

January 13, 1992
92-18.DS/clk

Introduced by: Greg Nickels

Proposed No.: 92-18

10235

ORDINANCE NO. 10235

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AN ORDINANCE providing for the submission to the qualified electors of the County a proposition authorizing the County to levy regular property taxes for eight (8) consecutive years, commencing in 1992, in excess of the One Hundred Six Percent (106%) limitation on levies for the purpose of providing an amount not to exceed \$18,750,000 per year for housing and residential support services for low-income households and the homeless; establishing a Regional Housing Levy Policy Board; establishing a Low Income Housing Fund; and authorizing the county to negotiate interlocal cooperation agreements with The City of Seattle and other public entities for the administration of levy proceeds.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The council makes the following findings:

A. The Regional Affordable Housing Finance Plan, prepared by a Regional Working Group, documented that nearly 85,000 households in King County need assistance in order to make decent, safe and sanitary housing affordable to them, including over 10,000 families and individuals who are homeless and over 30,000 families with children.

B. Federal subsidies for the acquisition and construction of low income housing have been reduced by 80 percent since 1981, resulting in a drastic decline in new federally financed housing in King County.

C. Existing sources of funds for low income housing expenditures, including federal and state grants, are insufficient to meet the existing and projected need for housing assistance. Both federal and state government programs usually require local matching funds.

D. The need for housing assistance exists throughout The City of Seattle, suburban cities and unincorporated King County. The Regional Working Group recommended a regional approach to the finance, governance and implementation of an affordable housing program.

1 E. Financial assistance in the amount of \$150,000,000
2 plus interest would make it possible to provide financing for
3 approximately 2,420 units of housing and associated services
4 for low income households within King County.

5 F. It is in the public interest that the county
6 provide or assist cities, public housing agencies, non-profit
7 organizations, and others within the county in providing
8 approximately 2,420 units of additional low income housing by
9 providing funds for the capital, operating, maintenance and
10 residential support services costs for such housing; costs of
11 residential support services for low income residents of other
12 assisted housing programs; and project related support.

13 G. The coordination of housing development programs
14 with appropriate residential support services will help ensure
15 protection of the capital investment.

16 H. It is desirable to implement an affordable program
17 at the subregional level to assure that it responds to both
18 local and regional needs.

19 I. The most appropriate method of providing this
20 financial assistance is to propose an additional regular
21 property tax levy pursuant to RCW 84.55.050. Waiving the one
22 hundred six percent (106%) property tax limit for a temporary
23 period provides the most predictable funding mechanism for
24 providing low income housing.

25 SECTION 2. Definitions. As used in this ordinance, the
26 words hereinafter defined shall have the meaning set forth in
27 this section.

28 A. **"Capital costs"** means costs of acquisition of any
29 interest in land, buildings or mobile homes; rehabilitation,
30 construction, and other costs of providing housing including,
31 but not limited to, financing, downpayment assistance, closing
32 costs, interest subsidies, utility hook-ups, required
33 infrastructure improvements, and purchase or lease and
34 installation of equipment and furniture. Capital costs also
35 include engineering, architectural, financial, legal, project

1 management, relocation, environmental and other services
2 incurred incident to the development of housing and its
3 financing. Capital costs shall also include costs of
4 construction or rehabilitation of space in housing needed to
5 provide residential support services, and provision of housing
6 units for on-site resident managers.

7 B. **"County"** means the County of King.

8 C. **"Eligible subregional entity"** means, in the Seattle
9 subregion, The City of Seattle, and in each of the other two
10 subregions, a public entity representing suburban cities and
11 unincorporated areas within the subregion with the
12 administrative capability to implement and oversee housing
13 development programs, as determined by criteria and procedures
14 established in the levy program implementation plan to be
15 developed and adopted pursuant to Section 7.B. of this
16 ordinance.

17 D. **"Household"** means one or more people living in one
18 housing unit.

19 E. **"Housing unit"** means a house, condominium unit,
20 apartment or mobile home; a single room intended as separate
21 living quarters; or a bed in an emergency shelter or
22 transitional facility.

23 F. **"Legislative authority"** means the executive and
24 council of the county.

25 G. **"Levy"** means the levy of regular property taxes in
26 excess of the 106% limitation on levies, for the specific
27 purpose and term as provided herein and authorized by the
28 electorate pursuant to state law.

