



Legislation Details (With Text)

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Title: AN ORDINANCE imposing an additional sales and use tax of one-tenth of one percent, as authorized in RCW 82.14.530, to fund affordable housing, housing-related services, the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided, behavioral health-related facilities, newly constructed evaluation and treatment centers, and the operation, delivery or evaluation of behavioral health treatment programs and services; and providing for the use of the sales and use tax revenue for eligible expenditures; and adding a new chapter to K.C.C. Title 4A.

Sponsors: Joe McDermott, Jeanne Kohl-Welles

Indexes: Budget, Mental Health, Taxes

Code sections: 4A - .

Attachments: 1. 2020-0311 transmittal letter.pdf, 2. 2020-0311 fiscal note.xlsx, 3. 2020-0311 legislative review form

Date	Ver.	Action By	Action	Result
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9/29/2020	1	Metropolitan King County Council	Introduced and Referred	
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AN ORDINANCE imposing an additional sales and use tax of one-tenth of one percent, as authorized in RCW 82.14.530, to fund affordable housing, housing-related services, the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided, behavioral health-related facilities, newly constructed evaluation and treatment centers, and the operation, delivery or evaluation of behavioral health treatment programs and services; and providing for the use of the sales and use tax revenue for eligible expenditures; and adding a new chapter to K.C.C. Title 4A.

PREAMBLE:

In December 2018, The King County regional affordable housing task force found that the region needs an additional 44,000 homes affordable for very low- and extremely low-income households over the next five years.

Additional funding is required to address the urgent need for affordable housing in King County. In November 2015, King County declared a state of emergency to address the homelessness crisis.

Approximately 4,500 households receiving homeless services in King County are experiencing chronic homelessness.

Studies show that people experiencing chronic homelessness experience more negative physical health, lower behavioral health outcomes, and victimization.

Studies show the costs of permanent supportive housing for these households is far less than the crisis system costs from these households experiencing homelessness.

One-room settings, in particular permanent affordable housing with supportive services, are proven to improve health outcomes and housing stability and reduce crisis system use.

As of September 14, 2020, nearly 200,000 Americans had died from COVID-19.

Persons living in congregate shelters are particularly vulnerable to rapid spread of airborne disease like COVID-19 because persons living in congregate shelters are disproportionately persons of color, older than average, and experience higher rates of underlying health conditions, and are by definition without a safe place in which to observe social distancing and best practices of hygiene.

The Regional Action Framework identified a need for 6,500 additional units of supportive housing for people experiencing chronic homelessness.

In 2019, only 38 percent of adult Medicaid enrollees with an identified need for substance use disorder treatment in King County and statewide received treatment, and only half of those needing mental health treatment received treatment.

To combat the intersecting crises of COVID-19, chronic homelessness, housing affordability, and behavioral health disorder, there is need for a robust approach that provides more stable

affordable housing for those experiencing chronic homelessness, and at risk of chronic homelessness, and increases access to behavioral health treatment and housing-stability services for those households.

In the 2020 Regular Session, the Washington state Legislature approved, and the Governor signed, Substitute House Bill 1590, which became Chapter 222, Laws of Washington 2020 ("the Act").

The Act authorizes the governing body of a county to impose a local sales and use tax for affordable housing, housing-related services, the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided, behavioral health-related facilities, newly constructed evaluation and treatment centers, and the operation, delivery or evaluation of behavioral health treatment programs and services.

The metropolitan King County council has determined that imposing the sales and use tax to improve the region's health outcomes and address the housing affordability crisis will benefit the county's residents.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Sections 2 through 9 of this ordinance should constitute a new chapter in K.C.C. Title 4A.

NEW SECTION. SECTION 2. The definitions in this section apply throughout this chapter unless the context clearly require otherwise.

A. "Affordable housing" means residential housing that requires payment of monthly housing costs of no more than thirty percent of an eligible household's income. For the purposes of this chapter, monthly housing costs may include rent and costs for those utilities that provide for water, wastewater, electricity, gas, solid waste and recycling services, but not those utilities that provide for telephone, internet services or cable services.

B. "Affordable housing committee" means the committee developed to implement the work of the

regional affordable housing task force developed to implement Motion 14754.

C. "At risk of experiencing chronic homelessness" describes a household that:

1. Includes an adult with a developmental, physical or behavioral health disability;
- 2.a. Is currently experiencing homelessness for only ten to twelve months in the previous three years;

or

- b. has experienced homelessness for a cumulative total of twelve months within the last five years;

and

- 3.a. Includes one adult that has been incarcerated within the previous five years in a jail or prison;
- b. includes one adult that has been detained or involuntarily committed under chapter 71.05 RCW or

its successor statute; or

- c. identifies as a member of a population that is demographically overrepresented among persons experiencing homelessness in King County.

