day and the grass was all cut and he was fixing his fence.

# What's the best thing about being a small-city mayor?

I really like seeing the community prosperous and doing well and knowing that I had a role in making that happen. ©

# By the Numbers

Cityvision looks at how Long Beach manages growth in its tourismfocused economy.

POPULATION DATA FROM THE 2010 US CENSUS, UNLESS OTHERWISE INDICATED **Population** 1,440 1,392

# **Welcome Mat**

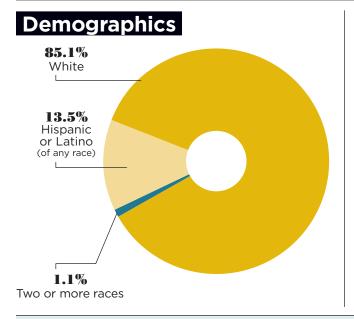
Cents of every taxable dollar spent by a visitor to Pacific County (2015)



State rank for highest ratio of visitor spending

30% Of jobs in Pacific County directly related to tourism

SOURCE: CITY OF LONG BEACH



2017 SOURCE: WA OFM





High Flyers 4.663 Kites in the air at one time in 1995-Western Hemisphere record

SOURCE: CITY OF LONG BEACH SOURCE: CITY OF LONG BEACH



Washington communities delve deep into the data and take time to hear people's stories as they strive to provide the optimal accommodations for growth.

# HOUSING Mains

By TED KATAUSKAS / Photographs by MIKE KANE

THE CITY OF WENATCHEE ALWAYS KNEW IT had a housing problem, but in 2016 that problem evolved into a full-blown crisis when the local hospital began diverting patients to Seattle for treatment. The reason: employees were quitting—and potential replacements looked elsewhere—due to a shortage of housing in and around the city.

"Confluence Health, a major health care provider in town, many times they're on diversion not because they don't have hospital beds, but because they don't have nurses. And they don't have nurses because they can't find any place to live," says Wenatchee Mayor Frank Kuntz. "Young schoolteachers come here, and they like it, but they can't find a place to live, so they don't stay. It affects the health of your community when folks can't find an appropriate place to live."

With apartment vacancy rates that hover near zero and a market in which the few available homes cost 30 percent more than comparable properties in Spokane, the Tri-Cities, or Yakima, Wenatchee faced glaring gaps in both availability and affordability. Now north-central Washington's second-largest municipality—having doubled in population, to nearly 34,000, since 1980—the city knew it would have to marshal resources to tackle the problem.

"When the mayor was hearing these outcomes and these stories, he was like, 'Well, this is a crisis level. If our businesses can't even get employees, it's not just an affordable housing problem; it's an issue across the board," says Steve King, who helped with an orchestrated response as Wenatchee's economic development director. "That's a really troublesome thing from an economic development standpoint."

Partnering with Chelan County, the City of East Wenatchee, the Housing Authority of Chelan County, the Port of Chelan County, and local nonprofits from the housing and building industry, the city commissioned Seattle-based BERK Consulting to assess the housing situation in the Wenatchee Valley and issue a detailed report. The 45-page document, released in September 2016, confirmed what many had suspected—and yielded a few surprising results.

Constricted geographically by the Columbia River to the east and by the foothills of the Cascade Mountains to the west, north, and south, Wenatchee had seen its supply of homes and apartments remain static even as population soared and demand increased. With a vacancy rate hovering at 1 percent, a market analysis predicted that the median monthly apartment rental (\$1,300 in 2016, affordable to residents earning 90 percent of the area's median income) would rise by 15 percent each year. But more critically, the vacancy rate for market-rate units was just 0.5 percent. BERK determined that the city actually had a sufficient supply of affordable apartments, but due to a phenomenon known as "down-renting," middle-class residents who could have afforded to live in higher-priced units had instead settled in no-frills apartments that should have been occupied by lower-income residents. To free up its supply of affordable rental units, what the city really needed to do, BERK determined, was build more market-rate apartments—a lot more, as many as 1,600 units.

The situation for single-family homes was just as dire. BERK determined that the median sales price of a single-family home—then \$264,550—was deemed unaffordable to 42 percent of area residents. As with apartments, a limited supply of homes yielded a vacancy rate of 1.4 percent, driving up prices; to increase the vacancy rate to a healthy 5 percent, Wenatchee would have to add 675 homes to its inventory. BERK also determined that a preponderance of Wenatchee's houses had three or more bedrooms when nearly 60 percent of Wenatchee households now consisted of only one or two members. The report thus urged Wenatchee to diversify its housing stock, adding duplexes, triplexes, cottages, townhouses, and accessory dwelling units to attract middle-income residents—retirees, young professionals,

and couples—who could afford market-rate prices, the so-called "missing middle" of the real estate mix.

More broadly, the consultants recommended publicizing the city's Multifamily Tax Exemption Program (which offers an eight-year property tax exemption to developers of new multifamily housing projects), adjusting city zoning regulations to permit housing in commercial districts through adaptive reuse of existing structures, awarding density bonuses and waiving height restrictions to incentivize investment in multifamily infill projects, and taking other measures to encourage developers to build more housing in the area. While not exactly good news, the report was precisely what the city needed to begin engineering a solution.

