



City of Tukwila  
***Planning and Community  
 Development Committee***

- ◆ **Dennis Martinez, Chair**
- ◆ **Tosh Sharp**
- ◆ **Armen Papyan**

Distribution:  
 D. Martinez  
 T. Sharp  
 A. Papyan  
 Mayor McLeod  
 M. Wine  
 A. Youn  
 L. Humphrey

# AGENDA

**MONDAY, MAY 13, 2024 – 5:30 PM**

<b>ON-SITE PRESENCE:</b> <b>TUKWILA CITY HALL</b> <b>DUWAMISH CONFERENCE ROOM</b> <b>6300 SOUTHCENTER BOULEVARD</b>	<b>REMOTE PARTICIPATION FOR THE PUBLIC:</b> <b>1-253-292-9750, ACCESS CODE: 866559860#</b> <b>Click here to: <a href="#">Join Microsoft Teams Meeting</a></b> <b>For Technical Support: 1-206-433-7155</b>
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Item	Recommended Action	Page
<b>1. BUSINESS AGENDA</b>		
a. Discussion on housekeeping amendments to ADU standards. <i>Isaac Gloor, Associate Planner</i>	a. Forward to Planning Commission	<b>Pg.1</b>
b. Resolution adopting the 2025 South King Housing and Homelessness Partners (SKHHP) Work Plan and Budget. <i>Laurel Humphrey, Legislative Analyst</i>	b. Forward to 5/20 Regular Meeting Consent Agenda	<b>Pg.3</b>
c. Cannabis Retail Considerations. <i>Laurel Humphrey, Legislative Analyst</i>	c. Discussion Only	<b>Pg.25</b>
<b>2. MISCELLANEOUS</b>		

**Next Scheduled Meeting:** *June 10, 2024*



The City of Tukwila strives to accommodate individuals with disabilities.  
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## **INFORMATIONAL MEMORANDUM**

TO: **Planning and Community Development**

FROM: **Nora Gierloff, DCD Director**

BY: **Isaac Gloor, Associate Planner**

CC: **Thomas McLeod**

DATE: **May 13, 2024**

SUBJECT: **Title 18 Housekeeping: Accessory Dwelling Units**

### **ISSUE**

Minor housekeeping amendments to Title 18 to update Accessory Dwelling Unit development standards.

### **BACKGROUND**

In November of 2023, the City Council approved zoning code amendments that altered the development standards for Accessory Dwelling Units (ADUs) to comply with the recently passed State Law, known during development as HB 1337. These amendments allow for all parcels where Single-Family Homes are permitted to now develop up to two ADUs, in either attached or detached form, without owner occupancy and, if near frequent transit, without additional parking. Parking standards for single-family homes were not changed, and ADUs are still subject to most of the same development standards as single-family homes are, including setbacks and impervious surface limits. While the majority of the changes made were amendments to TMC 18.50, the chapter containing 'Supplemental Development Standards', additional areas where code must be changed to comply with Tukwila's requirements have been identified in the time since the Council's action.

### **DISCUSSION**

Below is a summary of the identified code sections and proposed changes:

- **TMC Table 18-6: Land Uses Allowed by District**
  - **Issue:** State law requires that Tukwila permit ADUs anywhere that the City permits Single-Family Homes. Most of Tukwila's Single-Family Homes are located within Tukwila's three residential zoning districts: Low-Density Residential, Medium-Density Residential, and High-Density Residential. The land use table currently permits ADUs within those districts. However, Tukwila also permits single-family homes within several other districts, including the Mixed Use Office (MUO), Office (O), Residential Commercial Center (RCC), and Neighborhood Commercial Center (NCC) districts. As Table 18-6 does not show that ADUs are permitted within those districts, Tukwila could not allow a new ADU to be established within them. This leaves Tukwila out of compliance with the requirements of State Law.
  - **Suggested Change:** Staff proposes to amend TMC Table 18-6 to include ADUs as permitted accessory uses within the MUO, O, RCC, and NCC zoning districts. While this would permit ADUs within 4 additional zoning districts than what is currently permitted, the impact is expected to be minor, as these districts do not currently contain many eligible properties and are unlikely to in the future.
- **TMC 18.50.220(B)(3): Accessory Dwelling Unit (ADU) Standards; General Standards**
  - **Issue:** This code section establishes the maximum size of detached ADUs, which, as required by the State, is set at 1000 square feet. However, it also

states that if an ADU is built over a detached garage, the department will not count the square footage of the detached garage toward the maximum size of an ADU. While this is accurate, it implies that in other scenarios, the department *would* count the square footage of a garage and use that to limit the size of ADUs. This implicit meaning is unintentional, and if enforced, would violate state requirements.