C. "Behavioral health treatment programs and services" means a program or service designed to improve or treat the health of persons with one or more behavioral health condition, including a mental health condition, a substance use disorder or both.

D. "Eligible household" means a person, cohabitating persons and the cohabitating dependents of persons within population groups described in RCW 82.14.530 as it exists on the date of enactment of this ordinance, and including any amendments thereto expanding such allowable purposes, as eligible for provision of affordable housing and use of facilities providing housing-related programs and whose income at the time they receive services or placement within affordable housing is at or below thirty percent of the median income in King County.

E. "Experiencing chronic homelessness" refers to a household that includes an adult with a disability, that either is currently experiencing homelessness for at least twelve consecutive months or has experienced homelessness for a cumulative twelve months within the previous three years.

F. "Housing-related services" means services that are provided to eligible households that are either living in affordable housing or experiencing housing instability, which services have the purpose of helping the household gain, maintain or increase housing stability. "Housing-related services" may include but are not limited to: case management; tenant education and supports; financial assistance for essential costs of housing; or assessment and referral to other human services. For the purposes of this definition, housing instability means a household's inability to gain and maintain safe, habitable housing in a community of the household's choice for less than approximately forty percent of the household's income.

G. "Proceeds" means the principal amount of moneys received from the Washington state Department of Revenue from the collection of the additional sales and use tax authorized by this chapter and RCW 82.14.530 and any interest earnings on such moneys.

NEW SECTION. SECTION 3. To provide necessary moneys for the purposes identified in section 5 of this ordinance, as authorized by RCW 82.14.530, an additional one-tenth of one percent sales and use tax is hereby levied, fixed and imposed on all taxable events within King County as defined in chapter 82.14 RCW. The tax shall become effective on the earliest practicable date consistent with RCW 82.14.055. The tax shall be imposed upon and collected from those persons from whom sales tax or use tax is collected by the state in accordance with chapter 82.08 or 82.14 RCW, and shall be collected at the rate of one-tenth of one percent of the selling price, in the case of a sales tax, or value of the article use, in the case of a use tax. This additional sales and use tax shall be in addition to all other existing sales and use taxes currently imposed by the county.

NEW SECTION. SECTION 4. The proceeds of the sales and use tax authorized in this chapter shall be deposited in a special revenue fund, which fund shall be created by ordinance.

NEW SECTION. SECTION 5.

A. Proceeds collected under the sales and use tax imposed by this chapter shall be used by the county for purposes set forth in RCW 82.14.530 as it exists on the date of enactment of this ordinance, and including any amendments thereto expanding such allowable purposes. The uses include funding for the following:

1. Affordable housing for use by eligible households, which may include, but is not limited to, units within an existing structure and facilities providing housing-related services;
2. Behavioral health-related facilities;
3. The operations and maintenance costs of affordable housing for eligible households, facilities where housing related programs are provided for eligible households or newly constructed evaluation and treatment centers; and
4. The operation, delivery or evaluation of behavioral health treatment programs and services or housing-related services.

B. To carry out the purposes of RCW 82.14.530 and this chapter, the county may issue bonds and may use and pledge proceeds of the sales and use tax collected under this chapter in order to finance affordable housing, facilities where housing-related programs are provided or evaluation and treatment centers described in subsection A. of this section and consistent with RCW 82.14.530. Notwithstanding anything in this chapter to the contrary, so long as any bonds payable from and secured by a pledge of the sales and use tax authorized in this chapter are outstanding, the county shall continue to impose and collect the sales and use tax as provided in this chapter and in RCW 82.14.530.

NEW SECTION. SECTION 6. Expenditure of proceeds collected annually under the tax imposed by this chapter shall be apportioned among eligible uses in a manner consistent with RCW 82.14.530 as it exists on the date of enactment of this ordinance or as it may be later amended.

NEW SECTION. SECTION 7.

A. Beginning January 1, 2022, expenditure of proceeds collected under the tax imposed by this chapter shall be consistent with an implementation plan called the Health through Housing Implementation Plan, which plan shall be adopted and periodically updated by ordinance. The Health through Housing Implementation Plan shall describe the goals, strategies, performance measures, reporting requirements and annual expenditure plan to direct use of the proceeds collected under the tax imposed by this chapter. The Health through Housing

Implementation Plan shall also describe the composition and responsibilities of a health through housing advisory committee, which is to provide advice to the executive and council and to report annually to the council and the community on the accomplishments and effectiveness of the expenditure of proceeds collected under the tax imposed by this chapter. Among the goals and corresponding performance measures of the Health through Housing Implementation Plan shall be the annual reduction of racial and ethnic demographic disproportionality among persons experiencing chronic homelessness in King County.