"We wanted data that would move us beyond hearsay and get to the real numbers," King says. "One outcome of the analysis was astonishing but is common sense when you think about it: we have a surplus of housing units that would be affordable to what you might call the workforce, but we have a deficiency of units that would be affordable to those who can purchase at current market rates. This causes downrenting, which consumes the older housing stock, driving the cost up on all units. With that information at our fingertips, we went out into the community."

FORTUNATELY, THE COMMUNITY ALREADY was rallying around the cause. As BERK was crunching numbers, Our Valley Our Future (OVOF)—a
Wenatchee Valley grassroots coalition was conducting public surveys, open houses, and community workshops, polling more than 5,000 area residents for their input about how best to tackle the valley's housing crisis. In November 2016, two months after the city published its assessment, OVOF released a 60-page action plan that articulated 149 actions and seven "game changer" strategies. Central to the grassroots plan was the formation of a Housing Solutions

"Down-renting ... consumes the older housing stock, driving the cost up on all units. With that information at our fingertips, we went out into the community."

-STEVE KING, ECONOMIC DEVELOPMENT DIRECTOR, WENATCHEE

Group, a task force of city and regional government, real estate professionals and builders, mortgage brokers and lenders, key employers, residents, educators, and housing nonprofits from Chelan and Douglas counties (modeled after a think tank in Bend, Oregon, a community grappling with a similar housing crisis) that would seek to address the valley's housing crisis collectively as a region.

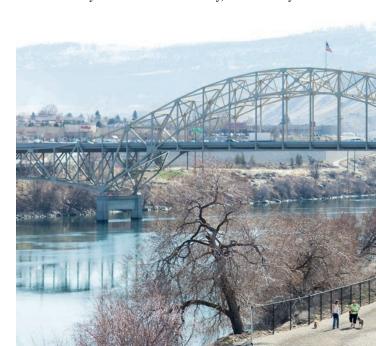
Wenatchee Econon

**Development Director** 

Steve King

"Rather than going to elected

leaders first, Our Valley Our Future went to residents and asked them what issues they wanted their community to work on," explains OVOF coordinator Steve Maher. "When you ask people to register their opinions first, you get immediate buy-in from the community, because they feel



like they're being listened to."

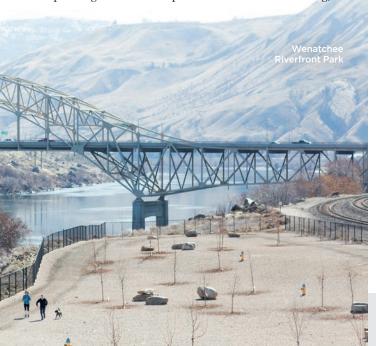
In June 2017, a month after OVOF's Housing Solutions Group first convened, Wenatchee's council adopted an update to its comprehensive plan that made building out and diversifying the city's housing stock central to achieving 20-year growth targets. By 2037, the comp plan noted, the city's population was expected to increase by 17 percent, which would require the construction of nearly 2,500 new units of housing. To put that statistic into perspective, the plan noted that between 2000 and 2010 (when Wenatchee's population had expanded at a similar rate) the city had added 1,689 new units of housing; but between 2010 and 2015, the city's housing stock had expanded by only 633 new units. Just when the city needed to accelerate the pace of new housing construction, the trend was moving in the opposite direction.

"We need to find a major housing developer like you see in Seattle, Tacoma, and Everett and crank out 300, 400, 500 homes in a three-year period," stresses Mayor Kuntz. "Problem is, the developers are all doing just fine where they are at. Building houses in Seattle, they can make 15 to 20 percent margins, so why would they go to Wenatchee, where we're tucked into a little valley and it's not easy to develop?"

Maher echoes that sentiment.

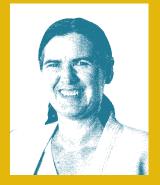
"We need more than 2,000 new apartments, but when you look at the data for the past five years, it's just not happening," he says. "There are these big construction companies based in Texas and Florida, the Wal-Marts of the construction industry, but when the City of Wenatchee reached out to them, one company after another said, 'Yeah, Wenatchee is totally primed for more apartments,' but it's not big enough to attract them....Yet Wenatchee is very desirable for recreation and retirement, and with our close proximity to Seattle we have a lot of people moving here and grabbing whatever is available and pushing up the prices. It's a very tough issue right now."

Just how tough was revealed in a survey of 1,700 Chelan and Douglas County residents that OVOF conducted in July and August 2017. Although financial experts advise against spending more than 30 percent of income on housing,



# TRY, TRY AGAIN Q&A WITH BECKY McCRAY

Becky McCray, a business owner and speaker who specializes in rural and small-town business development, explains how entrepreneurial thinking can resuscitate even the most moribund local economy.



# You're no stranger to small cities.

I'm from Hopeton, Oklahoma, a little unincorporated community of about 30 people. Eight miles away, there's the big town of Alva, with 5,000 people, where my husband and I have a retail liquor store; in the other direction we have a family cattle ranch, and that doesn't mean the Ponderosa, either.