- Suggested Change: Staff proposes to amend TMC 18.50.220(B)(3) to remove the sentence “*If built over a detached garage, the detached garage would not count toward the area limit for the ADU*”. This change would remove the implication that other types of garages may count toward ADU area limits. This sentence is unnecessary, as garages are not habitable and would not count toward an ADUs floor area in any circumstance.
- TMC 18.50.055(C): Single-Family Dwelling Design Standard Exceptions
  - Issue: Washington State allows cities to establish design standards for ADUs, provided that those standards are no more restrictive than the standards for single-family dwellings. The TMC does this by establishing design standards for all new single-family dwellings, as well as accessory dwelling units and other accessory structures that require a building permit. These standards, as they are equally applied, comply with State requirements. Prior to the November code update by Council, Tukwila’s Accessory Dwelling Unit standards contained design requirements that were more restrictive than those for single-family homes. While those requirements were removed from the code specifically referencing ADUs, Tukwila’s single-family design standards still contain a reference to the now defunct code section.
  - Suggested Change: Staff proposes to correct this scrivener’s error and remove TMC 18.50.055(C).

**FINANCIAL IMPACT**

None.

**RECOMMENDATION**

The Committee is being asked to forward this issue to the Planning Commission for a recommendation. It will then be returned to Council in ordinance form for a hearing and decision.

**ATTACHMENTS**

None.



## **INFORMATIONAL MEMORANDUM**

**TO: Planning & Community Development Committee**  
**FROM: Claire Goodwin , Executive Manager, SKHHP  
Laurel Humphrey, Legislative Analyst**  
**DATE: May 7, 2024**  
**SUBJECT: Resolution adopting the 2025 SKHHP Work Plan and Budget**

### **BACKGROUND**

The South King Housing and Homelessness Partners (SKHHP) was established through an interlocal agreement between nine South King County cities and King County to work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. SKHHP currently has 12 member jurisdictions. Consistent with the SKHHP Interlocal Agreement, the SKHHP 2025 work plan and budget must be adopted by the SKHHP Executive Board and approved by each member jurisdiction’s legislative body.

### **DISCUSSION**

Every year, an annual work plan and budget is developed in collaboration with the SKHHP Executive Board, Advisory Board, and staff work group to guide the work of SKHHP staff in the coming year. Pursuant to the SKHHP Interlocal Agreement, each participating jurisdiction must approve SKHHP’s annual budget and work plan. The 2025 Executive Board recommended work plan was developed through surveys to the Executive and Advisory Boards on their priorities in February and an interactive in-person discussion with the Executive Board in March. The draft 2025 work plan and budget was adopted on April 19, 2024 at the Executive Board’s regularly scheduled meeting.

The 2025 work plan includes four goals with corresponding action items. Each action item is prioritized as higher, medium, or lower priority. Indicators are included to measure progress on the goals. The four goals, which are the same as 2024’s goal, include the following:

1. Fund the expansion and preservation of affordable housing
2. Develop policies that expand and preserve affordable housing
3. Serve as an advocate for South King County
4. Manage operations and administration

The 2025 SKHHP operating budget totals \$468,237, supporting two full-time staff, and includes itemization of all categories of budgeted expenses and itemization of each jurisdiction’s contribution, including in-kind services. Operating revenues originate from SKHHP member contributions. As discussed last year with Council, contributions are proposed to increase 15% annually for each member jurisdiction through 2026 as approved by the Executive Board in July 2021 to work towards a balanced budget whereby SKHHP’s revenues can fully support the budgeted expenditures. These projected member contributions assume no additional staff would be added. Member contributions are based

on population size accordingly, and no members are moving into a new population tier in 2025:

<b>Population tier</b>	<b>2023 Contribution</b>	<b>2024 Contribution</b>	<b>2025 Contribution</b>	<b>2026 Contribution</b>
<10,000	\$5,290	\$6,084	\$6,996	\$8,045
10,001 – 35,000	\$9,919	\$11,407	\$13,118	\$15,085
35,001 – 65,000	\$19,838	\$22,814	\$26,236	\$30,172
65,000 – 100,000	\$34,385	\$39,543	\$45,474	\$52,295
100,000+	\$44,965	\$51,710	\$59,466	\$68,386

Salaries and benefits are proposed to increase by 5% in 2025. Interfund IT, which is the amount paid to SKHHP’s administering agency (City of Auburn) for IT services, is proposed to increase by 11%. Advisory Board compensation, SKHHP staff travel, and supplies remain unchanged in 2025. Professional services/Misc. is proposed to increase to accommodate necessary legal assistance for the development and review of SKHHP’s housing contracts and funding documents. This line item also incorporates budgeted expenses for professional development from 2024 to align with the administering agency’s expenditure categories. SKHHP continues to spend down the fund balance from cost-savings in 2019 and 2020 to mitigate any additional increases to member contributions.

The 2025 Executive Board recommended operating budget also includes the spend-down of interest earnings accrued primarily from Housing Capital Fund contributions. Interest earned between 2019 and 2023 by jurisdiction/entity to be applied to the operating fund balance are as follows:

<b>Interest Earned by Jurisdiction 2019-2023</b>	
Auburn	\$8,653
Burien	\$6,588
Covington	\$8,036
Des Moines	\$2,534
Federal Way	\$11,276
Kent	\$97,962
Maple Valley	--
Normandy Park	\$281
Renton	\$16,726
SeaTac	--
Tukwila	\$975
King County	\$488
KCHA	\$9
<b>TOTAL</b>	<b>\$153,529</b>

To spend the interest earnings requires the approval of each SKHHP member with allocated accrued interest based on their contributions. With the adoption of the 2025 SKHHP operating budget which incorporates the interest earnings into the SKHHP operating fund balance, the City Council is providing authorization for SKHHP to use those funds towards the operating budget. These funds will assist in future years should there be an economic recession and members choose to pause an increase in dues.

