

2022 City Conditions Survey results



Who took the survey?

92 city respondents

33% of Washington cities

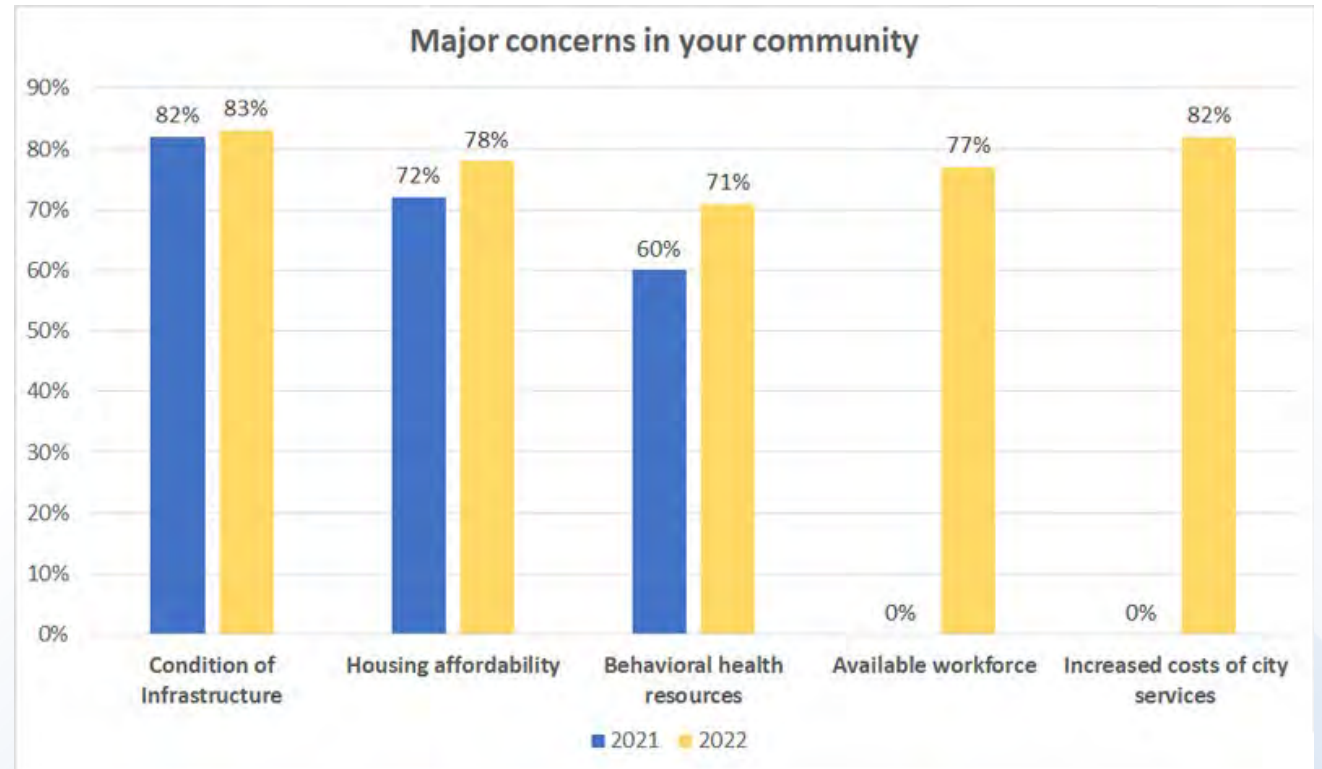
Encompassing nearly
2 million residents

36% of state's city
population represented

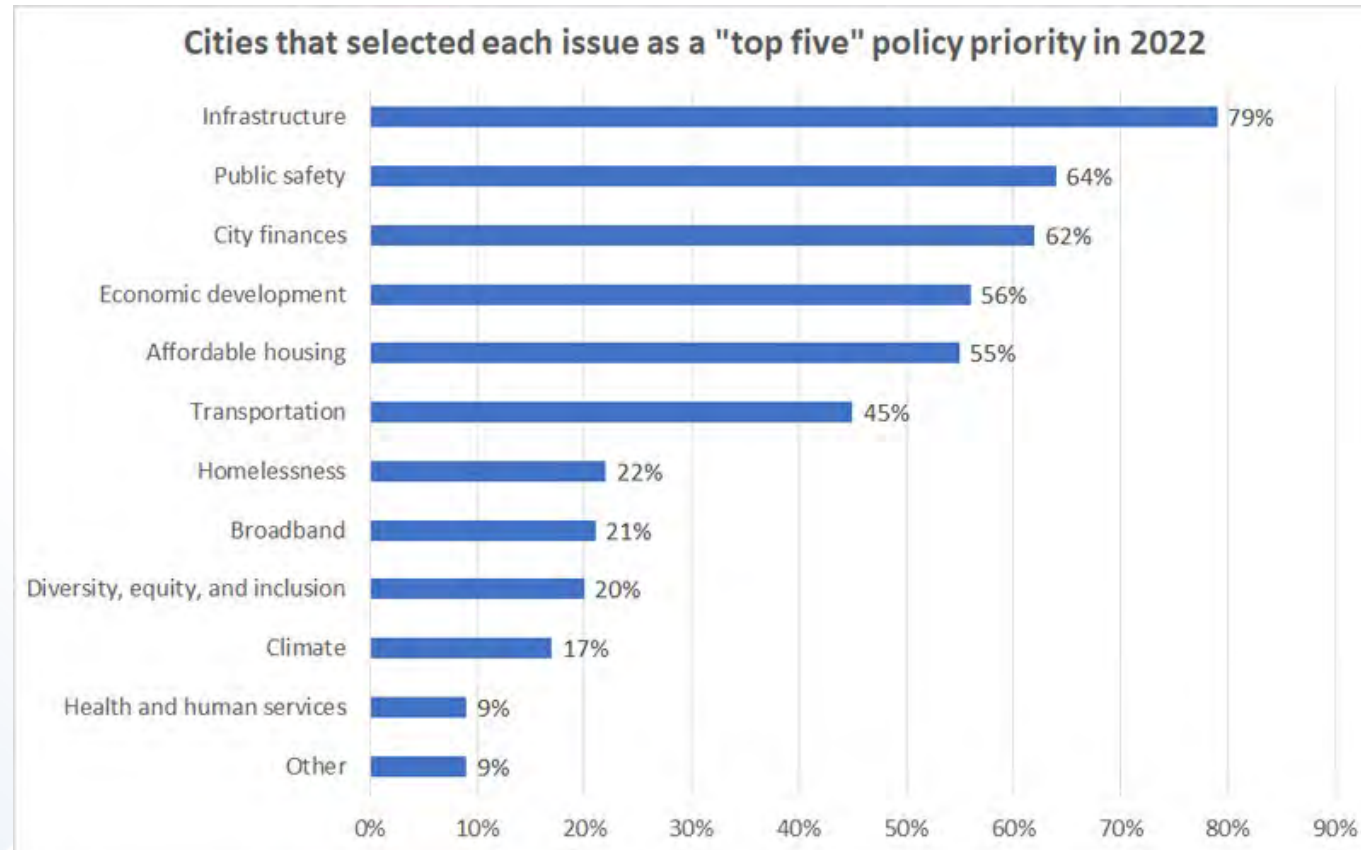