# You once worked as the administrator of Waynoka, Oklahoma, a city of about 1,000.

I loved doing that. I got to learn about every aspect of city government. I learned to appreciate the different pressures on city government, how many city services need to be maintained, and the balance between all the competing demands on those limited resources. It's hard for people stuck in that day-to-day balancing act to think long-term, to be able to look toward the future.

After you left city government and opened your own business, you started a blog.

I wanted to find ways to be involved in larger projects than just my own business, so I started writing online about smalltown issues and smallbusiness issues. That led to saveyour.town, which I do with my colleague Deb Brown. We share practical steps people can take right away to look toward the future and move things forward.

### Such as?

Take an empty lot, cover it with card tables and coffee trucks, and be an anchor opportunity, building a pipeline of future business owners.

# What's the most common roadblock preventing small cities from thriving?

The limiting factor tends to be worrying about whether an idea will work before you ever try it. We're still operating on the model that we need to have a committee; we need to gather evidence and have proof before we do anything. That holds us back from trying new things.

continued on page 19 →

46 percent of those surveyed indicated that they were spending more than that amount, with 139 (nearly 9 percent) spending more than half of their income on housing. More worrisome, 45 percent of the valley's residents indicated that they were having such a difficult time finding housing in the area that they had considered moving to a city where finding affordable housing wasn't such a struggle.

Perhaps indicating how strongly residents felt about the issue, more than 600 shared their personal housing stories, some in moving detail. One resident wrote that "with such low vacancy rates in the area, landlords are not willing to rent to somebody that struggles over someone with better income." A single mother wrote about being homeless with three children for two years due to a wait list for low-income housing, noting that the "thought of giving my kids up so they had a home crossed my mind. No loving mother should ever have to feel this."

"When you read those stories, you realize how serious this is and how it impacts every income level in the city," Maher says. "It was valuable in so many different ways."

As a follow-up to the survey, OVOF's Housing Solutions Group is working on a white paper, to be released later this spring, that identifies factors that inhibit construction—from labor costs to permitting fees and infrastructure improvements like sewer and water connections needed to stimulate development—to articulate recommendations for innovative actions the region might take.

"We wanted to weigh the data against a perceptions-based survey, a real smattering of across-the-board perceptions with the root issue being a lack of supply of units," explains King, who represents the city as a member of the Housing Solutions Group. "It kind of confirmed the data. We are now in the process of developing a strategy for how we make a change."

LIKE WENATCHEE, THE CITY OF COVINGTON faces growth-related challenges, but of a different sort. As one of Washington's youngest cities—incorporated in 1997—Covington within two decades had exceeded its growth targets as a small city, with a population that grew by 43 percent (from 12,900 in 1998 to 18,520 in 2015) as young families and professionals priced out of Seattle's real estate market sought an affordable place to live.

"I remember when my parents and I came to Covington in 1980 looking to build our first family store, and as we drove through town the commercial real estate agent said, 'Mark my words, this is going to be a big city," recalls Mayor Jeff Wagner, a city councilmember since 2004 who served on the original committee that advocated for incorporation. "Sure enough, Covington has come very far."

By 2015, Covington was faced with the prospect of having to mitigate growth instead of expanding to meet demand. Instead, the city argued that it had the capacity to accommodate future growth and petitioned the Puget Sound Regional Council's Growth Management Board to reclassify Covington's status from a small city to a larger city, earning the designation in November 2016.

"Persistence is key," says City Manager Regan Bolli. "If we



had dropped the issue, we still would be trying to grapple with how to mitigate our growth and development."

Instead, the comprehensive plan Covington's council adopted in 2016 mapped an ambitious 20-year expansion, anticipating a population that would grow by 50 percent, to 27,645 residents, by 2035. Like Wenatchee, Covington recognized that housing all of those new residents posed a daunting challenge. A market study by BERK estimated that Covington would need to add a whopping 3,920 new homes and apartments by 2035. But when it came to fulfilling that goal, Covington faced fewer challenges than Wenatchee. Although 35 percent of Covington's households reported that they were cost-burdened or severely cost-burdened (spending more than 30 percent or 50 percent of income on housing), the threshold for addressing that need with affordable housing was far narrower, requiring the addition of 560 new units of affordable housing. One saving grace was the city's vacancy rate: a healthy 6 percent compared to Wenatchee's 1 percent.

With Covington's local economy dominated by the retail sector, few who worked in Covington could afford to live there, and the vast majority of the city's residents commuted to high-paying jobs in Seattle and other King County cities. And unlike Wenatchee's, Covington's existing housing stock—94 percent of all housing units are single-family homes—largely met the needs of its demographics, from an average of three persons per household to a median household income of \$87,811, both factors 25 percent higher than comparison statistics across the state or region. But change was coming: in 20 years, as parents aged and children moved away, Covington would need to diversify its housing stock with "missing middle" options, diluting the proportion of single-family homes from 94 percent to just 75 percent. Most tellingly, by 2035 Covington's popula-



"If we were to do it all over again, we would be looking at a larger picture than just the housing itself: what these folks need aside from just a roof over their heads."

-MARGARET HARTO, FORMER MAYOR AND CURRENT COUNCILMEMBER, CITY OF COVINGTON

tion of seniors—residents living alone on fixed incomes—was expected to quintuple, to 23 percent.

