



Whatcom County

COUNTY COURTHOUSE
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Agenda Bill Master Report

File Number: AB2019-489

File ID:	AB2019-489	Version:	1	Status:	Adopted
File Created:	09/20/2019	Entered by:	SMurdoch@co.whatcom.wa.us		
Department:	Health Department	File Type:	Ordinance		
Assigned to:	Council			Final Action:	10/22/2019
Agenda Date:	10/22/2019			Enactment #:	ORD 2019-071

Primary Contact Email: adeacon@co.whatcom.wa.us

TITLE FOR AGENDA ITEM:

Ordinance establishing the Affordable and Supportive Housing Fund

SUMMARY STATEMENT OR LEGAL NOTICE LANGUAGE:

Ordinance pursuant to RCW 82.14.540 to receive an additional tax distribution from the state sales and use tax to be used for affordable and supportive housing

HISTORY OF LEGISLATIVE FILE

Date:	Acting Body:	Action:	Sent To:
10/08/2019	Council	INTRODUCED FOR PUBLIC HEARING	Council
		Aye: 7 Brenner, Browne, Buchanan, Byrd, Donovan, Frazey, and Sidhu	
		Nay: 0	
		Absent: 0	
10/22/2019	Council	ADOPTED	
		Aye: 7 Brenner, Browne, Buchanan, Byrd, Donovan, Frazey, and Sidhu	
		Nay: 0	
		Absent: 0	

1 09/17/2019

2 PROPOSED BY: Health
3 INTRODUCTION DATE: 10/8/2019

4
5 **ORDINANCE NO.** 2019-071

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7 **AFFORDABLE AND SUPPORTIVE HOUSING FUND**

8
9 **WHEREAS**, in the 2019 Regular Session, the Washington State Legislature
10 approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019)
11 ("SHB 1406"); and

12 **WHEREAS**, RCW 82.14.540 was established as statute pursuant to SHB 1406; and

13 **WHEREAS**, RCW 82.14.540 authorizes the governing body of a county to impose a
14 local sales and use tax for affordable and for supportive housing to persons whose income is
15 at or below sixty percent of the Whatcom County area median income, with said tax expiring
16 twenty years after the date on which the tax is first imposed; and

17 **WHEREAS**, RCW 82.14.540 authorizes use for the following: the acquisition,
18 construction or rehabilitation of affordable housing, which may include new units of
19 affordable housing within an existing structure or facilities providing supportive housing,
20 and for funding the operations and maintenance costs of new units of affordable or
21 supportive housing, and for counties with populations of 400,000 or less, for providing
22 rental assistance to tenants; and

23 **WHEREAS**, Whatcom County is a participating county that currently imposes a
24 qualifying local sales and use tax in accordance with requirements of RCW 82.14.540; and

25 **WHEREAS**, the City of Bellingham also has a qualifying local tax; and

26 **WHEREAS**, the City of Bellingham has stated in a resolution on September 9, 2019
27 that Whatcom County is authorized to retain the tax at the maximum rate and will not be a
28 participating city by retaining the tax; and

29 **WHEREAS**, Whatcom County and the cities within the county have agreed that
30 Whatcom County is authorized to retain the tax at the maximum rate; and

31 **WHEREAS**, Whatcom County has declared on September 10, 2019 through
32 resolution an intent to adopt legislation to authorize the maximum capacity of the sales and
33 use tax authorized by RCW 82.14.540; and

34 **WHEREAS**, the tax will be credited against state sales taxes collected within
35 Whatcom County and, therefore, will not result in higher sales and use taxes within the
36 County and will represent an additional source of funding to address housing needs in the
37 County; and

38 **WHEREAS**, Whatcom County will facilitate a county-wide housing plan by collating
39 the various city and county housing plans and then identifying common goals; and

40 **WHEREAS**, the Whatcom County Housing Advisory Committee was formed through
41 an interlocal agreement among the county and the seven cities and serves in an advisory
42 capacity to Whatcom County issues related to housing; and

1 **WHEREAS**, the current interlocal agreement establishing the Whatcom County
2 Housing Advisory Committee states membership status for cities as well as scope of the
3 committee's activities; and

4 **WHEREAS**, the city of Bellingham desires two representatives on the Whatcom
5 County Housing Advisory Committee; and

6 **WHEREAS**, an amendment to the interlocal agreement that established the
7 Whatcom County Housing Advisory Committee will reflect the change in membership to add
8 an additional representative from the city of Bellingham, as well as expanded scope as an
9 advisory body for said tax distribution; and

10 **WHEREAS**, the County has a need for supportive and affordable housing units and
11 has determined that retaining the maximum rate of the sales and use tax to address this
12 need will benefit its citizens; and

13 **WHEREAS**, the state Department of Revenue will set the maximum amount of tax
14 distributions for a participating county no later than December 31, 2019; and

15 **WHEREAS**, a new fund must be established to collect the tax distributions;


16 **NOW, THEREFORE, BE IT ORDAINED** that:

- 17
- 18 1. Whatcom County adopts Exhibit A into law.
 - 19 2. The Affordable & Supportive Housing fund is hereby established to collect this new
20 revenue.
 - 21 3. An annual report reflecting housing priorities, strategies, and accomplishments of
22 the entire county will be submitted by the Whatcom County Housing Advisory
23 Committee.