What we found

Major concerns:

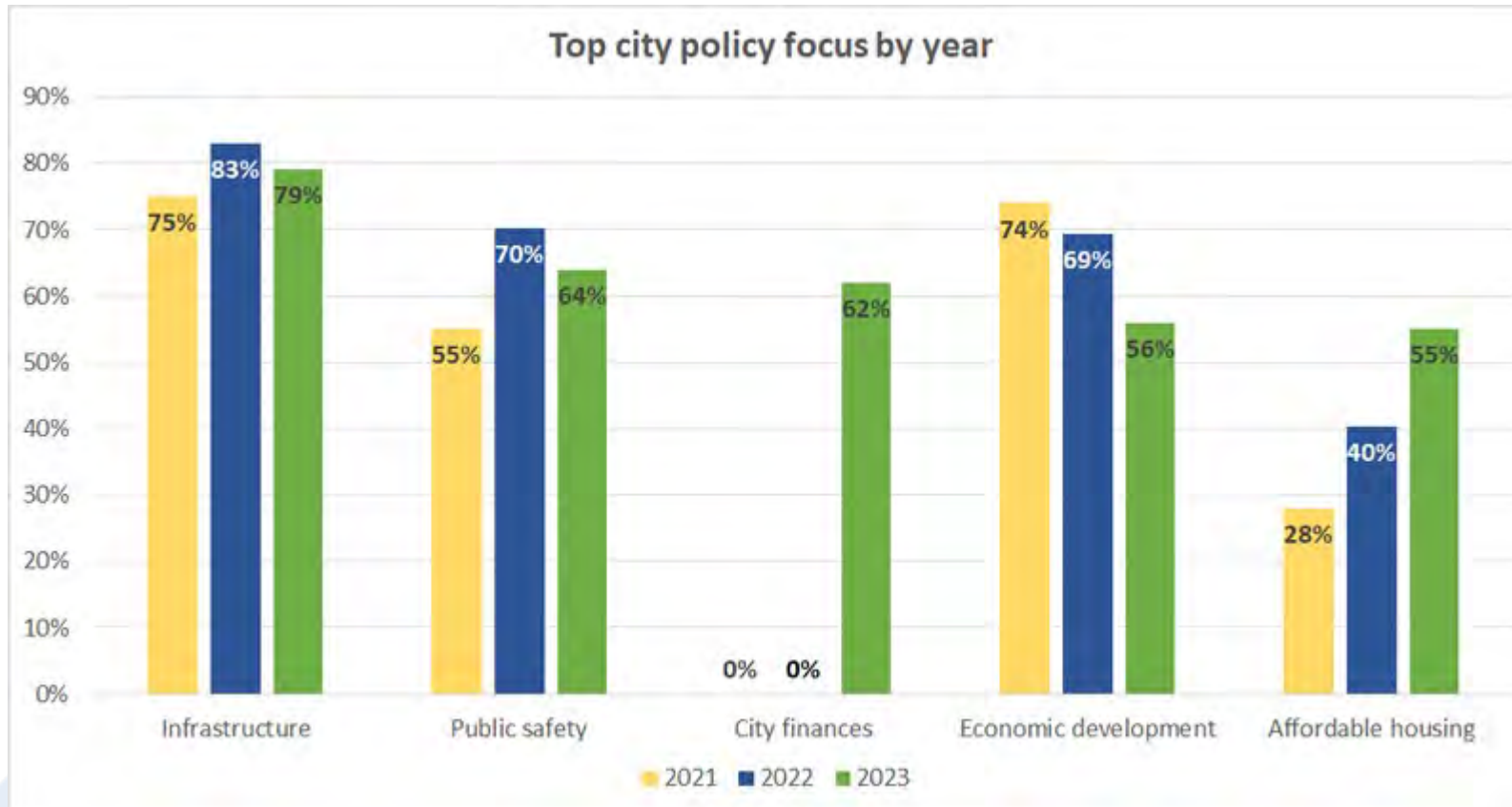
- Conditions of infrastructure systems;
- Increased costs of city services;
- Affordability of housing;
- Availability of workforce; and
- Availability of behavioral health resources.