By 2016, the city already had embraced the challenge of housing diversification. At the end of that year, in a nascent city center redevelopment Covington had planned since its incorporation, Covington cut the ribbon on Polaris, a high-rise apartment with 200 units of affordable housing for families earning 60 percent of the median county income. To entice that development, the city had discounted permit fees and persuaded its school district to discount school impact fees.

"We felt it was important to have that diversity of housing choices in our community; we didn't have that at all," says Councilmember Margaret Harto, who served as Covington's mayor from 2006 to 2016. "If we were to do it all over again, we would be looking at a larger picture than just the housing itself: what these folks need aside from just a roof over their heads."

One such oversight: over 100 children under the age of 18 call Polaris home, yet there is no playground. But there's a short-term solution just next door: a public elementary school on 18 acres that soon will be vacated when the Kent School District opens a new facility. The city, which has been socking away budget surpluses for the past three years in a town center revenue fund, plans to purchase the property (for \$2 million) before the end of the year and redevelop the parcel into a new city hall complex. Since that project won't break ground for several years,

# How should city leaders act instead?

We know the world is changing all around us. Even if we don't change, we're going to get change because things are happening all the time. We have to compare the risk of making a change versus the even riskier change that will happen if we don't do anything.

# You call that being Idea Friendly. What do you mean by that?

We can't guess what direction things will take over the next 5, 10, or 50 years, so we're going to be open to ideas—as opposed to slowing things down, which makes us closed to new ideas. We don't have to spend five years planning it out if we can run a temporary test next weekend. There's less risk of big long-term failure when you have the ability to try things out quickly and learn a lot more in the short term.

# Any advice for struggling rural cities founded on an industry, or an economic asset, that no longer exists?

If you think about it, almost every town and city has lost its original reason for economic well-being, whether it started as a center of trade, a railroad town, or some other reason. All those factors have changed over the past 100 years. Every city, every town has had to reinvent itself.

# What's one example of a small city that has reinvented itself?

Webster City, Iowa, a city of 8,000 that lost an

Electrolux factory, putting 850 people out of work. The factory moved to Mexico, and businesses started closing down like dominoes. Two years after the final closure, they hired a new chamber of commerce director who drove into town and started counting the number of vacant buildings downtown. When she got to 12, she thought, "Do I even want to take this job?" When she was asked what she was going to do about all the empty buildings, she said, "We're going to give a tour and show them off."

# So she took what many locals saw as a liability and pitched it as an

It was a declaration. She said, "We have opportunities here; they're not necessarily tied to what opportunities once looked like." She took people around, spread the word, asked the grouchy old guys in the coffee shop, "Don't you want to be involved, too?" When they said no, she said, "Didn't your granddaughter just graduate from college? Don't you want her to move back to town?" That got people involved.

### The moral of that story?

They started exploring opportunities instead of focusing on how things had been before. They built connections, found businesses in nearby towns that wanted to open a branch there. It doesn't matter what is thrown in front of you: when you work at being more Idea Friendly, then your town will prosper.

the existing school building will serve as an interim community center—and a playground for the children of Polaris.

Also adjacent to the campus is a recently opened 150-unit affordable housing complex for seniors, along with an upscale apartment complex with 100 units of market-rate housing. And nearby, a \$100 million, 56-bed hospital with a birthing center and three operating rooms will open in April, a project the city developed in partnership with MultiCare Health System to diversify its economic base and workforce and rebrand Covington as a retail and medical hub for southeast King County. To that end, the city also is partnering with Green River Community College to offer health care–focused career training to local high schoolers who one day might be employed at the new hospital.

"This city strongly believes in partnerships," says Harto.
"That's part of our planning process. We do nothing in isolation.
It's not only who you can partner with, it's also listening to your community and constantly working to achieve a balance between your economic and residential development, because one affects the other."

The same month that Covington updated its comp plan, the city also annexed 75 acres on the outskirts of town—formerly a gravel pit—and recently signed an agreement with Bellevue-based Oakpointe Properties to redevelop the parcel as Lakepointe, an urban village with a million square feet of commercial retail space and 1,700 units of market-rate housing that will go a long way to meeting Covington's 2035 growth targets. Before that project breaks ground, the city will need to prime the development with a \$50 million road and highway interchange. Since state funding will cover only half of that expense, Covington will create a community facilities district—a funding model common in California and other states that the City of Redmond pioneered in Washington with Microsoft—that will levy taxes to issue bonds to fund infrastructure improvements.

One challenge that Covington must grapple with—the Achilles heel of all of this anticipated growth—is the impact that the development will have on the city's already overwhelmed transportation network. With public transit limited to two bus routes, almost everybody commutes by car, clogging the city's two primary arterials—SR 18 north/south and SR 516 east/west—and creating an epic traffic jam that locals refer to as the "Covington crawl" every workday morning and evening.

"We have some of the worst traffic in the country," says Bolli. "It's a difficult thing to fix. To widen a mile of roadway will cost more than an entire year's general fund budget."

