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Title: AN ORDINANCE imposing subject to voter approval an additional sales and use tax of one-tenth of one percent, as authorized in RCW 82.14.530, to fund construction of affordable housing and facilities providing housing-related services solely for eligible households that include specific population groups with income at or below sixty percent of the median income; or to fund the construction of mental and behavioral health-related facilities; or to fund the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers; to fund the operation, delivery or evaluation of mental and behavioral health treatment programs and services or housing-related services; and including provisions for the governance and implementation for the use of eligible expenditures and authorizing the repeal of the tax under specific circumstances, and providing for the submission to the qualified electors of King County at a special election to be held in King County on August 1, 2017, a proposition approving the sales and use tax imposed by this ordinance.

Sponsors: Rod Dembowski, Larry Gossett

Indexes: Elections, Housing, Mental Health, Taxes

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Date	Ver.	Action By	Action	Result
1/16/2018	1	Metropolitan King County Council	Reintroduced	
3/27/2017	1	Metropolitan King County Council	Introduced and Referred	

Clerk 03/23/2017

AN ORDINANCE imposing subject to voter approval an additional sales and use tax of one-tenth of one percent, as authorized in RCW 82.14.530, to fund construction of affordable housing and facilities providing housing-related services solely for eligible households that include specific population groups with income at or below sixty percent of the median income; or to fund the construction of mental and behavioral health-related facilities; or to fund the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation

and treatment centers; to fund the operation, delivery or evaluation of mental and behavioral health treatment programs and services or housing-related services; and including provisions for the governance and implementation for the use of eligible expenditures and authorizing the repeal of the tax under specific circumstances, and providing for the submission to the qualified electors of King County at a special election to be held in King County on August 1, 2017, a proposition approving the sales and use tax imposed by this ordinance.

STATEMENT OF FACTS:

1. At the end of 2016, the median home value in King County was five hundred twenty thousand dollars, more than three hundred thousand dollars above the national median.
2. King County home values increased more than fourteen percent between December 2015 and 2016, a rate of increase more than double the national rate.
3. At the end of 2016, the median monthly rental price in King County was two thousand two hundred dollars, more than six hundred dollars above the national median.
4. These housing price levels have resulted in nearly three hundred thousand households in King County spending more than thirty percent of their incomes on housing and have made it difficult for many people to secure any type of housing.
5. During 2016, nearly ten thousand people in King County experienced homelessness on any given day.
6. During the third quarter of 2016 alone, one thousand one hundred seventy-two homeless families applied to King County for permanent housing.
7. Nearly two thousand one hundred veterans are homeless in King County, and the number of homeless veterans grows by sixty-six each month. The total cost to house two thousand one hundred homeless veterans and an additional seven hundred twenty annual inflow of additional

veterans outpaces the resources available from the veterans and human services levy, according to the King County Veterans and Human Services Levy Veterans Housing Assessment Report.

7. The lack of affordable housing and the crisis of homelessness has been felt in every community in the county.

8. King County, local jurisdictions, private and nonprofit partners and philanthropic organizations have worked together to address the challenges of homelessness and housing affordability and to help people with mental illness, individuals with developmental disabilities and other vulnerable populations, including foster children, homeless families, veterans and others in critical need. These efforts have included: the work of All Home to make homelessness rare, brief and one-time; the work of the King County consortium to assess community development and housing needs countywide and to allocate state and federal funding; the work of the growth management planning council to develop strategies to meet housing needs through local planning and zoning initiatives; and the approval of local funding sources for affordable housing, housing-related services and mental and behavioral health-related services, including the best starts for kids levy, the mental illness and drug dependency levy, the veterans and human services levy and the transit-oriented development housing bonds.

9. Despite these resources and ongoing regional efforts, there is a demonstrated need for additional fiscal tools that provide funding for affordable housing, as well as for facilities, services and programs benefiting vulnerable populations. The magnitude of the housing and homelessness challenge facing this region requires additional support for the construction and operations of affordable housing units, housing-related services or mental and behavioral health-related facilities.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. The definitions in this section apply throughout this ordinance unless the

context clearly require otherwise.

A. "Affordable housing" means residential housing for rental occupancy that requires payment of monthly housing costs of no more than thirty percent of an eligible household's income. For the purposes of this ordinance, monthly housing costs 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. "Eligible household" means persons within any of the following population groups whose income is at or below sixty percent of the median income in King County:

1. Persons with mental illness;
2. Veterans;
3. Senior citizens;
4. Families with children that are homeless or at risk of being homeless;
5. Unaccompanied homeless youth or young adults;
6. Persons with disabilities; or
7. Survivors of domestic violence.