Top five policy priorities



Top city policy focus by year



Affordable housing has increased as a top policy focus each year, while economic development has decreased each year

How can the state help?

Finally, cities largely concur on how the state could best support their work, with infrastructure consistently leading the list of needs for **91% of cities**. More than **50% of cities** say they would be helped by:

- An increase in state funding to local governments for **infrastructure** and capital projects (91%);
- An increase to, or preserving of, current **state-shared revenues** (79%);
- A revision to the **1% property tax** limit (66%);
- Granting cities **new revenue authority** for operating purposes (61%);
- The creation or enhancement of existing state programs to assist local governments in **economic development** (60%).

Finance

Although **80% of cities** do not expect a revenue decline in 2023:

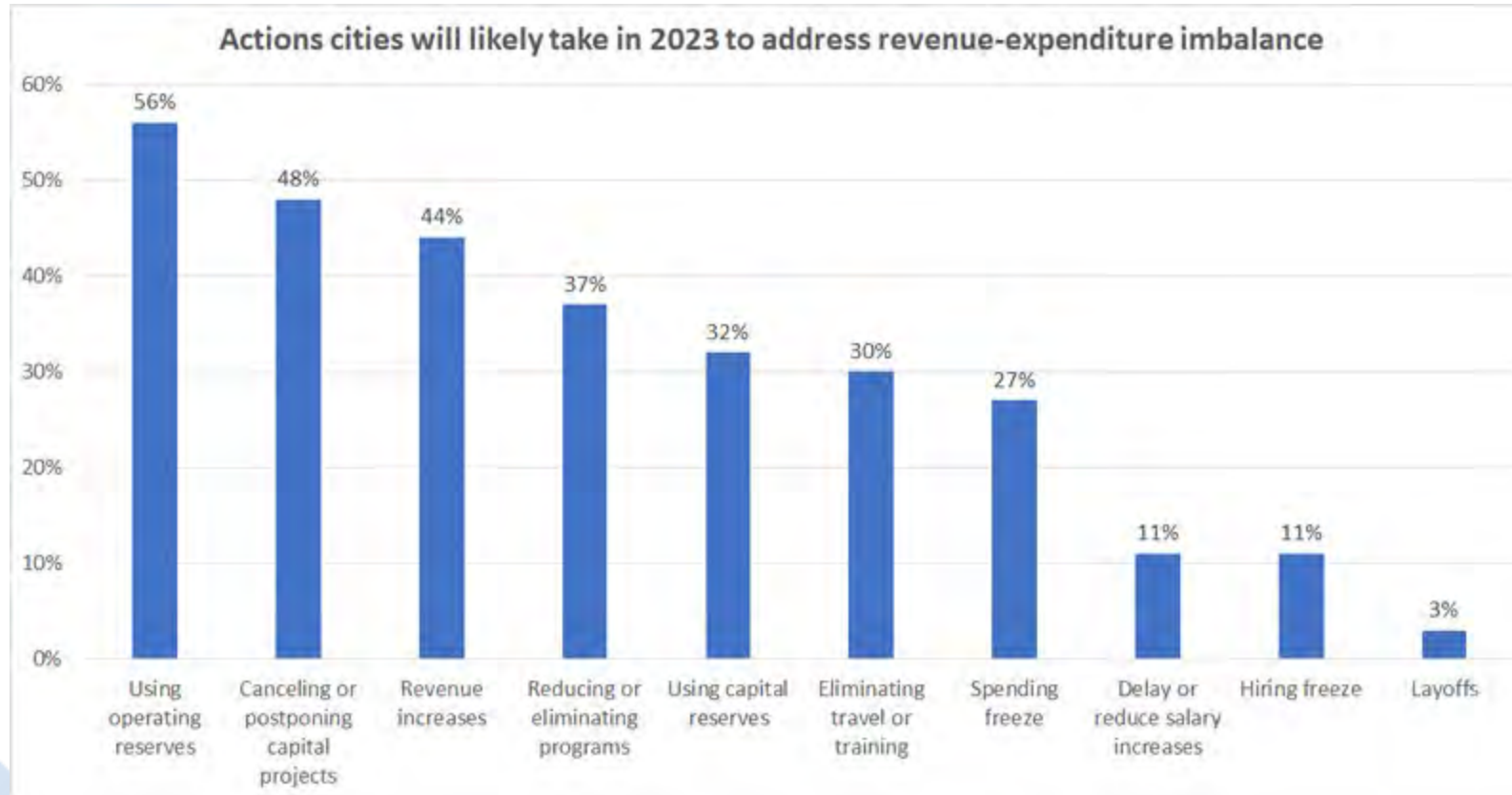
- **34% report** that revenues are not expected to keep pace with expenses; and
- **82% report** that increased costs of city services are a concern in their community.

59% of cities responding to the survey reported that revenue-expenditure imbalances were driven by a combination of factors, including:

- The short-term economic downturn;
- Inflation increasing costs; and
- Long-term ongoing structural challenges.