So in addition to planning a park-and-ride public transit hub at Lakepointe, the city is working with the county to expand its bus routes. Covington also is relying on its two closest neighbors, Maple Valley and Black Diamond, to lobby the Legislature to leverage more infrastructure funding for road improvements.

"We cover three legislative districts, so when we go down to Olympia we go together, and it is very helpful to be able to support one another," says Harto. "They're advocates for us, and we're advocates for them."

For Bolli, that is the primary takeaway when it comes to planning for growth.



"The biggest thing I've learned," he says, "is that you have to be engaged with everybody around you, not just as a city, but regionally."

**AS IT WORKS WITH ITS NEIGHBORS TO** collectively address its housing crisis, that strategy already seems to be paying dividends for Wenatchee.

"Because of the mayor's outreach, we have a number of new developments coming online," says Economic Development Director Steve King. "People are figuring out that Wenatchee is a place to invest in. It's not normal to have outside developers coming into the Wenatchee area. We're changing that dynamic."

Building on that momentum, the city will soon hire a consultant to rewrite municipal codes to make it easier for developers to diversify Wenatchee's housing stock, as well as extend water and sewer lines out to unincorporated Sunnyslope to prime development in an area slated for annexation.

"Solving our housing shortage has to be done in a variety of ways," notes Wenatchee's community development director, Glen DeVries. "It's not going to be accomplished by one process or one approach."

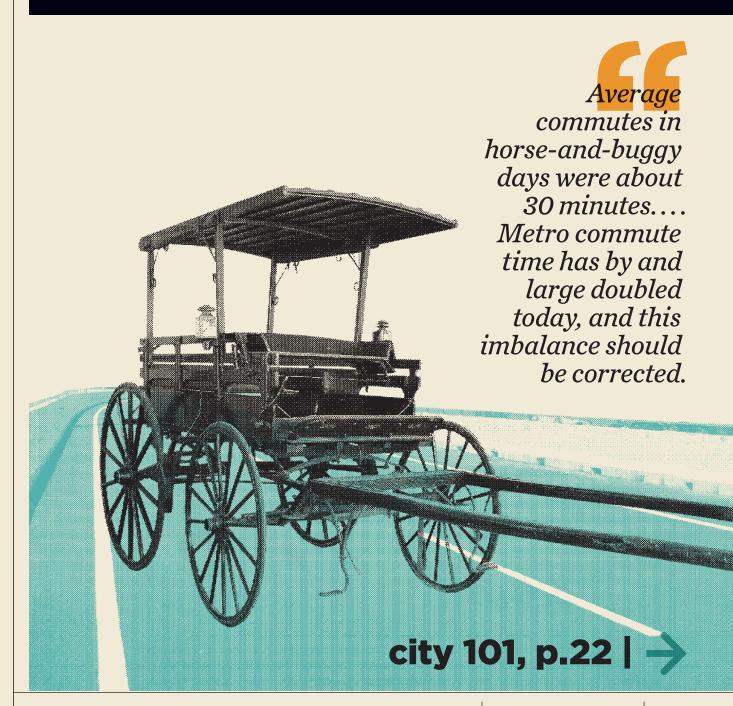
Or one city.

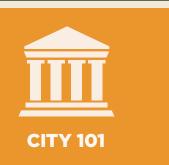
"This is a complex issue, and it's going to take lots of folks coming at it from a regional standpoint instead of each jurisdiction doing its own thing in its own silo," concludes Our Valley Our Future's Steve Maher. "Elevating this conversation to where everybody is talking about it has pushed us closer to success. You're OK in your house, but you have a different take when all of a sudden you realize if you get injured and need surgery, the hospital may fly you to Seattle because they don't have enough nurses because nurses can't find housing. As these stories come out, people are starting to see how this is more of a community issue rather than a personal issue."

Which itself is an important form of growth. ©

# CITYWISE

22 PLANNING AND THE GMA TODAY 24 NEW TOOLS TO MANAGE ZOMBIE HOMES
26 LEGISLATIVE PROGRESS ON A POTENTIAL "FOSTER FIX"







# **Plane Spoken**

Sea-Tac International Airport, at 2,500 acres, sits on no more than one-third the acreage of many modern airports. It has experienced almost 28 percent user growth over the past three years, yet it cannot appreciably grow its operational area.

Currently, no GMA mandate successfully synthesizes with planning of additional regional airport capacity. This region needs additional regional airport capability immediately along the I-5 corridor; such planning should have occurred closer to 1990 than to today. The State of Washington needs to hold itself accountable to the GMA.

# PLANNING MULTITOOL

NEARLY THREE DECADES IN, THE GMA IS STILL BEST TAILORED TO LOCAL NEEDS

**SINCE ITS INCEPTION** in 1990, the Growth Management Act (GMA) has always been under fire, subject to controversy and political pressure. Today, subsequent to economic resurgence, population growth, economic polarization, and an urban housing crisis, the GMA is under more pressure than ever.

As expressed in practice through a number of state statutes, the GMA targets local jurisdiction policy on concentrating urban growth, reducing sprawl, and enhancing regional transportation. The Act also seeks to advance affordable housing, economic development, property rights, permitting, natural resource and open space preservation, recreation enhancement, environmental protection, public process, provision of essential public facilities, and historic preservation. More recently, shoreline management has been added to this formidable list.