**RECOMMENDATION**

Staff recommends Committee approval of the resolution to forward to the May 20, 2024 Regular Consent Agenda.

1. The 2025 SKHHP work plan and budget is consistent with the Interlocal Agreement and relevant subsequent Companion Agreements between Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, Tukwila, and King County.
2. The 2025 SKHHP work plan and budget incorporates the feedback and priorities of the SKHHP Executive Board made up of representatives of each participating jurisdiction and the Advisory Board made up of South King County community members, representatives of housing organizations, and affordable housing subject matter experts.

**ATTACHMENTS**

- 1.Presentation
- 2.Draft Resolution







# South King Housing and Homelessness Partners (SKHHP) 2025 Work Plan and Budget

May 13, 2024



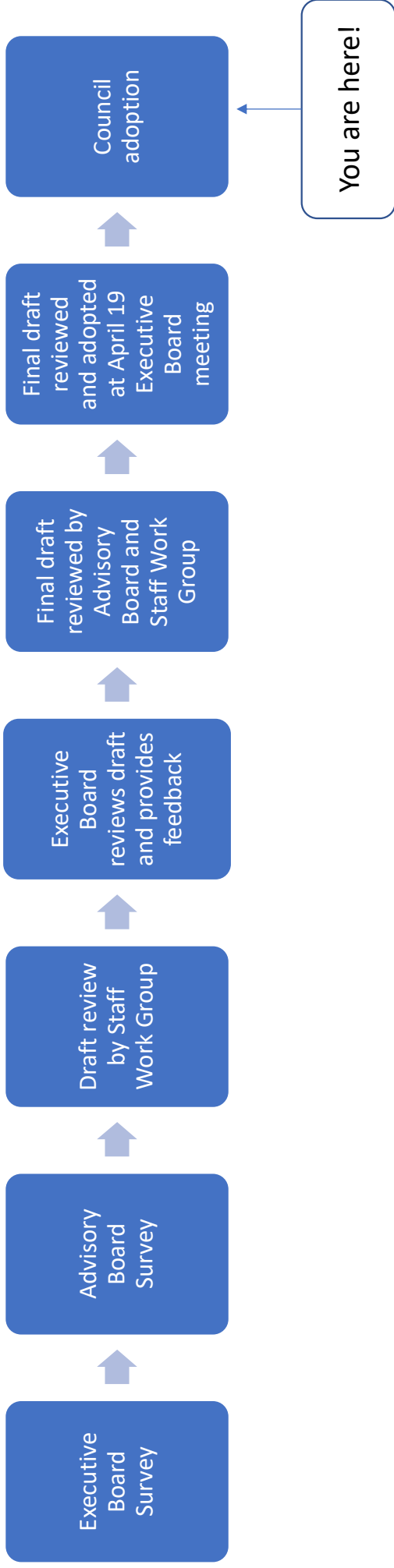


## About SKHHP

- 2019: SKHHP was formed via an Interlocal Agreement
- Twelve member jurisdictions include:
  - Auburn
  - Burien
  - Covington
  - Des Moines
  - Federal Way
  - Kent
  - Maple Valley
  - Normandy Park
  - Renton
  - SeaTac
  - Tukwila
  - King County
- Mission:
  - South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.
- Interlocal agreement requires City Council adoption of annual work plan and budget



# 2025 Work Plan Development Process





# 2025 Work Plan Goals



1. Fund the expansion and preservation of affordable housing.



2. Develop policies to expand and preserve affordable housing.



3. Serve as an advocate for South King County.



4. Manage operations and administration.



# 2025 Operating Budget

- Total operating budget: \$468,237
  - 68% funds salary and benefits (2 FTEs)
- Revenue:
  - Operating revenues come from member jurisdiction annual contributions and based on population tiers
  - Executive Board adopted policy in July 2021
    - 15% increase in member contributions each year through 2026
- Expenses:
  - Professional services/Misc. increasing to accommodate the legal assistance needed for the development of housing contracts and third-party review of applications
    - Incorporates professional development from 2024 budget
- Continuing to spend down cost savings from first two years to balance additional contribution increases
- Interest earnings incorporated into operating fund balance



# Operating Contributions by Population

Member Jurisdiction Population Tier	2023 Contribution	2024 Contribution	2025 Contribution	2026 Contribution
<10,000	\$5,290	\$6,084	\$6,996	\$8,045
10,001 – 35,000	\$9,919	\$11,407	\$13,118	\$15,085
35,001 – 65,000	\$19,838	\$22,814	\$26,236	\$30,172
65,000 – 100,000	\$34,385	\$39,543	\$45,474	\$52,295
100,000+	\$44,965	\$51,710	\$59,466	\$68,386