An additional **22% of cities** cited inflation as the driver, and **15% cited** structural challenges.

Actions cities likely to take



There is broad agreement among cities about the most effective potential state responses, which likely reflect concerns about structural challenges in city finance.

- **79% of cities** support maintaining or increasing current state shared revenues;
- **66% of cities** support revising the 1% property tax limit to keep up with inflation (historically well over 1% per year); and
- **61% of cities** support granting cities new revenue authority for operating purposes.

Housing

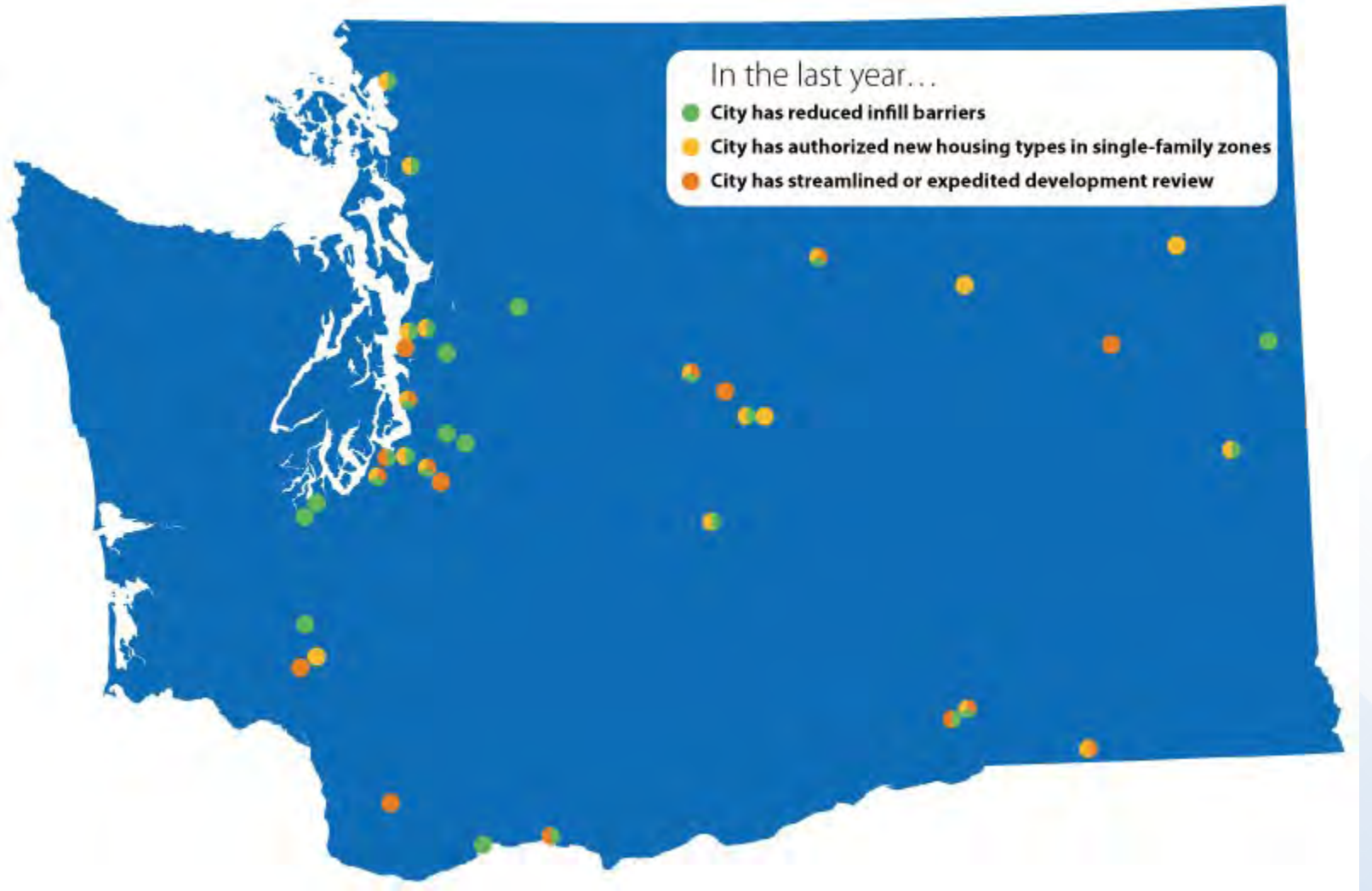
Housing issues continued to be a focus for cities in 2022:

- **78% of survey respondents** said affordability of housing was a major concern in their communities; and
- **45% of respondents** identified lack of shelter for those who are unhoused as a major concern.

Cities are responding dynamically to these concerns. In addition to the extensive work cities have already done in the last three years on this issue, in 2022 a further:

- **45%** created housing action plans;
- **39%** of city respondents reduced barriers to infill development;
- **31%** partnered with nonprofit or public agencies to provide land and other resources for housing projects;
- **28%** authorized new housing types in single-family zones;
- **27%** implemented newly created housing action plans;
- **24%** streamlined or expedited development review for residential construction;
- **15%** upzoned multifamily zoning;
- **15%** lowered or waived fees related to housing construction.

Cities across the state have acted. This map shows the geographic distribution of three select approaches:



Cities need strong state support to continue and expand these initiatives.

