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4 **AN ORDINANCE OF THE CITY OF BELLINGHAM RELATING TO LOW-INCOME**  
5 **HOUSING; REQUESTING THAT A SPECIAL ELECTION BE HELD CONCURRENT**  
6 **WITH THE NOVEMBER 6, 2012 GENERAL ELECTION FOR SUBMISSION TO THE**  
7 **QUALIFIED ELECTORS OF THE CITY OF A PROPOSITION TO LIFT THE LIMIT ON**  
8 **REGULAR PROPERTY TAXES UNDER CHAPTER 84.55 RCW FOR LOW-INCOME**  
9 **HOUSING; DECLARING THE EXISTENCE OF AN EMERGENCY UNDER CHAPTER**  
10 **84.52.105 AND REQUESTING VOTER APPROVAL OF AN ADDITIONAL PROPERTY**  
11 **TAX FOR VERY LOW-INCOME HOUSING; PROVIDING FOR THE EXPIRATION OF**  
12 **THE ADDITIONAL LEVIES AT THE END OF SEVEN YEARS; SETTING FORTH THE**  
13 **BALLOT PROPOSITION; DESIGNATING A CITIZEN LEVY ADVISORY COMMITTEE;**  
14 **AND PROVIDING FOR IMPLEMENTATION OF PROGRAMS WITH FUNDS DERIVED**  
15 **FROM THE TAXES AUTHORIZED.**

16  
17 **WHEREAS**, Equity and Social Justice is a legacy that the City Council has adopted  
18 for the City of Bellingham;

19  
20 **WHEREAS**, Supporting safe, affordable housing, supporting services for lower-  
21 income residents, and providing access to problem-solving resources are the strategic  
22 commitments the City Council has made to ensure Equity and Social Justice;

23  
24 **WHEREAS**, a healthy community is one in which all members have access to basic  
25 needs such as safe, secure and affordable homes and, despite the recent decline in home  
26 purchase prices, homes remain unaffordable for a significant percentage of Bellingham  
27 residents;

28  
29 **WHEREAS**, households face a severe burden when housing costs (including  
30 utilities) exceed 50 percent of household income;

31  
32 **WHEREAS**, U.S. Census data has estimated that there are 7,400 low-income  
33 households in Bellingham that face a severe housing cost burden by paying more than 50  
34 percent of their income on housing costs;

35  
36 **WHEREAS**, over 1,000 low-income elderly households in Bellingham pay more than  
37 50 percent of their income on housing costs and face challenges in repairing their homes  
38 without financial assistance;

39  
40 **WHEREAS**, at any point in time, 500 people are homeless in Whatcom County,  
41 according to the annual Point-in-Time Count, and 20 percent of all people experiencing  
42 homelessness in Bellingham are children under 10 years of age, with adverse childhood  
43 experiences that have profound and long-lasting negative consequences;

44  
45 **WHEREAS**, local housing affordability efforts save public money by reducing  
46 expenses for social services, emergency room medical care, triage, law enforcement and

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1 other costs associated with temporary and chronic homelessness, with two local programs  
2 recently documenting that housing services resulted in increased access to mental health  
3 services and a 90 percent reduction in criminal justice costs;  
4

5 **WHEREAS**, recent investments of new, but very limited, grant funds resulted in  
6 significant reductions in local homelessness, with 37 percent fewer homeless persons with  
7 disabilities, 65 percent fewer homeless veterans, and 41 percent fewer homeless persons  
8 overall;  
9

10 **WHEREAS**, the Bellingham Housing Authority has 1,608 families on the waiting list  
11 for public housing, 72 percent of which earn less than 30% of the Area Median Income and  
12 44 percent are families with disabilities;  
13

14 **WHEREAS**, the Bellingham Housing Authority has 400 households on the waiting  
15 list for rental assistance vouchers, with an average waiting time to receive assistance of  
16 more than four years;  
17

18 **WHEREAS**, nearly one-third of Bellingham's housing stock is over 50 years old,  
19 requiring repair, maintenance and weatherization that is often not affordable to low-income  
20 households;  
21

22 **WHEREAS**, local wages are not keeping pace with Bellingham's housing costs, with  
23 average apartment rent increasing 17 percent while average wages increased only 5  
24 percent since 2004;  
25