# Population by City and Year

SKHHP Member Jurisdictions	Population (OFM 2021 estimate)	Population (OFM 2022 estimate)	Population (OFM 2023 estimate)	Population (OFM 2024 estimate)
Auburn	Total: 83,950 KC: 73,901	Total: 88,750 KC: 78,690	Total: 88,820 KC: 78,760	
Burien	53,290	52,490	52,560	
Covington	20,890	21,200	21,600	
Des Moines	32,820	33,160	33,260	
Federal Way	99,590	101,800	102,000	
Kent	132,400	137,900	139,100	Data not published until June 28, 2024
Maple Valley	--	28,920	29,250	
Normandy Park	6,740	6,790	6,840	
Renton	106,500	107,500	107,900	
Tukwila	21,970	22,620	22,780	
King County (unincorporated)	--	248,160	249,060	





# Projected Budget 2024-2026

	2024	2025	2026
Estimated beginning fund balance	\$ 394,534	\$ 344,131	\$ 285,588
<b>REVENUES</b>			
Auburn	\$ 39,543	\$ 45,474	\$ 52,295
Burien	\$ 22,814	\$ 26,236	\$ 30,171
Covington	\$ 11,407	\$ 13,118	\$ 15,086
Des Moines	\$ 11,407	\$ 13,118	\$ 15,086
Federal Way	\$ 51,710	\$ 59,466	\$ 68,386
Kent	\$ 51,710	\$ 59,466	\$ 68,386
Maple Valley	\$ 11,407	\$ 13,118	\$ 15,086
Normandy Park	\$ 6,084	\$ 6,996	\$ 8,045
Renton	\$ 51,710	\$ 59,466	\$ 68,386
SeaTac	\$ 10,456	\$ 13,118	\$ 15,086
Tukwila	\$ 11,407	\$ 13,118	\$ 15,086
King County	\$ 51,710	\$ 59,466	\$ 68,386
Additional King County	\$ 23,290	\$ 15,534	\$ 6,614
Interest earnings	\$ 2,100		
Office space (in-kind donation)	\$ 12,000	\$ 12,000	\$ 12,000
<b>TOTAL REVENUES</b>	<b>\$ 368,755</b>	<b>\$ 409,694</b>	<b>\$ 458,098</b>
Spend down balance	\$ 50,403	\$ 58,543	\$ 40,285
<b>TOTAL EXPENSES</b>	<b>\$ 419,158</b>	<b>\$ 468,237</b>	<b>\$ 498,383</b>



# **DRAFT**

## **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS' 2025 WORK PLAN AND 2025 OPERATING BUDGET.**

**WHEREAS**, on February 21, 2019, the City of Tukwila entered into an Interlocal Agreement (ILA) with 8 other south King County cities and King County to form the South King Housing and Homelessness Partners (SKHHP); and

**WHEREAS**, pursuant to the Interlocal Agreement, each participating jurisdiction must approve an annual work plan each year to guide the work of SKHHP staff; and

**WHEREAS**, pursuant to the Interlocal Agreement, each participating jurisdiction must approve SKHHP's annual budget that includes an itemization of all categories of budgeted expenses and itemization of each Party's contribution, including in-kind services; and

**WHEREAS**, the purpose of the annual work plan and budget is to provide management and budget guidance, and to implement the overarching SKHHP goals to work together and share resources to increase the available options for south King County residents to access affordable housing and to preserve the existing affordable housing stock; and

**WHEREAS**, the 2025 work plan includes four goals with corresponding action items that further SKHHP's mission; and

**WHEREAS**, on April 19, 2024, the SKHHP Executive Board adopted Resolution No. 2024-02 enacting the 2025 SKHHP Work Plan and Operating Budget effective upon approval by the legislative body of each party;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The City Council adopts the 2025 South King Housing and Homelessness Partners Work Plan and 2025 Operating Budget, hereby incorporated by reference as “Attachment A.”

**Section 2.** The City of Tukwila will transmit its annual contribution to SKHHP during the first quarter of each calendar year.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Andy Youn, CMC, City Clerk

\_\_\_\_\_  
Mohamed Abdi, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: \_\_\_\_\_  
Passed by the City Council: \_\_\_\_\_  
Resolution Number: \_\_\_\_\_

\_\_\_\_\_  
Office of the City Attorney

Attachment A: South King Housing and Homelessness Partners Resolution No. 2024-02, Adopting the 2025 SKHHP Work Plan and Operating Budget

**RESOLUTION NO. 2024-02**

A RESOLUTION OF THE EXECUTIVE BOARD OF THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP), ADOPTING THE 2025 SKHHP WORK PLAN AND OPERATING BUDGET

WHEREAS, pursuant to the Interlocal Agreement, the SKHHP Executive Board approves an annual work plan and budget each year to guide the work of SKHHP staff; and

WHEREAS, pursuant to the Interlocal Agreement, the annual budget includes an itemization of all categories of budgeted expenses and itemization of each Party’s contribution, including in-kind services; and

WHEREAS, upon adoption by the Executive Board, the annual work plan and budget will be transmitted to each participating jurisdiction for approval by their legislative body; and

WHEREAS, the budget will not become effective until approved by the legislative body of each jurisdiction and adopted by the SKHHP Executive Board; and

WHEREAS, if a party does not approve the work plan or budget in a timely manner, the Executive Board may adopt the budget and work plan with a two-thirds majority vote; and

WHEREAS, the purpose of the annual work plan and budget is to provide management and budget guidance, and implement the overarching SKHHP mission to work together and share resources to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock; and

WHEREAS, the 2025 work plan includes four goals with corresponding action items that further SKHHP’s mission.