When asked to identify state actions or policies that would help meet city needs:

- **44% of respondents** said to increase state funding for housing programs;
- **32% of respondents** said to increase state funding for planning; and
- **38% of respondents** said to increase state funding for homelessness response.
- **62% of respondents** said they would be interested in pursuing additional flexibility within existing Real Estate Excise Tax (REET) funds; and
- **40% of respondents** expressed interest in a new local option to levy a REET for affordable housing purposes.

“Our city has worked hard to partner with the builders and developers within our community, including working with them to streamline the development review process and implement code changes that provide greater flexibility to the development community.”

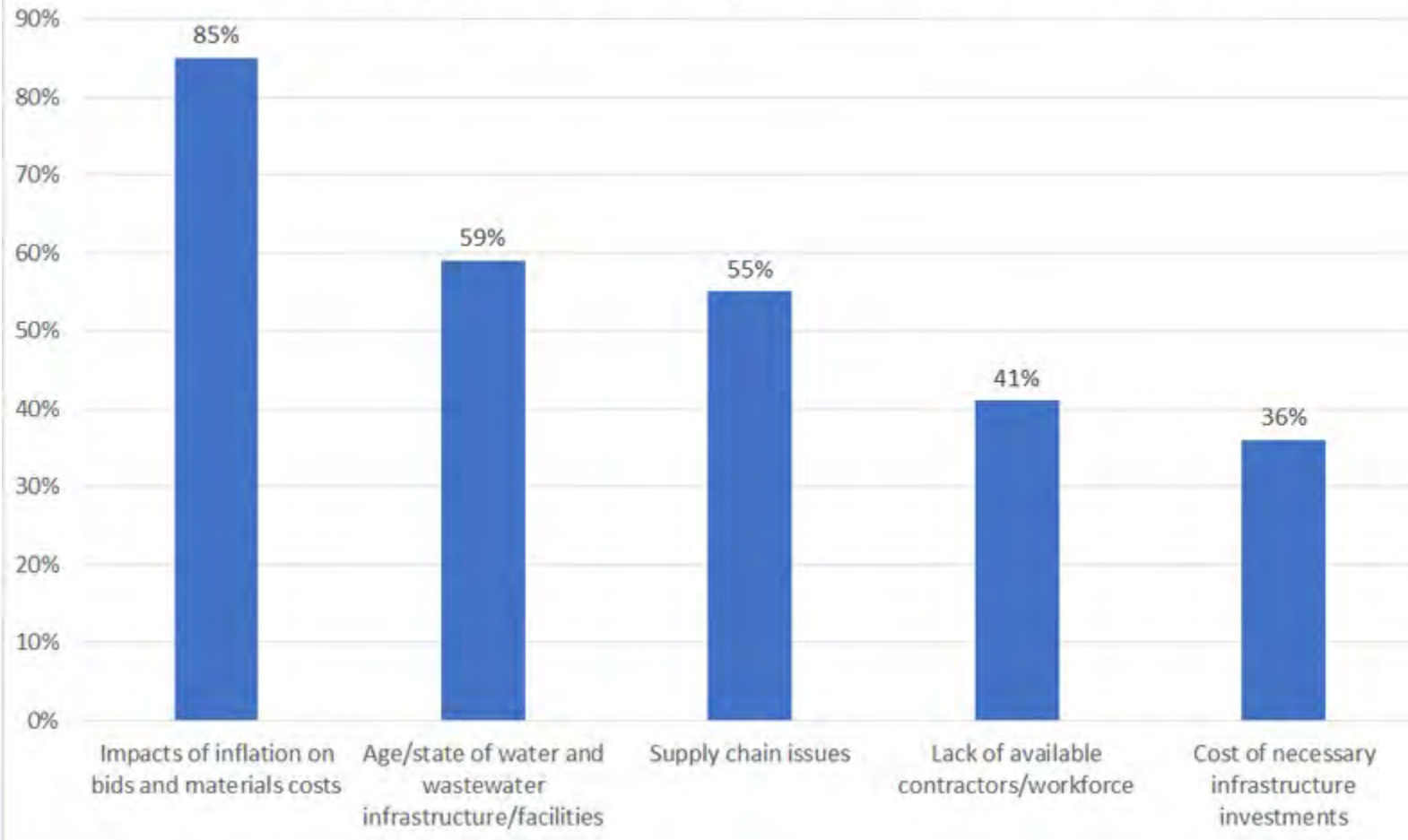
Dan Legard, Finance Director/Deputy City Manager, City of Kennewick