26 **WHEREAS**, according to the U.S. Census, the median value of homes increased 96  
27 percent from 2000 to 2010, while median family income increased just 23 percent;  
28

29 **WHEREAS**, more affordable housing options near employment centers are good for  
30 the environment, preventing long commutes with associated pollution, commuting  
31 expenses, traffic congestion and road widening costs;  
32

33 **WHEREAS**, the Countywide Housing Affordability Taskforce (CHAT) concluded its  
34 18 month study and deliberation about housing affordability with a set of conclusions that  
35 included among its top six recommendations the creation of additional local revenue  
36 sources that assist in the delivery of homes affordable to low-income households;  
37

38 **WHEREAS**, the proposed Bellingham Home Fund will result in \$21,000,000 in local  
39 funding that will be used as matching money to leverage other private and public funding  
40 for housing affordability, serving an estimated 8,500 families over the useful life of the  
41 properties that will be assisted with the Bellingham Home Fund;  
42

43 **WHEREAS**, as a condition of receiving federal funding for low-income housing, the  
44 City of Bellingham administers an affordable housing program with citizen oversight,  
45 including preparation of five-year strategic plans, performance measures and outcomes,  
46 and annual action plans;

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1  
2       **WHEREAS**, the City of Bellingham can efficiently administer the proposed  
3 Bellingham Home Fund in conjunction with its existing programs that manage federal  
4 funding for housing affordability;  
5

6       **WHEREAS**, Chapter 84.55 RCW generally limits the dollar amount of regular  
7 property taxes that a city may levy in any year, but RCW 84.55.050 allows a city to levy  
8 taxes exceeding such limit by majority approval of the voters and allows a city to include in  
9 the ballot proposition a limit on the purpose for which the additional taxes levied will be  
10 used and to provide for the expiration of the additional taxing authority;  
11

12       **WHEREAS**, the proposed additional levy is within the limitations imposed by RCW  
13 84.52.043;  
14

15       **WHEREAS**, RCW 84.52.105 authorizes a city to impose additional regular property  
16 tax levies to finance affordable housing for very low-income households when specifically  
17 authorized to do so by a majority of the voters of the taxing district voting on a ballot  
18 proposition authorizing the levy; and  
19

20       **WHEREAS**, RCW 35.21.685 authorizes a city to assist in the development or  
21 preservation of publicly or privately owned housing for persons of low income by providing  
22 loans or grants of general municipal funds to the owners or developers of the housing,  
23 including loans or grants to finance the acquisition, construction or rehabilitation of low-  
24 income housing, and to provide rental assistance and other supportive services, to low-  
25 income persons;  
26

27       **NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:**  
28

29       **Section 1. Findings.** The City Council makes the following findings and declares as  
30 follows:  
31

- 32       A. The City's Consolidated Plan and Housing Element of the Comprehensive Plan identify  
33 insufficient safe, sanitary, and decent housing affordable to low- and very low-income  
34 households to meet the present and anticipated needs of such households, including  
35 homes affordable for local working people, U.S. military veterans, families with children,  
36 people with limited or fixed incomes including senior citizens and people having a  
37 disability.  
38       B. Affordable rental housing for low-income households, including the homeless, other  
39 persons with special needs, families and seniors, often requires a commitment of City  
40 funds for development or preservation, or other forms of assistance.  
41       C. Promoting and preserving home ownership for low-income households contributes to  
42 the stability of families and neighborhoods; helps preserve the physical condition of  
43 residential properties; and addresses the shortage of safe, sanitary, affordable housing  
44 both by maintaining and enhancing the supply of owner-occupied housing and by  
45 limiting the demand for scarce low-income rental housing that otherwise would exist  
46 from households unable to afford to purchase homes or to maintain existing homes.