29 H. **"Levy proceeds"** means the principal amount of funds
30 raised by the Levy, any interest earnings thereon, and the
31 proceeds of any interim financing following authorization of
32 the Levy.

33 I. **"Low income household"** means a household having, at
34 the time of initial occupancy of a housing unit, a gross income
35 equal to or less than eighty percent (80%) of the Standard

1 Metropolitan Statistical Area (SMSA) median income, adjusted
2 for household size. Where the term "low income" is used in
3 this ordinance it shall include the term "very low income"
4 unless otherwise specified.

5 J. **"Non-Profit"** means a corporation organized and
6 operating pursuant to the Washington State Non-Profit
7 Corporation Act and holding a current tax exempt status under
8 26 U.S.C. Sec. 501(c)(3).

9 K. **"North/East County"** means those parts of King
10 County lying north of the center line of Interstate 90 (I-90)
11 excluding Seattle, plus all other incorporated areas of
12 Issaquah, Bellevue, North Bend, Snoqualmie and Mercer Island.
13 For the purpose of the Levy, the county's community planning
14 area known as Newcastle is included in this subregion.

15 L. **"Program"** means all authorized costs and activities
16 relating to the development, acquisition, construction,
17 rehabilitation or operation of low income housing programs
18 using Levy proceeds as described in this ordinance or as
19 subsequently modified, as set forth in Section 5.C. of this
20 ordinance.

21 M. **"Public Housing Agency"** means a public housing
22 authority created pursuant to RCW 35.82 or a public development
23 authority created pursuant to RCW 32.21.730 that is authorized
24 to conduct housing activities, and does not include a unit of
25 general government.

26 N. **"Residential Support Services"** means services that
27 directly benefit low income families and individuals who are
28 homeless or at-risk of becoming homeless to prevent or overcome
29 the impacts of homelessness, obtain and/or maintain adequate
30 housing, promote self-sufficiency and avoid long term
31 dependency on publicly assisted housing. These services are
32 provided, when necessary, as an integral part of new or
33 existing emergency, transitional and rental housing programs.

34 O. **"Seattle"** means The City of Seattle, Washington.

1 P. "South County" means those parts of King County
2 lying south of the center line of I-90, including Vashon
3 Island, but excluding the incorporated areas of Bellevue,
4 Issaquah, North Bend, Snoqualmie and Seattle, and the county's
5 community planning area known as Newcastle.

6 Q. "Subregion" means The City of Seattle, South County
7 or North/East County.

8 R. "Suburban City" means any city or town located
9 wholly or partially in King County except Seattle.

10 S. "Very low income household" means a household
11 having, at the time of initial occupancy of a housing unit, a
12 gross income equal to or less than fifty percent (50%) of SMSA
13 median income, adjusted for household size.

14 SECTION 3. Levy Submittal to Voters. To provide
15 necessary funds for housing and related residential support
16 services to low-income households and the homeless, the county
17 council shall submit to the qualified electors of the county a
18 proposition as authorized by RCW 84.55.050 to exceed the one
19 hundred six percent (106%) levy limitation on regular property
20 taxes provided for in RCW 84.55.010, for property taxes levied
21 in 1992 through 1999, for collection in 1993 through 2000
22 respectively, for the sole purpose of raising One Hundred Fifty
23 Million Dollars (\$150,000,000) in the aggregate by increasing
24 the regular property taxes to raise an amount not to exceed
25 Eighteen Million Seven Hundred Fifty Thousand Dollars
26 (\$18,750,000) each year for eight consecutive years.

27 SECTION 4. Low Income Housing Fund. Subject to approval
28 of the Levy by the voters, there is established in the county
29 treasury a "Low Income Housing Fund," into which shall be
30 placed the proceeds and interest earned from the Levy. Prior
31 to disbursement, monies in the Low-Income Housing Fund may be
32 invested in securities authorized by law. All investment
33 earnings shall accrue to the Low Income Housing Fund, to be
34 used for the purpose set forth in this ordinance.

35 SECTION 5. Programs.

1 A. The Regional Housing Levy is intended to provide
2 housing and residential support services for the homeless, and
3 low-income households.