At its roots, though, the GMA is about local land use policy and the sufficiency of utilities and services to provide for current and predicted population. In correlation with the GMA, most Washington State cities and counties maintain comprehensive plan elements that include strategic narratives for land use, housing, capital facilities, utilities, parks and recreation, and transportation. Many of these cities and counties also include economic development elements, as well as optional elements such as historical preservation or subarea plans.

Despite extraordinary pressures to provide affordable housing and expand urban growth areas, Washington needs to be careful not to abandon its nearly three decades of commitment to thoughtful development standards, utility concurrency, and reducing sprawl. Experience with the GMA shows, however, that there is no one best way to solve regional and local problems.

General Considerations After 28 years, GMA tenets face numerous problems that must be reconciled to optimize future public services and the built environment. The Puget Sound Basin and other areas throughout the state are diverse and unique. A base concern is to retain local planning control in favor of regionalism, particularly as it relates to land use, housing, and economic development. Nevertheless, regional standards will continue to be an important feature of planning and development, particularly in the Puget Sound Basin.

Pressure to increase buildable land inventories, by increasing housing market factors that enable a greater number of housing units per estimated population targets, need to be weighed against costs of utility infrastructure, integrity of environmental assets, sufficiency of municipal services, and capacity for development and redevelopment. Minimum net zoning densities should be tailored to the densities of established neighborhoods, although sufficient minimum densities within job centers should be a normative requirement.



Despite extraordinary pressures to provide affordable housing and expand urban growth areas, Washington needs to be careful not to abandon its nearly three decades of commitment to thoughtful development standards, utility concurrency, and reducing sprawl.

■ Transportation Transportation elements of city and county transportation plans should routinely express seamless bus, rail, light rail, and new, innovative modes of personal and mass transit. Urban growth area jurisdictions should plan to conveniently connect workers to job centers, and commute costs should be considered as part of the cost of affordable housing.

Average commutes in horse-and-buggy days were about 30 minutes, and this was still true with single-occupant vehicles as recently as the 1970–'80s. Metro commute time has by and large doubled today, and this imbalance should be corrected. Commute times will likely be facilitated through transportation innovation. Comprehensive plans need to explore these possibilities and anticipate costs for last-mile connection to mass transit. Still, SOV use is decreasing, even as miles per commute are increasing. Hopefully, the commute future will hold greater personal convenience, shorter miles per commute, and reduced household commute cost.

Overall, essential public facilities must be highquality, accessible, and environmentally sensitive. One of 20 bridges in Washington State is dangerous to the user. Washington State is exempted from transportation compliance with the GMA. Stormwater treatment must be drastically improved. In sum, joint strategic planning of state and local transportation facilities must be effectively accommodated by the GMA. This is certainly not just a roads issue.

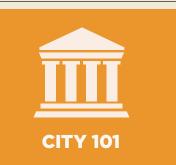
Challenges, Successes & Opportunities One of the most visible GMA challenges is the gap between local government and state visions of essential public facilities and adopted plans to foster such facilities, a most inconvenient example being airports (see "Plane Spoken," p. 22). In contrast, the GMA's relationship to recreation, open space, habitat, and access to natural lands and waters is a positive scenario. The Washington State Recreation Conservation Office has realized numerous, permanent acquisitions and improvements, consistent with local comprehensive plans.

Washington State has not funded the economic development mandate of the GMA, which seems shortsighted, for both urban and rural areas of the state. Nevertheless, many local comprehensive

plans incorporate economic development strategies. State funding of local economic development elements would likely lead to improved local and state economies.

It seems clear to me that transparent local control, clear regional growth guidance, recognition that there is no one best way to plan for local futures, and ongoing commitment to the GMA provide the best route forward for cities and counties in Washington State. Hopefully, a collaborative look at the GMA by the Ruckelshaus Center can point to *A Road Map to Washington's Future*. ©

Mark E. Hoppen, Ed.D., M.P.A., ICMA-CM, has jurisdictions including cities, special purpose districts, and school districts throughout Puget Sound over 42 years, mostly as a city administrator and manager.





# THE ZOMBIE EFFECT

ABANDONED HOMES HAVE A NUMBER OF NEGATIVE IMPLICATIONS FOR CITIES, AMONG THEM:

### CRIME

Vandalism, trespass, theft, and drug activity often occur in or around zombie homes

### **PUBLIC SAFETY**

Unmaintained homes or those occupied by squatters increase risk of fire, structural collapse, and other accidents

### **PROPERTY VALUES**

Zombie homes are often eyesores that affect street appeal and surrounding home values

# **COMMUNITY COHESION**

Abandoned homes separate neighbors and foster distrust

### **TAX REVENUE**

Declining values of zombie homes and surrounding homes limit cities' revenue potential for the properties

# **CLEANUP CREWS**

A NEW BILL HELPS CITIES AND BANKS DEAL WITH NUISANCE PROPERTIES

**AN ABANDONED NUISANCE PROPERTY** impacts an entire neighborhood, attracting squatters, vandalism, and crime and reducing adjacent property values. Neighbors to such properties frequently call their city to complain. Exacerbating the problem, in 2016 the Supreme Court ruled in *Jordan v. Nationstar* that banks cannot access homes mid-foreclosure, even when the home is abandoned and a nuisance. With banks no longer able to perform maintenance on homes that are mid-foreclosure, the burden fell to cities to intervene and perform nuisance abatements.

