

February 19, 2021

Senator Rolfes, Chair, Ways & Means Committee
Senator Wilson, Ranking member, Ways & Means Committee
Senator Frockt, Vice Chair Capital, Ways & Means Committee
Senator Robinson, Vice Chair Operating & Revenue, Ways & Means Committee
Senator Honeyford, Assistant Ranking member Capital, Ways & Means Committee
Senator Schoesler, Assistant Ranking member Capital, Ways & Means Committee

Representative Ormsby, Chair, Appropriations Committee
Representative Stokesbary, Ranking member, Appropriations Committee
Representative Tharinger, Chair, Capital Budget Committee
Representative Steele, Ranking member, Capital Budget Committee

Legislative Budget Leaders:

City leaders understand the difficulties you face while you work to craft the next biennial budgets. Like the state, cities face the same economic uncertainties and budget challenges. Cities have also grappled with the uncertainty and additional costs generated by the pandemic. Mayors and councilmembers struggle with balancing expenditures that grow faster than revenue.

Cities are proud to be the economic engines of our state. With a majority of state funds generated in cities, we want to continue supporting a robust economy. We know the state is facing difficult budget decisions and we want to partner with you to meet the shared needs of our communities. Investing in cities provides a positive return for the state and the partnership between cities and the state is beneficial for all Washingtonians.

As you prepare the next biennial operating and capital budgets, we ask for your support for the following programs and proposals because we believe they are the key to success for both the state and its cities.

Shared city-state revenue

Cities and the state have a long, successful partnership sharing revenue to fund critical community services. We ask that you continue to fully fund the criminal justice assistance distributions, as well as marijuana, liquor, and fire premium tax distributions. These revenues are generated in our communities and it makes sense to invest them back into our communities for local needs. We ask that if the state considers any increase in shared revenues, that it shares a proportion of that increased revenue with cities. We also specifically request sharing the full amount of marijuana distributions that the Legislature adopted but did not fully fund. The full commitment for the 2021-2023 biennium is \$40 million combined for cities and counties.

Public Works Assistance Account

Year after year, infrastructure funding continues as one of cities' most significant needs. The Public Works Assistance Account is a crucial funding source in our efforts to provide the necessary infrastructure for our

communities. We ask you to fully fund the Public Works Board request of \$169 million. Infrastructure investments have direct implications for economic stabilization and can produce a short-term multiplier effect rate as high as 2.2, particularly during recessions. Additionally, infrastructure investment supports environmental stewardship and housing affordability.

Police reforms and law enforcement training

A vital component of any police reform agenda must involve adequate funding for training. Cities need a sufficient investment from the state to fund mandated police training aimed at improving our police departments' ability to protect and safely interact with all Washingtonians. Cities support the vast majority of police reform legislation under consideration. A huge element of successfully enacting the many reforms, and ensuring successful outcomes related to these changes, involves timely and efficient training for our law enforcement officers. We ask the Legislature to ensure sufficient funding for the Criminal Justice Training Commission to carry out this training in a timely manner as well as the necessary funding to implement and administer changes to the decertification process and data collection requirements. Finally, we ask that bills like **HB 1202** (that create significant new liability costs for both the state and local governments) do not advance so we can focus our limited fiscal resources on training needs and reforms that will lead to lasting change.

Housing stability investments

Prior to the COVID-19 pandemic, communities throughout the state were already facing a housing affordability and stability crisis and an overburdened homelessness response system. Clearly, the crisis has become more acute. Data from 2020 showed that nearly one in every four renters was not confident in their ability to pay the next month's rent. Cities are very concerned that many thousands more may be at risk of losing their housing in the coming months when the eviction moratorium expires. We ask that you support the Governor's proposed emergency rental assistance investments of \$324 million over the next three years, and support **HB 1277** to create new dedicated rental assistance resources.

To mitigate the likelihood of our residents losing housing, we ask for your support for dispute resolution services and legal aid to support landlords and tenants in reaching agreement to keep people housed. We believe those protections should be available to renters statewide. We also hope you will support reinforcement of the Foreclosure Fairness Act counselors to assist homeowners at risk. We respectfully request that you exclude housing and homelessness investments from budget cuts and seek opportunities for additional targeted investments.

Support a statewide approach to correct fish-blocking culverts

Cities are focused on developing and funding a comprehensive statewide approach to culverts, in partnership with several state agencies. This strategy will have the most positive impact on fish passage and salmon recovery. Cities request your support for a two-pronged approach on culvert funding. First, please fully fund the \$65.6m capital budget request from the Fish Barrier Removal Board that builds upon years of collaborative work across state agencies, local governments, and other stakeholders. Second, as part of any comprehensive investment or revenue package to address state-owned culverts, please commit to a long-term and comprehensive approach to fixing culverts that provides funding to address local government and private culverts alongside the state's culverts that corrects them on a systemwide basis.

Growth Management Act

Several proposals are advancing through the policy committees that add new planning responsibilities for cities under the Growth Management Act (GMA). While cities are open to taking on new partnership with the state to lend our planning expertise to addressing critical issues like climate change, salmon recovery, and to do even more on homelessness and affordable housing, we cannot do so without support. 62% of cities are projecting revenue losses in 2021, and planning departments are more likely to face retrenchment than expanded responsibilities in this financial environment. We are working to find policy agreement on **HB 1099** (climate), **HB**

1117 (salmon), and **HB 1220** (affordable housing), but that support is contingent on sufficient funding to take on these new activities.

Flexible revenue options

In addition to the above expenditures, we want to express our interest in exploring revenue options at both the state and local levels. AWC recognizes the importance of both the state and cities having adequate revenues to keep up with the services required by our residents. City leaders also acknowledge the need to look for revenue options that are less regressive and more equitable. We are committed to partnering to explore options that provide more stability and predictability for both government and taxpayers.

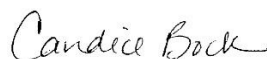
Thank you for your ongoing support for cities. City leaders appreciate your commitment to collaboration during this difficult time. We are particularly grateful for your willingness to share federal CARES Act CRF monies with cities. Cities put those monies to good use. The funds help cover the unexpected expenses of a range of critical needs including PPE for our public safety employees and the public at large, supporting members of our communities with business assistance and food, plus support for housing and childcare, to name a few.

We look forward to continuing this strong partnership.

Sincerely,



Peter B. King
Chief Executive Officer



Candice Bock
Government Relations Director