Infrastructure

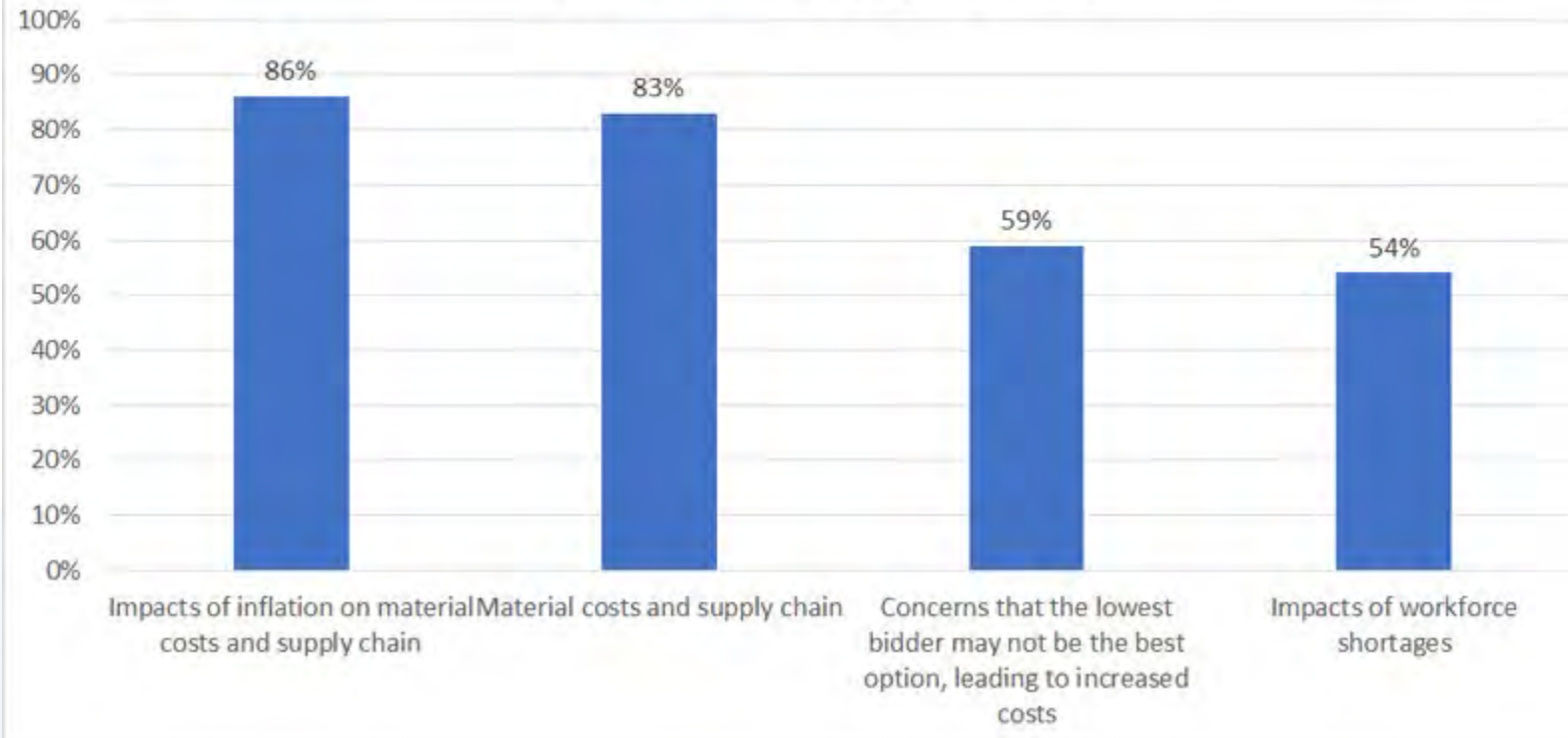
Infrastructure updates and expansions are of critical importance to cities. When asked to indicate their top five policy priorities for 2023:

- **80% of cities** selected infrastructure;
- **21% of cities** selected broadband; and
- **83% of cities** said that their community has identified the conditions of their infrastructure systems (water, sewer, stormwater) as a major concern.

Top 5 challenges facing non-transportation infrastructure systems



Major challenges with public bidding requirements for the construction and maintenance of capital assets



Transportation

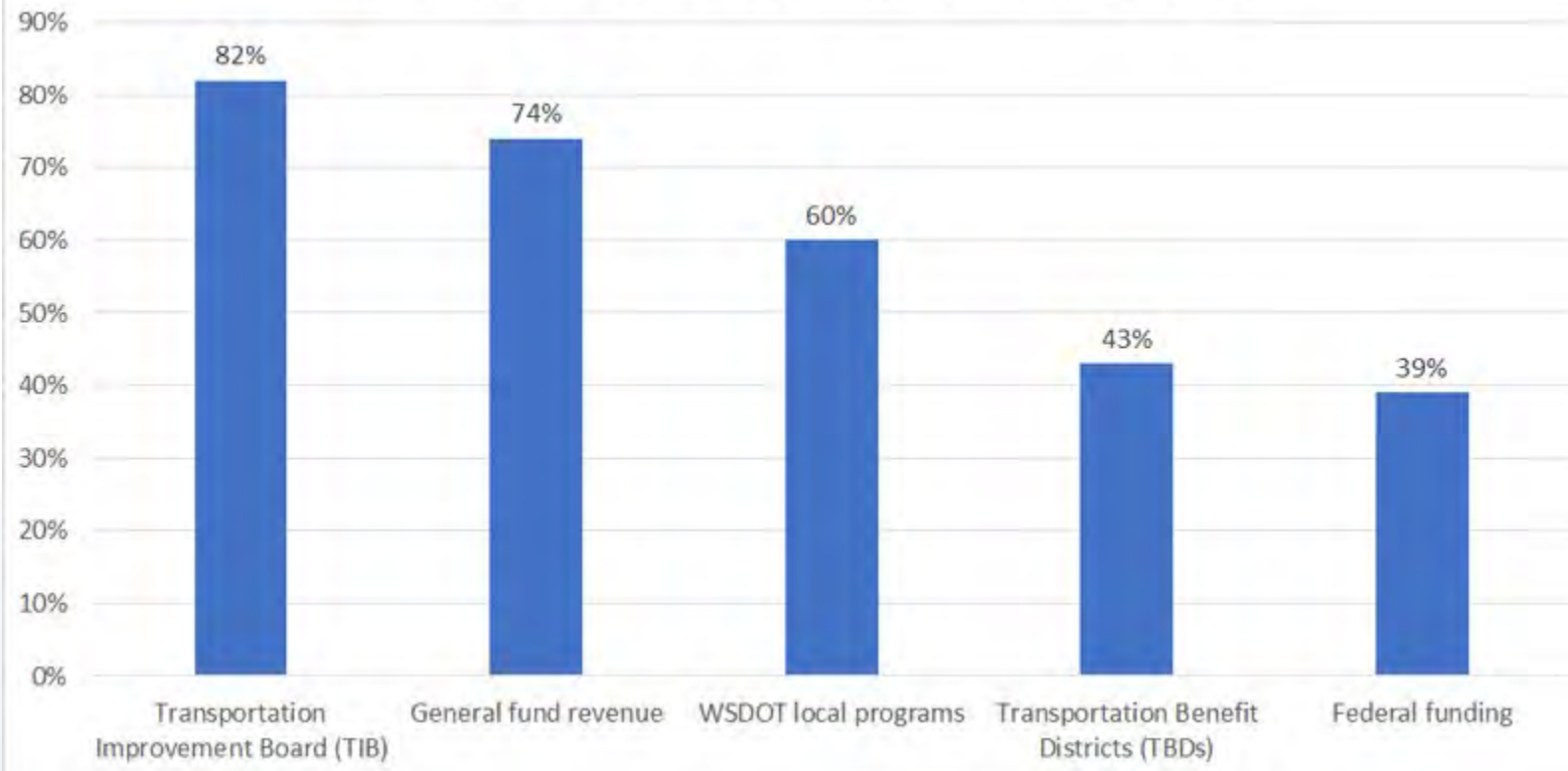
Developing and maintaining effective city transportation systems is an important part of serving residents, proactively addressing climate change, and preparing for continued population growth.