4 B. Levy programs and their allocations of funds raised
5 by the Levy are shown below:

6 1. RENTAL HOUSING

7 Capital Costs \$58,500,000

8 Residential Support Services . . . \$12,500,000

9 2. EMERGENCY/TRANSITIONAL HOUSING

10 Capital Costs \$18,000,000

11 Residential Support Services . . . \$27,500,000

12 3. MOBILE HOMES \$9,000,000

13 4. HOME OWNER PROGRAMS \$5,600,000

14 5. RENT SUBSIDY TRUST FUND \$10,000,000

15 6. PROJECT RELATED SUPPORT \$ 1,400,000

16 7. PLANNING AND ADMINISTRATION \$7,500,000

17 C. The programs and allocations set forth above and
18 the geographical description of the subregions other than The
19 City of Seattle may be modified by the county legislative
20 authority, but only after either the legislative authority has
21 received a recommendation from the Regional Housing Levy Policy
22 Board established as set forth in Section 6 of this ordinance
23 or the legislative authority has referred a proposed
24 modification to such Board and the Board has not provided a
25 recommendation with respect to the proposed modification within
26 60 days.

27 D. The housing programs identified in Subsection 5.B.
28 above are estimated to produce approximately 2,420 housing
29 units. To the extent feasible, such housing units will be
30 distributed equally among the three subregions.

31 E. As funds permit, necessary residential support
32 services may be provided as a part of the housing programs
33 authorized pursuant to this ordinance for residents of housing
34 units developed, constructed, acquired, or rehabilitated with
35 Levy proceeds. As funds permit, residential support services

1 funded by levy proceeds may also be provided to the residents
2 of other low income housing where necessary to support
3 residents in the units or enable them to move to non-assisted
4 housing.

5 SECTION 6. Regional Housing Levy Policy Board.

6 A. Subject to approval of the Levy by the voters, a
7 Regional Housing Levy Policy Board (the "Board") is established
8 to recommend to the county legislative authority policies and
9 procedures, guidelines, allocations, adjustments to boundaries
10 between subregions, and evaluate progress towards meeting
11 program goals.

12 B. In order to ensure that the Board adequately
13 represents the interests of the various cities throughout King
14 County, the membership of the Board shall consist of ten (10)
15 members: the King County executive and three members of the
16 King County council; two elected officials representing the
17 Seattle Subregion as designated by The City of Seattle; and two
18 elected officials from suburban cities from each of the two
19 other subregions appointed in a manner agreed to by and among
20 those cities and towns representing a majority of the
21 populations of such cities and towns.

22 C. Subject to the terms of any further ordinance
23 hereafter adopted by the county legislative authority and to
24 all applicable provisions of law, the Board shall have
25 authority to adopt its own by-laws and rules of procedure;
26 elect officers; create committees; and conduct meetings within
27 the county.

28 D. The Board shall appoint a Citizens Advisory
29 Committee (the "Committee") to assist it in recommending
30 program policies, monitoring the progress of levy programs, and
31 assuring that the goals of the levy are met. The Committee
32 membership shall provide for both geographic representation
33 from the three subregions and representation of the diverse
34 population of King County including cultural and ethnic
35 communities, persons who speak English as a second language and

1 persons with disabilities; finance and real estate
2 professionals; private sector housing developers; non-profit
3 housing and human service providers; and representatives of
4 the general community.

5 SECTION 7. Program Implementation.

6 A. It is intended that the regional policies and
7 resources of the Levy be implemented on a subregional basis and
8 that additional policies, administrative mechanisms and
9 organizations be developed to encourage subregional cooperation
10 among the involved jurisdictions. To this end, it is declared
11 to be a goal of the Program, to the extent feasible, to have
12 developed, acquired and/or improved with Levy proceeds an equal
13 number of housing units in each of the three subregions by the
14 end of the Levy term.

15 B. Subject to approval of the Levy by the voters, the
16 county executive shall submit by May 1, 1993 a proposed levy
17 program implementation plan including countywide policies and
18 procedures and allocations to subregions to the county council
19 for review and approval and shall submit annual updates by June
20 1 of each succeeding year. The executive shall consult with
21 the Board in preparation of the plan and seek the Board's
22 recommendations for submittal with the proposed plan and annual
23 updates.