24 This ordinance shall take effect immediately upon its passage and adoption.

25 **ADOPTED** this 22nd day of October, 20 .

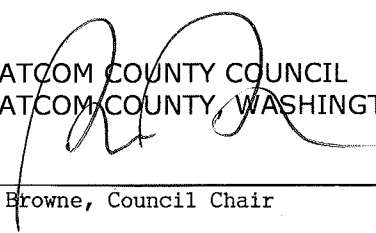
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30 **ATTEST:**

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32 _____
33 Dana Brown Davis, Clerk of the Council

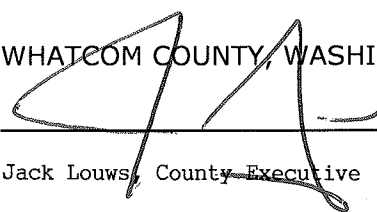
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36 **APPROVED AS TO FORM:**

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38 _____
39 Civil Deputy Prosecutor

34 WHATCOM COUNTY COUNCIL
35 WHATCOM COUNTY, WASHINGTON

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37 _____
38 Rud Browne, Council Chair

39 WHATCOM COUNTY, WASHINGTON

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41 _____
42 Jack Louws, County Executive

43 Approved () Denied

44 Date Signed: 10/23/19

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Exhibit A

Chapter 3.45

AFFORDABLE AND SUPPORTIVE HOUSING SALES AND USE TAX FUND

Sections

3.45.010	Sales and use tax revenue
3.45.020	Administration and collection
3.45.030	Affordable and Supportive Housing Fund
3.45.040	Use of funds
3.45.050	Administration of fund
3.45.060	Whatcom County Housing Advisory Committee
3.45.070	Effective date
3.45.080	Severability

3.45.010 Sales and use tax revenue.

Pursuant to RCW 82.14.540, Whatcom County is a participating county that imposes a qualifying sales and use tax, and may retain a portion of the existing "qualifying tax" as defined in Chapter 82.14.540 RCW. The rate at which the tax will be retained is .0146 percent of the taxable retail sales within the county in state fiscal year 2019, the maximum allowable per RCW 82.14.540 for a participating county. This revenue is not a new tax to the citizens of Whatcom County. This amount is calculated by the Department of Revenue and the tax imposed by a county under this legislation expires twenty years after the date on which the tax is first imposed. (Ord. Exh.; Ord. Exh.).

3.45.020 Administration and collection.

The revenue retained by this chapter shall be administered and collected in accordance with RCW 82.14.540. The county executive or designee is hereby authorized and directed to execute any contracts with the Washington State Department of Revenue that may be necessary to provide for the administration or collection of the tax. (Ord. Exh.; Ord. Exh.).

3.45.030 Affordable and Supportive Housing Fund.

The Whatcom County treasurer shall deposit moneys collected pursuant to this chapter in the Affordable and Supportive Housing Fund. The treasurer may invest the fund balance and any interest earned shall be deposited into this fund. (Ord. Exh.; Ord. Exh.).

3.45.040 Use of funds.

Moneys deposited into the Affordable and Supportive Housing Fund shall be used solely for the purpose of acquiring, rehabilitating or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385, or for funding the operations and maintenance costs of new units of affordable or supportive

housing. Funds may also be used for rental assistance throughout Whatcom County as long as the county population remains 400,000 or less. The housing and services provided may only be provided to persons whose income is at or below 60% area median income for Whatcom County. Funds may also be used as otherwise authorized by the laws of the state of Washington as referenced in RCW 82.14.540. (Ord. Exh.; Ord. Exh).

3.45.050 Administration of fund.

The county executive shall administer the Affordable and Supportive Housing Fund with assistance of the Whatcom County Health Department, in accordance with budgetary processes and Whatcom County administrative policies and state statutes. Whatcom County must report annually to the Department of Commerce on the collection and use of the revenue. (Ord. Exh.; Ord. Exh).

3.45.060 Whatcom County Housing Advisory Committee

The Whatcom County Housing Advisory Committee serves in an advisory capacity to the county executive via Whatcom County Health Department on uses of the Affordable and Supportive Housing Fund. The county will facilitate a community-wide housing action plan with support from the committee. Collaborative efforts include convening city partners, collating existing housing plans and identifying common themes and goals. The committee will submit an annual report reflecting priorities, strategies and accomplishments related to this funding source, as well as identification of action steps for the coming year. This report will be submitted to the County Executive and community partners by the committee.

3.45.070 Effective date.

In accordance with the Whatcom County budget cycle, this chapter shall take effect upon passage. Start date for the collection of the tax credit will be determined by the state Department of Revenue. (Ord. Exh.; Ord. Exh).

3.45.080 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of this chapter or the application of the provisions to other persons or circumstances is not affected. (Ord. Exh.; Ord. Exh).