Nearly **half of cities** identified transportation as a top-five policy priority for 2023, and **57% of cities** reported their communities have identified transportation system conditions as a “major concern.”

Top transportation needs include:

- Maintenance and preservation of current assets (89% of respondents);
- Pedestrian access and safety (72%);
- New or increased capacity (e.g. roads or lanes) (44%);
- State highway improvements (39%); and
- Multimodal investments such as public transit (28%).

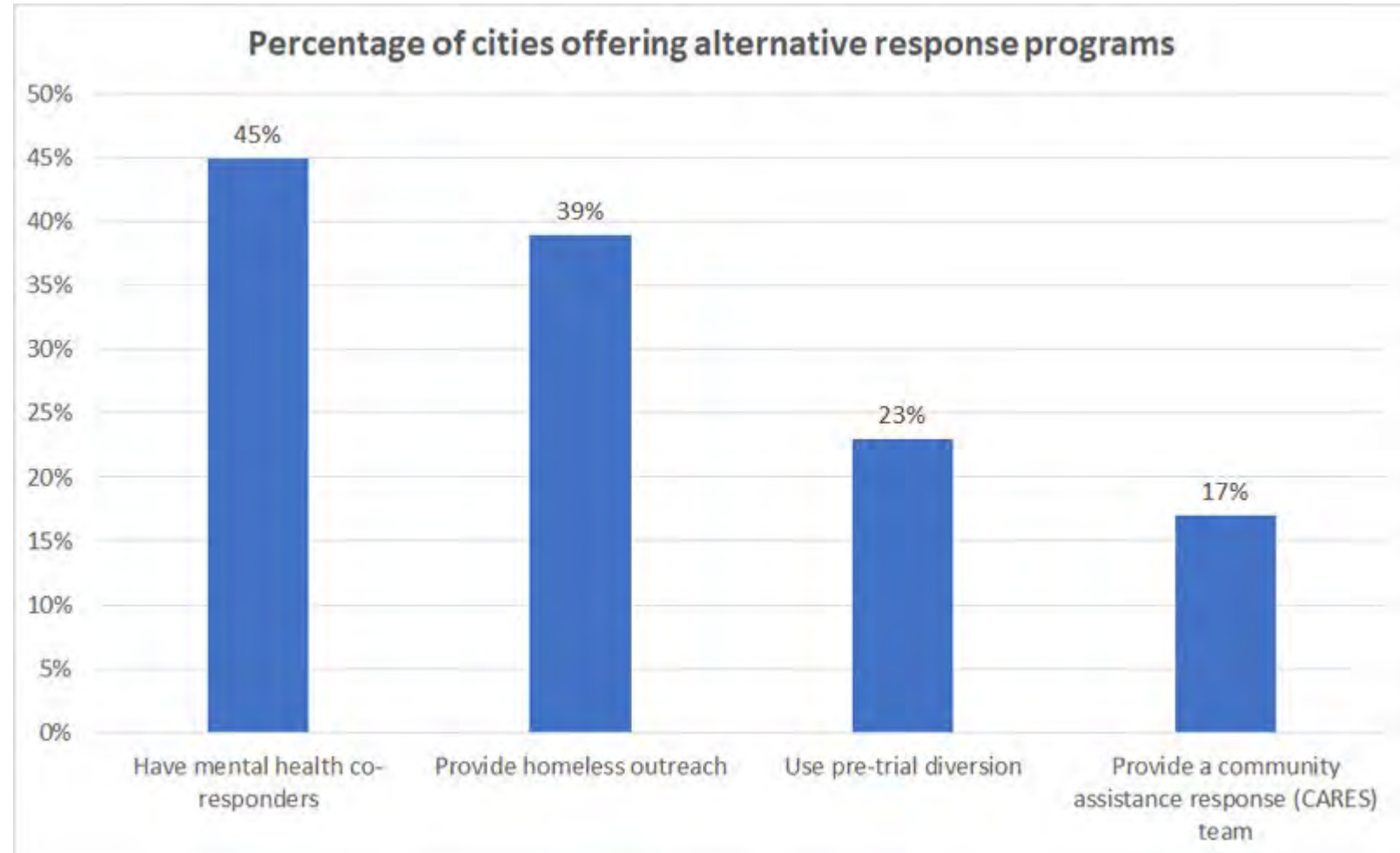
Cities' top funding sources for transportation projects