C. "Housing-related services" means services that are provided to eligible households who are living in affordable housing with the purpose of helping the households become stable in their housing or move toward greater independence. "Housing-related services" may include, but are not limited to: case management; child care; employment training; instruction in budgeting, financial management and the rights and responsibilities of tenancy; or assessment and referral to other human services.

D. "Mental and behavioral health treatment programs and services" means a program or service designed to treat an individual with mental illness, behavioral disabilities or chemical dependency.

E. "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 ordinance and any interest

earnings on the moneys.

F. "Regional plan for affordable housing" means that plan to be developed in accordance with motion 14754.

SECTION 2. Tax Imposed Conditioned on Voter Approval.

A. To provide necessary moneys for the purposes identified in section 4 of this ordinance and conditioned on the specific authorization of a majority of the voters voting on the proposition authorized 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 82.08, 82.12 or 82.14 RCW for collection beginning in 2018. The tax shall be imposed upon and collected from those person from whom sales tax or use tax is collected 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.

B. If, as a result of the imposition of the additional sales and use tax authorized in subsection A. of this section, the county imposes an additional sales and use tax upon sales of lodging in excess of the limits contained in RCW 82.14.410, the sales shall be exempted from the imposition of that additional sales and use tax.

SECTION 3. Deposit of taxes collected. The proceeds shall be deposited in a special revenue fund, which fund shall be created by ordinance.

SECTION 4. Eligible expenditures.

A. A minimum of sixty percent of the proceeds must be used for the following purposes:

1. Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services, solely for eligible households; or
2. Constructing mental and behavioral health-related facilities; or

3. Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

B. The remaining proceeds shall be used for the operation, delivery and evaluation of mental and behavioral health treatment programs and services or housing-related services.

C. No more than ten percent of the proceeds may be used to supplant existing local funds.

SECTION 5. Call for special election. In accordance with RCW 29A.04.321, the King County council hereby calls for a special election to be held in conjunction with the primary election on August 1, 2017, to consider a proposition approving the imposition of an additional sales and use tax of one-tenth of one percent for the purposes described in this ordinance. The King County director of elections shall cause notice to be given of this ordinance in accordance with the state constitution and general law and to submit to the qualified electors of the county, at the said special county election, the proposition hereinafter set forth. The clerk of the council shall certify that proposition to the director of elections in substantially the following form:

PROPOSITION ___; The King County Council has passed Ordinance _____ to impose an additional sales and use tax of one-tenth of one percent for collection beginning in 2018 to provide funding for the construction, operations and maintenance of affordable housing and facilities providing housing-related services solely for eligible households in specific population groups with income at or below sixty percent of the median income; for the construction, operations and maintenance of mental and behavioral health-related facilities; or for the operation, delivery or evaluation of mental and behavioral health treatment programs and services or housing-related services, as authorized by RCW 82.14.530. Should this proposition be:

Approved? _____

Rejected? _____

SECTION 6. Governance. If the measure is approved by the voters, an oversight and advisory board

shall be established by ordinance to advise the council on the disposition of the proceeds. The advisory board shall be appointed by the council not later than January 15, 2018, and shall include representatives with affordable housing and mental health services expertise, as well as representatives from Seattle, suburban cities and the unincorporated area.

SECTION 7. Implementation plan.

A. The executive shall transmit to the council an initial implementation plan that identifies the housing, facilities and services to be funded, eligible households to be served and outcomes to be achieved by the eligible expenditures described in section 4 of this ordinance. The implementation plan shall be developed in collaboration with the oversight and advisory board described in section 6 of this ordinance and should, when applicable, be supportive of the strategies developed as part of the regional plan for affordable housing. The implementation plan shall be transmitted to the council by June 15, 2018, for council review and approval by ordinance.

B. The proceeds described in section 3 of this ordinance may not be expended until the date on which the initial implementation plan is approved by ordinance.

C. The implementation plan shall include a proposal for an annual reporting process to the council, and shall allow for periodic recommendation reports on the funding distributions set out in implementation plan.

D. The initial implementation plan shall identify funding strategies for the first four years of the proceeds. The council may update or change the implementation plan every four years or as needed.

E. The implementation plan must include a provision for consultation and cooperation with cities.

SECTION 8. If the county council determines that continuing to fund the purposes set forth in section 4 of this ordinance is no longer necessary in order to be consistent with the county's housing and mental health and behavioral health policies due to changed conditions or force majeure events, the county council is authorized to by ordinance repeal the sales and use tax imposed in section 2 of this ordinance.

SECTION 9. Ratification. Certification of the proposition by the clerk of the county council to the

director of elections in accordance with law before the election on August 1, 2017, and any other act consistent with the authority and before the effective date of this ordinance are hereby ratified and confirmed.

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.