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- 1 D. The additional taxes to be levied under this ordinance will enable the City to provide for  
2 the housing needs of low- and very low-income households and thereby work to fulfill  
3 the purposes of federal, state and City laws and policies, including, without limitation,  
4 the federal HOME Investment Partnerships Act, federal Community Development Block  
5 Grant, the State Growth Management Act and the City's Comprehensive Plan.  
6 E. An emergency exists with respect to the availability of housing that is affordable to very  
7 low-income households in the City of Bellingham.  
8

9 **Section 2. Definitions.** The following terms used in this ordinance shall have the  
10 definitions stated below, unless the context otherwise clearly requires:  
11

- 12 A. "Affordable housing" means residential housing for rental or private individual  
13 ownership which, as long as the same is occupied by low-income households, requires  
14 payment of monthly housing costs, including utilities, other than telephone, of no more  
15 than 30 percent of the household's income.  
16 B. "Low-income housing" means housing that will serve "low-income households."  
17 C. "Household" means a single person, family or unrelated persons living together.  
18 D. "Low-income household" means a household with income less than or equal to eighty  
19 percent (80%) of median income.  
20 E. "Median income" means annual median family income for the statistical area or division  
21 thereof including Bellingham for which median family income is published from time to  
22 time by the U.S. Department of Housing and Urban Development, or successor  
23 agency, with adjustments according to household size.  
24 F. "Very low-income household" means a household with income less than or equal to 50  
25 percent of median income.  
26

27 To the extent permitted by applicable State law, income determinations may take into  
28 account such exclusions, adjustments and rules of computation as may be prescribed or  
29 used under federal housing laws, regulations or policies for purposes of establishing  
30 income limits, or as may be established in City housing and community development plan  
31 documents consistent with federal laws, regulations or policies.  
32

33 **Section 3. Proposition to Authorize Levy of Additional Regular Property Taxes;**  
34 **Affordable Housing Plan.**  
35

36 The City submits to the qualified electors of the City a proposition as authorized by RCW  
37 84.55.050(1), to exceed the levy limitation on regular property taxes contained in Chapter  
38 84.55 RCW for property taxes levied in 2012 through 2018 for collection in 2013 through  
39 2019, respectively. The proposition would also authorize an additional property tax levy for  
40 very low-income housing under RCW 84.52.105. The proposition would raise  
41 approximately \$3,000,000 per year totaling an estimated \$21,000,000 in aggregate over a  
42 period of up to seven years.  
43

- 44 A. The proposition would permit the City to increase its regular property tax levy by up  
45 to \$0.12 per \$1,000 of assessed valuation, resulting in a regular property tax levy of

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1 \$2.62 per \$1,000 for collection in 2013. All the levy proceeds shall be used for the  
2 purposes specified in Section 5 of this ordinance.

3 B. The proposition would also authorize the City to impose an additional regular  
4 property tax levy of up to \$0.24 per \$1,000 of assessed valuation for very low-  
5 income housing pursuant to RCW 84.52.105. The limitations in RCW 84.52.043  
6 shall not apply to the tax levy authorized by this part. All the levy proceeds shall be  
7 used for the purposes specified in Section 5 of this ordinance and may not be imposed  
8 by the City Council until the City adopts an affordable housing financing plan as set  
9 forth in Section 6 of this ordinance.

10 C. The taxes authorized by this proposition will be in addition to the maximum amount of  
11 regular property taxes the City would have been limited to by RCW 84.55.010 in the  
12 absence of voter approval under this ordinance, plus other authorized lid lifts.  
13 Thereafter, such levy amount would be used to compute limitations for subsequent  
14 years as allowed by chapter 84.55 RCW. Pursuant to RCW 84.55.050(5), the maximum  
15 regular property taxes that may be levied in 2019 for collection in 2020 and in later  
16 years shall be computed as if the limit on regular property taxes had not been  
17 increased under this ordinance.

18  
19 **Section 4. Levy Revenues.**

20  
21 A. Unless otherwise directed by ordinance, all revenues collected from the additional  
22 taxes authorized pursuant to this ordinance shall be deposited initially in the Low-  
23 Income Housing Fund to be used as set forth in Section 5 and as described in the Low  
24 Income Housing Administrative and Financing Plans, as may be adopted by the City  
25 Council under Sections 5 and 6 of this ordinance. The Finance Director is authorized to  
26 create other subfunds or accounts within the Low-Income Housing Fund as may be  
27 needed or appropriate to implement the purposes of this ordinance.