B.1. No later than June 30, 2021, the executive shall transmit for council review and adoption by ordinance a proposed initial Health through Housing Implementation Plan. The initial Health through Housing Implementation Plan shall describe the goals, strategies, performance measures, reporting requirements and annual expenditure plan to direct use of the proceeds collected under the tax imposed by this chapter from 2022 through 2028. The executive shall consult with the affordable housing committee and the chief executive officer of the King County Regional Homelessness Authority in the development of the initial proposed Health through Housing Implementation Plan.

2. The executive's proposal within the Health through Housing Implementation Plan for the health through housing advisory committee shall provide for the meaningful inclusion on the committee of persons who have experienced homelessness, meaningful inclusion on the committee of persons representative of racial and ethnic communities that are demographically disproportionately represented among persons experiencing chronic homelessness in King County and meaningful inclusion of residents of cities with populations greater than sixty thousand persons and of unincorporated areas. The health through housing advisory committee shall include representatives from other county, city, and subregional boards, commissions or committees to promote regional coordination and coordination across King County human services investments.

3. The paramount goal of the initial Health through Housing Implementation Plan shall be the creation and ongoing operation of two thousand units of affordable housing with housing-related services for eligible households in King County that are experiencing chronic homelessness or that are at risk of experiencing

chronic homelessness. Affordable housing units for persons experiencing chronic homelessness created in 2021 using proceeds collected under the tax imposed by this chapter may be encompassed within the initial Health through Housing Implementation Plan's goals, strategies, satisfaction of performance measures and reporting.

4. The initial Health through Housing Implementation Plan shall also include as a goal the creation and operations of a mobile behavioral health intervention program with access for its clients to housing created, operated, or otherwise funded by proceeds collected under the tax imposed by this chapter. The purpose of the mobile behavioral health intervention program required by this subsection shall be to provide an alternative to the use of law enforcement to respond to behavioral health crises. The goal required by this subsection may be satisfied by creating a new program or by supplementing and adapting an existing program.

5. The initial proposed Health through Housing Implementation Plan shall describe the process to site affordable housing and behavioral health facilities funded by proceeds collected under the tax imposed by this chapter. The siting process shall be in accordance with RCW 82.14.530 and shall describe and require use of an equity and social justice impact review process when siting affordable housing and behavioral health facilities.

6. The initial Health through Housing Implementation Plan shall in its annual expenditure plan:

a. forecast annual costs associated with bonds issued using funds collected under the tax imposed by this chapter and allocate proceeds to fully cover those annual costs;

b. allocate at least nine percent and no more than thirteen percent of each year's proceeds for the provision, delivery and administration of behavioral health treatment programs and services that are not part of the supportive services provided within affordable housing or behavioral health facilities funded by the tax imposed by this chapter; and

c. from the annual remaining proceeds after costs associated with bonding described in subsection B.6.a. of this section and allocations for behavioral health described in subsection B.6.b. of this section, the

annual expenditure plan shall allocate no more than five percent for administration, no more than one and one-half percent for evaluation and at least one percent for use in supporting and building the capacity of community-based organizations to deliver eligible uses of funds for persons and communities that are disproportionately demographically represented among persons experiencing chronic homelessness in King County.

C. No later than June 30, 2027, and every eight years thereafter, the executive shall transmit for council review and adoption by ordinance a proposed update to the Health through Housing Implementation Plan, which proposed update shall describe for an additional eight years beyond the term of the then-adopted Health through Housing Implementation Plan the goals, strategies, performance measures, reporting requirements and expenditure plan to direct use of the proceeds collected under the tax imposed by this chapter.

NEW SECTION. SECTION 8. Proceeds collected in 2021 under the sales and use tax imposed by this chapter shall only be expended in accordance with the ordinance or ordinances enacting or amending the county's 2021-2022 biennial budget. Before the county awards any proceeds collected in 2021, the executive shall use an equity and social impact review process and consult with the city in which the proposed site or service is located. The county shall prioritize 2021 proceeds for sites or services within a jurisdiction that submits a written statement of support. Proceeds collected in 2022 and thereafter shall only be expended in accordance with and after adoption by ordinance of the Health through Housing Implementation Plan required by this chapter.

NEW SECTION. SECTION 9. Any process to site an affordable housing project or behavioral health facility funded by proceeds from the tax imposed by this chapter shall comply with RCW 82.14.530 and use an equity and social justice impact review process.

SECTION 10. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.