NOW, THEREFORE, THE EXECUTIVE BOARD RESOLVES as follows:

**Section 1.** The Executive Board adopts the 2025 SKHHP Work Plan in Attachment A.

**Section 2.** The Executive Board adopts the 2025 SKHHP Operating Budget in Attachment B.

**Section 3.** Each party’s contribution to SKHHP’s operating budget will be transmitted on an annual basis during the first quarter of the calendar year.

**Section 4.** This Resolution will take effect and be in full force upon approval by the legislative body of each participating jurisdiction.

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

NANCY BACKUS, CHAIR, SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

**RESOLUTION 2024-02 – ATTACHMENT A**  
**SKHHP 2025 WORK PLAN**

**PURPOSE**

Establish a 2025 SKHHP work plan and budget that is guided by Executive Board priorities, is consistent with the SKHHP Interlocal Agreement, and furthers SKHHP’s mission.

**BACKGROUND**

Established by an interlocal agreement, SKHHP jurisdictions work together and share resources to increase options for South King County residents to access affordable housing and preserve existing affordable housing. The 2025 SKHHP work plan builds on work done in previous years and was developed in collaboration with the Executive Board, Advisory Board, and staff work group.

The work plan is organized into four goals with corresponding action items. Each action is identified by priority as follows:

- Higher – Identified as higher priority by Executive Board or is necessary to carry out the Interlocal Agreements
- Medium – Identified as mid-level priority
- Lower – Identified as lower priority

Quarterly budget and progress reports on the status of the work plan elements will be submitted to the SKHHP Executive Board and the legislative body of each member jurisdiction as follows:

**Quarter 1:** May | **Quarter 2:** August | **Quarter 3:** November | **Quarter 4:** February

In accordance with the Interlocal Agreement, the 2025 SKHHP work plan and budget will be approved by the SKHHP Executive Board and the legislative body of each member jurisdiction.

**SKHHP MISSION**

South King County jurisdictions working together and sharing resources to create a coordinated, comprehensive, and equitable approach to increasing housing stability, reducing homelessness, and producing and preserving quality affordable housing in South King County.

**GOALS & ACTIONS**

Goal	Actions
1. Fund the expansion and preservation of affordable housing.	1 through 5
2. Develop policies to expand and preserve affordable housing.	6 through 10
3. Serve as an advocate for South King County.	11 through 15
4. Manage operations and administration.	16 through 20



## Goal 1

### Fund the expansion and preservation of affordable housing.

Actions	Priority of Actions ●●● = Higher ●● = Medium ● = Lower
1. Pool resources from member cities for the Housing Capital Fund, including SHB 1406 funds, HB 1590 funds, and general funds.	●●●
2. Develop and execute contract documents and covenants for projects ready to move forward (Burien Family Housing – 2022; Kent Multicultural Village – 2023; Skyway Affordable Housing and Early Learning Center – 2023).	●●●
3. Facilitate approval from participating Councils of recommended projects from 2024 Housing Capital Fund funding round and preparing contract documents and covenants if any projects are ready to move forward.	●●●
4. Manage 2025 Housing Capital Fund funding round including adopting annual guidelines, updating application materials, soliciting proposals, and facilitating project selection.	●●●
5. Encourage investment in South King County by private investors, lenders, and philanthropies.	●●
<b>Indicators</b>	
○ Number of housing units or number of projects funded with financial support from SKHHP	
○ Number of housing units preserved with financial support from SKHHP	
○ Total dollar amount pooled by member jurisdictions for Housing Capital Fund	
○ Total dollar amount from new sources of revenue added to the Housing Capital Fund	
○ Geographic diversity of applications received for annual Housing Capital Fund funding round	



## Goal 2

### Develop policies to expand and preserve affordable housing.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
6. Facilitate implementation of any subregional housing preservation strategies.	•••
7. Facilitate technical assistance and updates to the Affordable Housing Inventory Dashboard.	•••
8. Build relationships with developers to learn from their perspective the ways to encourage housing development, especially affordable housing.	••
9. Convene land use planners to increase coordination and collaboration on housing policy and planning.	•
10. Develop SKHHP Executive Board briefings on key housing and homelessness topics, especially as they relate to the goals of the work plan.	•
<b>Indicators</b>	
○ Number of subregional housing preservation strategies facilitated or supported	
○ Successful update of data to the Affordable Housing Inventory Dashboard	
○ Number of relationships built with developers	
○ Number of Executive Board briefings on key housing and homelessness topics	