Public safety

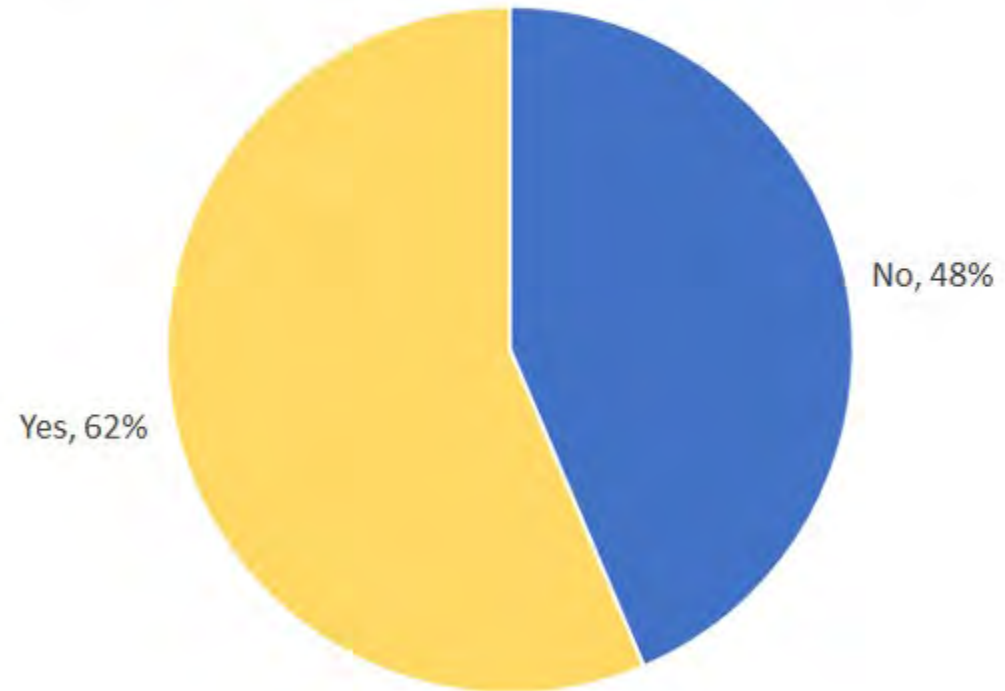
Public safety remains a priority for cities across the state, as **65% of cities** plan to increase public safety funding over the previous year and **28% of cities** plan to increase this funding by more than 10%.

In addition to providing policing, cities around the state also offer a wide range of alternative response programs:



65% of cities stated that their communities experienced an increase in crime in 2022 relative to the previous year, especially property crime, vehicle theft (including catalytic converters), and drug possession.

In the last year, have you experienced an increase in individuals fleeing law enforcement?



Hiring and maintaining police officers remains a concern for cities. Nearly **75% of cities** foresee hiring new officers to be one of their major challenges, and **41% of cities** anticipate that retirements or resignations will impact their public safety staffing.

Washington state is facing historic vacancies in law enforcement. According to data from the Department of Retirement Systems, around **22% of officers** are already eligible for retirement, and another **17% of officers** will be eligible in the next few years.

Legislative mandates and increasing liability insurance are also weighing on city leaders' minds.

- **60% of cities** listed legislative mandates as one of their biggest challenges in 2023; and
- **36% of cities** named increasing liability in the same category.

In response to the expected hiring difficulties in 2023:

- **40% of cities** will provide hiring incentives for lateral hires; and
- **25% of cities** will provide incentives for new hires (most incentives offered are less than \$10,000).

Human resources

Inflation and staffing were major human resources concerns for survey respondents.

82% of cities reported that this year's high inflation has impacted workforce costs:

- **Over 3/4 of cities** reported that inflation was impacting their city's wage; and
- **Nearly half of cities** were losing employees who left their positions seeking a higher salary.

Additionally, about **33% of cities** are feeling inflation's effects on employer contributions to pensions, workers' comp insurance, and benefits.

Almost **75% of city respondents** said that they were struggling to fill vacancies. The top four departments with vacancies are:

- Public works;
- Police;
- General government & administration; and
- Community development/planning.

Those same four departments also experienced the most impact from resignations and retirements. **47% of cities** said they were experiencing larger-than-normal levels of turnover due to resignations or retirements.

It should be noted that City Conditions Surveys in prior years have shown that cities have been struggling to fill public safety and public works positions, even before the pandemic. Although there has been a sea-change in much of the public safety sector over the last several years—especially in policing—other data has shown that a disproportionately large number of public safety workers were already at or near retirement age before the pandemic and recent efforts at police reform.

Diversity, equity, and inclusion in cities

Cities continue to act on diversity, equity, and inclusion (DEI) efforts:

- **53% of cities** said their council has made or is considering making a commitment to DEI; and
- **Nearly 50% of cities** have or are considering a committee dedicated to DEI.

Questions

Candice Bock

Government Relations Director

candiceb@awcnet.org

www.wacities.org