During the 2018 legislative session, Rep. Tina Orwall (D-Des Moines) led a stakeholder process with cities, banks, and homeowner advocates that culminated in the passage of Engrossed Second Substitute House Bill 2057 (E2SHB 2057). This omnibus bill provides cities with greater tools to address nuisance properties and gives banks access to nuisance properties that are mid-foreclosure, all while protecting homeowner interests.

One of the main benefits of E2SHB 2057 is it allows cities to better recover costs for conducting nuisance abatements on homes that are mid-foreclosure. Under current law, cities are limited in their ability to recover the costs of conducting a nuisance abatement to a \$2,000 first-priority lien against the property. Cities dip into their general fund to complete nuisance abatements, taking away from other essential services.

E2SHB 2057 allows banks to secure homes that are mid-foreclosure, and allows cities increased cost recovery for conducting nuisance abatements. Under the bill, the city can send an affidavit or declaration finding a home to be (1) abandoned, (2) mid-foreclosure, and (3) a nuisance to a mortgage servicer. The mortgage servicer can then access the home to abate the nuisance and secure the property. If the mortgage servicer fails to do so, the city can conduct a nuisance abatement action under its current authority, and fully recover its costs by placing an unlimited first-

priority lien on the property. (Cities may also place such a lien for their nuisance abatement costs on an unmaintained bankowned property.)

The bill also provides a mechanism for a mortgage servicer to ask the city to issue an affidavit indicating that a home is abandoned and a nuisance. The city is responsible for responding and indicating that (1) the home is not abandoned and a nuisance; (2) the home is abandoned and a nuisance, and the mortgage servicer may secure the home; or (3) the city is unable to respond due to time or resource limitations.

The statutory framework in E2SHB 2057 will hopefully encourage banks to secure homes that are mid-foreclosure or bank-owned, and allow cities to fully recover costs if the bank fails to act and the city needs to conduct a nuisance abatement. 6

### Briahna Murray

specializes in advocating for cities, counties, and other local governments to the Washington State Legislature and Executive Branch.



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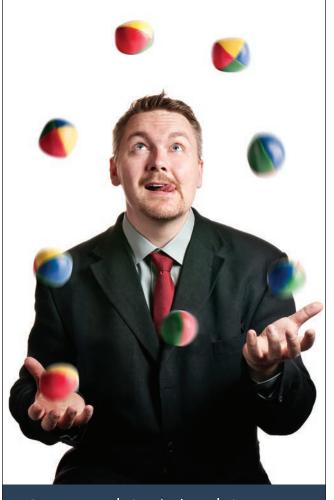






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# Out-of-Kind Thinking

Here are some of the mitigation techniques that might be supported by a "Foster fix."



# STREAMING SERVICE

LEGISLATIVE PROGRESS ON A POTENTIAL "FOSTER FIX"

THE 2013 WASHINGTON SUPREME COURT Foster decision effectively resulted in municipalities losing the ability to secure new water for growth in many parts of the state. Against somewhat steep odds, the Washington State Legislature took a small but important step during the 2018 legislative session to address that case by advancing a conversation on the potential future restoration of the Department of Ecology's authority to allow out-of-kind/out-of-stream mitigation measures for municipal water supply projects. This move took form as a section in the so-called Hirst Fix (ESSB 6091), which was passed in order to restore the ability of rural parties to develop permit-exempt wells and thereby allow passage of the capital budget.

In brief, the Legislature approved the following in terms of out-of-kind mitigation:

- 1.) The establishment of a legislative task force to make recommendations to the Legislature regarding the authority the Department of Ecology should have to approve out-of-stream/out-of-kind mitigation to offset the impacts to instream flows of new ground and surface water appropriations; and
- **2.)** The authorization of five pilot projects that will be eligible for water right approval employing a range of mitigation measures that are not limited to water-for-water, but may also include out-of-stream and out-of-place habitat improvement measures.

The above legislative action was driven by the Washington Supreme Court's 2013 decision in the case of *Sara Foster*, et al. v. *Dept. of Ecology and City of Yelm*. As reported in a prior edition of *Cityvision*, the court found that:

- Ecology cannot use OCPI (overriding consideration of public interest) to justify the permanent, non-temporary, emergency allocation of water involving a closed or regulated stream;
- No level of impairment to instream flows is permissible, regardless of magnitude or ecological impact; and
- Ecology cannot use out-of-kind mitigation strategies, such as habitat improvement measures, to address impairment of instream flows.

As a consequence of the Foster decision, municipal systems, including Yelm, lost the ability to secure new water rights absent meeting the mitigation bar of same quantity, same duration, same place and time, and water for water. Meeting this bar is extremely difficult, if not simply unfeasible, for many jurisdictions. Why? Because few systems have access to water lines conveniently located to allow the simple "pump and dump" of mitigation water into affected streams at the exact location of a modeled stream impact. Other obstacles include an inability to acquire trust or private water rights that correspond to the area of impact.