### Goal 3

#### Serve as an advocate for South King County.

Actions	Priority of Actions ••• = Higher •• = Medium • = Lower
11. Coordinate with the Advisory Board in collaboration with housing organizations and stakeholder groups to provide education and engagement opportunities for elected officials and community members.	••
12. Work collaboratively with public funders at the state and local levels to promote shared affordable housing goals and equitable geographic distribution of resources.	••
13. Represent SKHHP at relevant local and regional meetings and forums that help advance SKHHP’s mission and provide a voice for increasing access to safe, healthy, and affordable housing in South King County.	•
14. Meet with legislators as opportunities arise to inform about SKHHP’s mission, goals, and the Housing Capital Fund.	•
15. Connect affordable housing developers with property owners who intend to sell naturally occurring affordable housing in coordination with member cities.	•
<b>Indicators</b>	
○ Number of events or engagement opportunities Advisory Board members organize or support	
○ Number of meetings, forums, or events attended that advance SKHHP's mission	
○ Number of meetings with legislators that promote SKHHP and South King County	
○ Number of affordable housing developers connected with property owners intending to sell naturally occurring affordable housing	



## Goal 4

### Manage operations and administration.

<b>Actions</b>	<b>Priority of Actions</b> ••• = Higher •• = Medium • = Lower
16. Develop annual work plan and budget.	•••
17. Generate and distribute quarterly progress reports to SKHHP Executive Board and member jurisdictions.	•••
18. Work with administering agency to maintain records and produce regular financial reports for the SKHHP Housing Capital Fund and SKHHP Operating Account.	•••
19. Organize and host monthly Executive and Advisory Board public meetings.	•••
20. Maintain and update the SKHHP website.	••
<b>Indicators</b>	
○ Work plan and budget adopted	
○ Quarterly progress reports prepared and presented to Executive Board	
○ Financial reports and public records maintained	
○ Monthly Executive and Advisory Board meetings held	
○ Website maintained	



**RESOLUTION 2024-02 – ATTACHMENT B**

**2025 SKHHP Operating Budget**

Estimated beginning fund balance - January 1, 2025	\$ 344,131
Estimated ending fund balance - December 31, 2025	\$ 285,588

**REVENUES**

Auburn	\$ 45,474
Burien	\$ 26,236
Covington	\$ 13,118
Des Moines	\$ 13,118
Federal Way	\$ 59,466
Kent	\$ 59,466
Maple Valley	\$ 13,118
Normandy Park	\$ 6,996
Renton	\$ 59,466
SeaTac	\$ 13,118
Tukwila	\$ 13,118
King County*	\$ 59,466
Additional King County*	\$ 15,534
Office space (in-kind donation)	\$ 12,000
<b>TOTAL REVENUES</b>	<b>\$ 409,694</b>
Spend down balance	\$ 58,543
<b>TOTAL</b>	<b>\$ 468,237</b>

**EXPENSES**

Salaries and benefits	\$ 320,611
Interfund IT	\$ 35,000
Advisory Board compensation	\$ 14,400
Office space (in-kind donation)	\$ 12,000
Professional services/Misc.	\$ 37,500
Travel	\$ 5,250
Supplies	\$ 2,000
<b>Subtotal</b>	<b>\$ 426,761</b>
Administering agency - 10% admin fee**	\$ 41,476
<b>TOTAL</b>	<b>\$ 468,237</b>

\*King County contribution based on the population of unincorporated King County is shown as increasing at the same rate as other partner jurisdictions and the additional allocation decreasing to maintain a total contribution of \$75,000 per year.

\*\*10% administrative fee is calculated as a percentage of operating costs which excludes in-kind donations and carry-forwards.





## **INFORMATIONAL MEMORANDUM**

**TO: Planning & Community Development Committee**  
**FROM: Laurel Humphrey, Legislative Analyst**  
**CC: Mayor McLeod**  
**DATE: May 1, 2024**  
**SUBJECT: Cannabis Retail Zoning Considerations**

### **ISSUE**

The City Council requested a briefing on considerations regarding expanding zoning for cannabis retail establishments.

### **BACKGROUND**

Initiative 502 passed in November 2012 and created a comprehensive regulatory approach on cannabis with state-licensed producers, processors and retailers. Initiative 502 received a yes vote in all but one Tukwila precinct. HB 2870 created a Marijuana Social Equity Program in 2020 to address historic racial inequity in enforcement of marijuana laws. In 2022 2SHB 1210 replaced all references to “marijuana” in state statutes and regulations with the word “cannabis.”

- On September 3, 2013, the City Council adopted Ordinance 2407 to implement Initiative 502, determining that cannabis retailers, producers and processors are permitted uses in Tukwila Valley South and Heavy Industrial Zones, subject to the 1,000-foot exclusion rule.
- In 2015, 2SSB 5052 and HB 2136 allowed cities to reduce buffers from 1000 to 100 feet around all entities except elementary and secondary schools and public playgrounds.
- In 2017, the City Council received two separate requests to expand permitted cannabis retail zones but denied both on February 13, 2017.
- In September 2019, the Finance Committee discussed revenue and zoning considerations and decided against recommending any changes to the City Council at that time.
- In June 2021, the Finance & Governance Committee discussed revenue potential and decided against recommending any changes to the City Council.

### **DISCUSSION**

#### **Zoning**

Currently, cannabis retail, production and processing are only permitted in the Tukwila Valley South and Heavy Industrial Zones. ([Read more in the 8/26/13 staff report](#)).