28 B. Pending expenditure for the purposes authorized in this ordinance, amounts deposited  
29 in the Low-Income Housing Fund pursuant to this ordinance may be invested in any  
30 investments permitted by applicable law. All investment earnings on the balances shall  
31 be deposited into the Low-Income Housing Fund. Amounts received by the City from  
32 payments with respect to loans, recovery of grants, insurance proceeds or proceeds of  
33 sale or disposition of property ("program income") shall be deposited into the Low-  
34 Income Housing Fund unless otherwise specified by ordinance. Any investment  
35 earnings and program income derived from revenues collected from the additional  
36 taxes authorized pursuant to this ordinance shall be used for the purposes set forth in  
37 this ordinance and as authorized by the City Council.

38  
39 **Section 5. Administration; Use of Proceeds.**

40  
41 A. The levy funds shall be used to pay for affordable housing for low and very low-income  
42 households, pay for affordable housing programs, and otherwise to provide for the  
43 housing needs of low and very low-income households; provided that all funds raised  
44 from the levy authorized by RCW 84.52.105 shall be dedicated to affordable housing  
45 for very low-income households.

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- 1 B. The Planning and Community Development Department, or such other department as  
2 may be designated by ordinance, shall administer programs funded with the additional  
3 taxes authorized pursuant to this ordinance. Any programs adopted by the City Council  
4 for use of the funds derived under this ordinance shall be referred to as "Housing Levy  
5 Programs." Housing Levy Programs shall be implemented consistent with the Low  
6 Income Housing Administrative and Financing Plan, as may be adopted by the City  
7 Council and as may thereafter be amended from time to time.
- 8 C. Anticipated Housing Levy Programs are shown in Exhibit 1, attached hereto. The City  
9 Council, upon recommendation of the Citizen Advisory Committee described in Section  
10 7 of this ordinance, or upon recommendation of the Mayor or on its own motion, may  
11 review the allocations to particular Housing Levy Programs and make changes to the  
12 programs, including additions and deletions of programs and/or in the timing of or  
13 amount of funds allocated to any program, consistent with the purposes of this  
14 ordinance and applicable law. Administration funding shown on Exhibit 1 is intended to  
15 be used for administration of the use of levy proceeds for all programs, including but  
16 not limited to developing the Low Income Housing Administrative and Financing Plan,  
17 preparing and reviewing loan and grant applications, monitoring and auditing  
18 performance and compliance with loan, grant and program requirements, and paying  
19 for financial accounting, legal, and other administrative services necessary to  
20 implement the Housing Levy Programs.

21  
22 **Section 6. Low Income Housing Administrative and Financing Plan.**  
23

- 24 A. The Director of Planning and Community Development, or other such person as may  
25 be designated by the Director or the Mayor, shall prepare a Low Income Housing  
26 Administrative and Financing Plan ("Plan") covering all of the Housing Levy Programs.  
27 The Plan shall cover the period commencing in 2013 and continue through 2019; shall  
28 specify the plan for use of funds raised by the levy authorized by RCW 84.52.105; shall  
29 be consistent with either the locally adopted or state-adopted comprehensive housing  
30 affordability strategy, required under the Cranston-Gonzalez national affordable  
31 housing act (42 U.S.C. Sec. 12701, et seq.), as amended; and shall be approved by  
32 City Council prior to the additional property tax levy being imposed pursuant to RCW  
33 84.52.105.
- 34 B. The expenditure of all funds raised pursuant to this ordinance shall be as set forth in  
35 the Plan adopted by City Council. The City Council reserves the right to amend the  
36 Plan as it may in the future be determined as necessary or appropriate. The Plan  
37 should be done in coordination with the Consolidated Plan and Annual Action Plans  
38 required by HUD for expenditure of HOME and CDBG funds for the benefit of low  
39 income housing and community development needs in the City.
- 40 C. The City Council shall appropriate from the Low-Income Housing Fund, as part of the  
41 City budget or supplementally, such monies derived from the levies authorized in this  
42 ordinance as it deems necessary to carry out the Housing Levy Programs.
- 43 D. The Mayor, or other such person as may be designated by the Mayor, is authorized, for  
44 and on behalf of the City, to select projects for funding and to approve, make and modify  
45 loans, grants or other expenditures to carry out the Housing Levy Programs, provided  
46 that such authority is subject to the appropriation of sufficient funds and consistent with

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1 the Plan approved by City Council pursuant to Sections 5 and 6. The Mayor and his or  
2 her designees are further authorized, for and on behalf of the City, to execute and  
3 deliver such documents and instruments as he or she may determine to be necessary or  
4 appropriate to implement the financing of specific projects or to otherwise carry out the  
5 Housing Levy Programs.  
6