24 C. Distribution of levy proceeds or any part thereof
25 to eligible subregional entities by approved interlocal
26 cooperation agreements is hereby authorized, and the King
27 County executive is hereby requested to enter into negotiations
28 promptly upon request with eligible subregional entities. Any
29 such interlocal cooperation agreements shall include provisions
30 insuring that rental property or housing units developed,
31 acquired, constructed or rehabilitated with Levy proceeds
32 remain in use for purposes authorized pursuant to this
33 ordinance for a sufficient period to amortize the levy funds
34 invested therein or that the portion of proceeds of any sale or
35 disposition of such properties which is attributable to levy

1 proceeds be used only for purposes authorized pursuant to this
2 ordinance. In the absence of such approved interlocal
3 cooperation agreements, nothing herein shall be deemed to
4 impair the authority of the County Legislative Authority to
5 administer and expend levy proceeds. The county and eligible
6 subregional entities may utilize Levy proceeds directly or
7 through contracts with public or private entities.

8 SECTION 8. Disposition of Publicly-Owned Property

9 Authorized; Conditions. To the extent permitted by law, any
10 publicly-owned rental property developed, acquired, constructed
11 or rehabilitated with Levy proceeds may be sold or otherwise
12 disposed of if either, the transferee commits to continue the
13 use of the property for purposes set forth in this ordinance
14 permanently or for a period approved by the county or an
15 eligible subregional entity, or the use of the property for
16 said purposes is no longer feasible, or such sale or
17 disposition would further said purposes. Proceeds of any such
18 sale or disposition received by the county or any subregional
19 entity, net of any amounts required to be paid to other parties
20 by contract or by law, shall be used only for said purposes.

21 SECTION 9. Financing. After voter approval and pending

22 the collection of the Levy authorized herein, the county may
23 provide by ordinance for the interim financing of the program
24 or any portion thereof as permitted by law.

25 SECTION 10. Levy; Ballot Title. It is hereby found that

26 an urgent need exists for the provision of housing and
27 residential support services for the homeless and low income
28 households; and there is hereby submitted to the qualified
29 electors of King County a proposition authorizing regular
30 property tax levies in excess of the 106 percent levy
31 limitation for the purposes described in this ordinance at the
32 special election to be held on March 10, 1992.

33 The King County director of records and elections, as ex-
34 officio supervisor of elections, is hereby requested to assume
35 jurisdiction of and to call and conduct a special election and

1 to submit to the qualified electors of the county the
2 proposition set forth below.

3 The clerk of the county council is hereby authorized and
4 directed to certify a proposition to the King County director
5 of records and elections in substantially the following form:

6 KING COUNTY

7 PROPOSITION NUMBER _____

8 REGIONAL HOUSING LEVY

9 For the purpose of providing housing and residential support
10 services for the homeless and low income families and
11 individuals, shall King County increase its regular property
12 tax levy for a period of eight consecutive years beginning in
13 1992 by an amount sufficient to raise not more than Eighteen
14 Million Seven Hundred Fifty Thousand Dollars (\$18,750,000) per
15 year, for a total of one hundred fifty million dollars
16 (\$150,000,000), all as provided in King County Ordinance
17 No. 10235.

18 SECTION 11. Ratification. Certification of such
19 proposition by the clerk of the county council to the King
20 County director of records and elections in accordance with law
21 prior to the date of such election on March 10, 1992, and any
22 other act consistent with the authority and prior to the
23 effective date of this ordinance are hereby ratified and
24 confirmed.

25 SECTION 12. Construction. This ordinance shall be
26 liberally construed to give effect to its remedial purposes and
27 to facilitate the coordination of levy programs with federal,
28 state, county and city programs and with other available
29 funding sources for low income housing and residential support
30 services.

31 SECTION 13. Severability. In the event any one or more
32 of the provisions of this ordinance shall, for any reason, be
33 held to be invalid, such invalidity shall not affect any other
34 provision of this ordinance or the levy, but this ordinance and
35 the levy shall be construed and enforced as if such invalid

1 provisions had not been contained therein; provided that any
2 provisions which shall, for any reason, be held by reason of
3 its extent to be invalid shall be deemed to be in effect to the
4 extent permitted by law.

5 INTRODUCED AND READ for the first time this 6th day
6 of January, 1942.

7 PASSED this 13th day of January, 1942.

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KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Audrey Greger
Chair

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11

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ATTEST:

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Janet Mason
DEPUTY Clerk of the Council

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APPROVED this 13th day of January, 1942.

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Jim Hill
King County Executive