#### **Current Licenses**

Through the I-502 rulemaking process, the Liquor and Cannabis Board adopted regulations on the number of retail store licenses for jurisdictions, determining a maximum of two for Tukwila. All cannabis licensing is regulated and enforced by the Washington State Liquor and Cannabis Board. There are currently active licenses for Tukwila’s two retail allotments: Mount Baker Retail Partnership, LLC (12539 E Marginal way S) and Dash & Wrigley LLC (13003 Tukwila International Boulevard). Neither of these are operating. Licensed retailers are required to be open and operational, but licenses can be held without opening if they obtain a title certificate relieving them of the requirement to be open based on a moratorium, ban, or other zoning restriction, or if the business is temporarily discontinued while they move locations.

**Sales and Excise Tax Revenue**

The state cannabis excise tax and its distribution has changed over time and can be altered in any future legislative session. The State currently taxes cannabis through a single excise tax of 37% at the time of retail sale, in addition to the regular state and local sales tax, and \$30M of that revenue is shared with cities, towns and counties. There are two components to the distributions: 1) per capita share to all jurisdictions that allow the siting of producers, processors and retailers; 2) retail share to all jurisdictions where licensed retailers are physically located and in proportion to total statewide retail sales. Tukwila does not have any cannabis businesses and therefore does not receive sales-based revenue. Tukwila’s per capita distribution has been:

<b>Year*</b>	<b>Revenues</b>
2023	36,302
2022	32,334
2021	24,013
2020	23,479
2019	23,123
2018	23,364

\*State Fiscal Year: July 1 – June 30

Beyond the excise tax, cannabis retail operations would generate sales tax. For every \$1 million in cannabis sales, the City could expect to receive \$8,585 in sales tax revenue. Staff looked up average retail sales within 5-miles of a cannabis retailer in the Ikea District of Renton, and for Jan-December 2023 the average per store was \$4.1 million. Hypothetically, if two retailers in Tukwila had combined yearly sales of \$8M, the City would receive \$68,680 of sales tax in addition to the increased excise revenue described above.

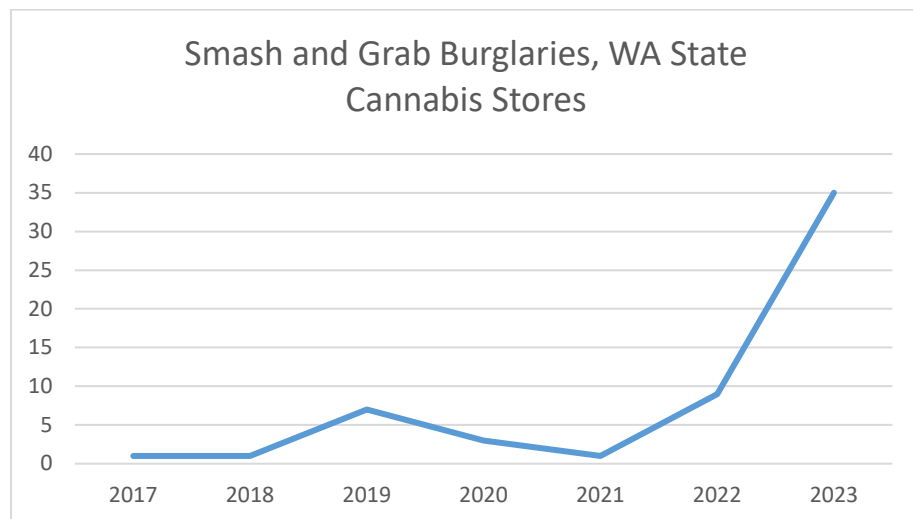
It is difficult to estimate what Tukwila would receive for its tax share if the two state-issued licenses were active businesses. The excise tax formula depends not only on population but also on cannabis retail sales as a proportion of total retail sales, as well as the number/total population of cities and counties that prohibit marijuana. MRSC used to offer an estimate calculator but discontinued it due to complexity of the formula. While the revenue potential is difficult to predict, we can look to neighboring jurisdictions for insight, while recognizing that their larger residential populations result in greater shares than Tukwila would receive in similar circumstances. The chart below shows the 2023 cannabis excise revenue for neighboring cities with open retailers:

<b>City (number of locations)</b>	<b>Population</b>	<b>2023 Cannabis Revenue*</b>
Burien (2)	50,216	\$163,047
Auburn (4)	83, 757	\$246,135
Des Moines (2)	32, 177	\$123,131
Renton (4)	102,716	\$295,597

\*State Fiscal Year: July 1 – June 30

**Crime & Safety around Retail Locations**

Cannabis stores are frequent targets for theft, typically in the form of armed robberies or smash and grab burglaries, due to federal banking restrictions that require them to do business primarily in cash. Congress has been working on the SAFER (Secure and Fair Enforcement Regulation) Banking Act which would address this issue, and has shown bipartisan support. In Washington State, a bill that would have added a 12-month sentence enhancement for smash and grab convictions was introduced but not passed in the most recent state legislative session.



Source: [Uncle Ike's i502 Robbery Tracker](#)

The below table shows calls for service at certain retailers in nearby cities from 2019-2023.