With passage of the Foster pilot projects and task force, municipal systems now have at least a glimmer of an opportunity to

Since 1991, **Tom Mortimer** has represented a broad array of municipal and private sector clients on matters relating to water rights, the Endangered Species Act, water project permitting, federal Indian law, and water system planning.

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restore Ecology's authority, whether the agency wants it or not, to meet future needs through new appropriations that are not solely dependent on water-for-water mitigation. This opportunity will occur, however, only if the municipal systems undertaking the five authorized Pilot Projects can show, in a very credible and scientific fashion, that out-of-kind mitigation can not only offset flow impacts to salmonids and other important aquatic habitat species but also create a "net ecological benefit."

Can the Legislature's standard of net ecological benefits be achieved? Sure, it can, as demonstrated in habitat conservation plans and other innovative projects that have been implemented around the state. But achieving that standard will also depend on Ecology's capacity to define it in a scientifically coherent and achievable manner—such as a water system being able to produce findings of net improvements in water quality, fish production, stream substrate, and other factors that are central to a healthy fishery.

A further challenge to restoring Ecology's out-of-kind/out-of-stream approval authority exists in the fact that environmental groups (and tribes) have little incentive to encourage, much less allow, a true "Foster fix." And for good reason: they won the Foster case with a solid court majority. Moreover, as

a result of their court victory, they effectively halted even the most minimal impacts to instream flows—clearly a big deal if you consider instream flows to be already overappropriated, overstressed, and now subject to the degrading impact of projected climate change.

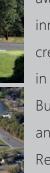
Wherever one stands on the issue of out-of-kind mitigation, it can hardly be disputed that our water resources are facing unrelenting pressure as population growth, development, and other land use pressures continue to mount. Further, their protection is important to preserving the environmental values that have made our state special. What I hope for, however, is that solid science, rather than suspicion and distrust, will be allowed to prevail, thereby affording municipal systems a fair shot at showing that small flow impacts can be more than offset with true net ecological benefits to both salmonids and their aquatic habitat.

Given the political, economic, and legal stakes associated with out-of-kind mitigation, Ecology is likely to be subject to a myriad of internal and external scientific, political, and legal forces that seek to shape its definition of "net ecological benefits," among other related standards. The legislative task force makes a recommendation by November 2019, hopefully leading the way for real progress. ©



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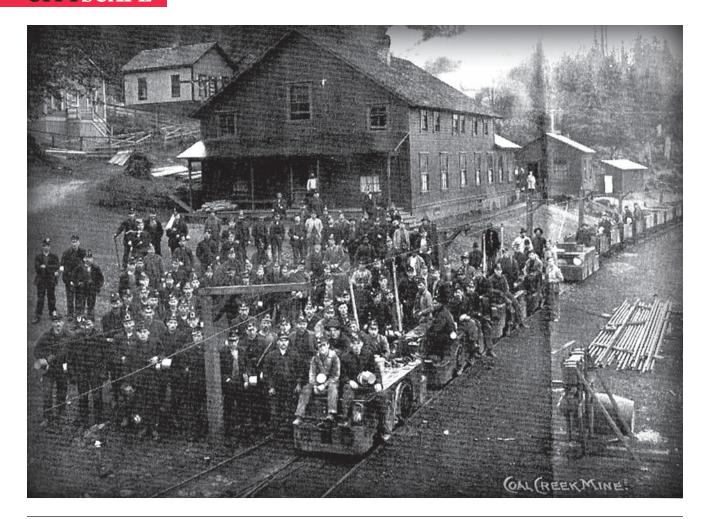
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## **CITYSCAPE**



# **COMMON CAUSE**

While the transformations may not always be easy to predict, cities grow best when their residents can thrive.

IN THE LATE 1880s, a rural coal mine sparked the birth of a company town south of Seattle, along the Cascade Mountain range. It became a booming, bustling place. But things eventually changed: miners went on strike, the Great Depression hit, oil began replacing coal as a preferred fuel source. When the coal era ended, the company town disbanded in 1958 to save money. But the people wouldn't quit, and in 1959 Black Diamond incorporated.

Growth isn't just about population, or what your community looks like, or what it may have produced in its infancy. It's about providing the services and quality of life that people need to thrive. Smart cities make sure folks have an appropriate place to live, support a local economy

that's inclusive for everyone, and offer a safe place for youth to get a good education. Healthy growth planning involves continuous reassessment: Do residents feel like they are part of a bigger community? Is your city evolving in a sustainable way? Are you moving in the right direction?

Cities and communities will inevitably change: they may grow or not, but they won't stay the same. So what do city leaders do? Hanging onto the past is futile, but trying new things, finding partnerships, and promoting economic and cultural vitality can all make a difference in the short and long terms. Populations may shift, and industries may come and go, but community spirit can be an endlessly renewable resource. ©

# Thankyou CITICS!

AWC sends a collective shout out to the countless city officials who helped make the 2018 legislative session successful!

Your support, approaches, testimony, calls, emails, and engagement helped Washington's 281 cities stay strong.

Thank you.

Strong Cities, Great State



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