	Auburn			Burien		Des Moines	Renton			
	Evergreen Market	Lucid	The Stash Box	The Joint	Kush 21	Greenside	Buddy's	Emerald Haze	Evergreen Market North	Evergreen Market South
2019	47	22	16	17	33	83	20	35	38	33
2020	36	39	20	19	44	78	13	40	17	36
2021	48	15	21	18	34	69	17	30	13	39
2022	56	14	16	21	36	52	20	28	12	30
2023	55	18	14	16	20	64	17	33	14	35

Through the code update process the City Council could consider establishing permitting requirements designed to address theft and crime concerns.

**RECOMMENDATION**

This is intended to provide a discussion opportunity for the Committee. If a majority of the City Council wishes to update the zoning for cannabis-related business, it is a significant work item that would require ordinance development, Planning Commission review, and a public outreach and hearing process. This could be added to the Department of Community Development work plan for the second half of 2025, following the adoption of the Comprehensive Plan and updated middle housing regulations.

**ATTACHMENTS**

Cannabis Excise Tax Excerpt from Revenue Guide for Washington Cities & Towns Map (distributed separately)

## CANNABIS (MARIJUANA) EXCISE TAX

### Quick Summary

- A portion of the state’s cannabis excise tax is distributed to cities and counties depending on their cannabis policies.
- Two separate components:
  - **Per capita share** distributed to all cities and counties that do not prohibit cannabis businesses.
  - **Retail share** distributed to cities and counties where cannabis retailers are located, in proportion to statewide cannabis revenues.
- No clear guidance on use of revenues, but stated intent of I-502 is that cannabis legalization will “[allow] law enforcement resources to be focused on violent and property crimes [and generate] new state and local tax revenue for education, health care, research, and substance abuse prevention.”

**RCW:** [69.50.540\(2\)\(g\)](#)

Initiative 502 (I-502), which was approved by voters in 2012, legalized recreational cannabis and authorized cannabis excise taxes. Cannabis excise taxes are imposed and collected by the State of Washington; as of 2022, the state imposes a 37% cannabis excise tax on the retail sale of cannabis, cannabis concentrates, and cannabis-infused products ([RCW 69.50.535](#) and [WAC 314-55-089](#)).

Cities and counties may *not* impose additional local excise taxes upon the sale of cannabis. However, the state shares some of the excise tax revenues with cities and counties, as mandated by I-502.<sup>44</sup> Beginning in 2022, counties receive a percentage of the excise tax revenues (after various deductions), which means these revenues will fluctuate with cannabis sales activity. Previously, the excise tax distributions were fixed by legislative appropriation.

Cannabis excise tax distributions depend in significant part upon local cannabis policies and regulations. The regulatory approach that each county adopts, as well as the number of cannabis retailers located within each county’s unincorporated areas, will determine whether the county receives any cannabis excise tax revenue (and how much).

### ***Eligibility and Distribution Formula***

There are two separate components to cannabis excise tax distributions:

- **Per capita share:** Distributed on a strictly per capita (population) basis to all cities, towns, and counties that allow the siting of cannabis producers, processors, AND retailers. Any jurisdiction that prohibits cannabis producers, processors, OR retailers is not eligible.
- **Retail share:** Distributed to all cities, towns, and counties where licensed cannabis retailers are physically located, and in proportional share to total statewide cannabis retail sales. For counties, the retail share only includes unincorporated areas only and does not include any retailers physically located in any city located within the county.

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<sup>44</sup> The intent of I-502 states, among other things, that it will “[generate] new state *and local* tax revenue” [emphasis added], although it does not specify how the revenue will be shared with local governments or how much will be shared.

The different distribution formulas mean that some jurisdictions will receive both the per capita and retail distributions, while others may receive only one or the other, and some jurisdictions will receive neither. The chart below shows a few hypothetical scenarios to illustrate the differences.

Hypothetical Cannabis Excise Tax Distribution Scenarios	Eligible for per capita share?	Eligible for retail share?
County allows cannabis production, processing, and retail and has at least one retailer located within the unincorporated area.	Yes	Yes
County prohibits cannabis entirely and has no retailers located within the unincorporated area.	No	No
County took no action to prohibit cannabis, but no cannabis retailers are located within the unincorporated area.	Yes	No
County prohibits cannabis producers and processors but allows retailers and has at least one retailer located within the unincorporated area.	No	Yes
County currently prohibits new cannabis businesses but has existing retailers within unincorporated areas that are grandfathered in.	No	Yes
County prohibits cannabis retail and has no retailers within the unincorporated area but allows cannabis production and processing.	No	No

Each year by September 15, the LCB must provide the state treasurer with the annual distribution amount for each county and city. For the most recent legislative appropriations and distribution estimates, refer to our annual [Budget Suggestions publication](#), released every year at the end of July.

### **Use of Revenues**

The restrictions on the use of cannabis excise tax revenues are somewhat murky, as there is no clear statute stating how the funds must be used. However, the notes in [RCW 69.50.540](#) reference [RCW 69.50.101](#) and the stated intent of I-502, which states that cannabis legalization will “[allow] law enforcement resources to be focused on violent and property crimes [and generate] new state and local tax revenue for education, health care, research, and substance abuse prevention.”

### **Timing of Receipts**

Payments are distributed quarterly on the last business day of March, June, September, and December. The State Treasurer’s Office distributes both the “per capita” and “retail” shares together in one payment using the same BARS code.