7 **Section 7. Citizen Advisory Committee.**

8 The Community Development Advisory Board ("CDAB"), established pursuant to BMC  
9 2.46.010, shall advise the City Council, Mayor and the Director of Planning and Community  
10 Development regarding the Housing Levy Programs authorized by this ordinance. CDAB  
11 shall advise the Mayor and City Council on the Low Income Housing Administrative and  
12 Financial Plan prepared pursuant to Section 6 of this ordinance. CDAB shall also assist in  
13 monitoring the progress, performance and accomplishment of Housing Levy Programs, and  
14 report such findings to the Mayor and City Council, including any problems and  
15 recommendations on actions to be taken so that the Housing Levy Programs are  
16 conducted in a timely and efficient manner for the benefit of low-income households.  
17

18 **Section 8. Election - Ballot Title.**

19 The City Council hereby requests that the Whatcom County Auditor, as *ex officio*  
20 supervisor of elections, submit to the qualified electorate of the City for a vote, at the  
21 November 6, 2012 general election, a proposition substantially in the form set forth in this  
22 ordinance. The City Clerk is directed to certify to the Whatcom County Auditor the ballot  
23 proposition to the electorate of the City in the form substantially as follows:  
24

25 PROPOSITION NO. 1  
26 Low-Income Housing Levy  
27

28 The City of Bellingham Council adopted Ordinance No. 2012-06-033  
29 concerning property taxes for low-income housing assistance.  
30

31 This proposition would fund housing and housing services for  
32 people with low or very low incomes, including those with  
33 disabilities, veterans, seniors, and families with children by (a)  
34 authorizing an increase in the City's regular property tax levy by  
35 up to \$0.12/\$1,000 to \$2.62/\$1,000 of assessed value as allowed  
36 by RCW 84.55; and (b) authorizing a regular property tax levy of  
37 up to \$0.24/\$1,000 of assessed value under RCW 84.52.105,  
38 each for seven years, generating approximately \$3,000,000  
39 annually. Should this proposition be approved?  
40

41 Yes?.....

42 No? .....

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1 **Section 9. Corrections.**

2 The Bellingham City Attorney's Office or the Auditor or her designee is authorized to make  
3 necessary clerical corrections to this ordinance including, but not limited to, the correction of  
4 scrivener's or clerical errors, references, ordinance numbering, section/subsection numbers  
5 and any references thereto.  
6

7 **Section 10. Severability.**

8 If any section, sentence, clause or phrase of this resolution should be held to be invalid or  
9 unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality  
10 shall not affect the validity or constitutionality of any other section, sentence, clause or  
11 phrase of this resolution.  
12


13 **PASSED** by the Council this 18th day of June, 2012.

14  
15   
16 \_\_\_\_\_  
17 Council President  
18  
19  
20  
21  
22

23  
24 **APPROVED** by me this 22nd day of June, 2012.

25  
26  
27   
28 \_\_\_\_\_  
29 Mayor  
30

31  
32 **ATTEST:**   
33 \_\_\_\_\_  
34 Finance Director  
35

36  
37 **APPROVED AS TO FORM:**  
38   
39 \_\_\_\_\_  
40 Office of the City Attorney  
41

42  
43 Published:

44 June 22, 2012  
45 \_\_\_\_\_  
46



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EXHIBIT 1  
2013 HOUSING LEVY PROGRAMS

Program	Total Funding (7 Years)	Estimated Housing Produced/Households Assisted	Program Description/Affordability Levels
Production and Preservation of Homes	\$15,980,000	429 homes (serving 8,500 families over the useful life of these properties).	<ul style="list-style-type: none"> <li>Homes for people working at minimum wage, veterans, seniors on fixed incomes, and people exiting homelessness (households at or below 30% of median income)</li> <li>Homes for local workers, working families up to 60% of median income</li> <li>Affordable and specialized homes for veterans, people with disabilities, and seniors.</li> <li>Rehabilitation and weatherization to increase affordability and preserve existing affordable homes</li> </ul>
Rental Assistance and Support Services	\$1,880,000	800 homes	<ul style="list-style-type: none"> <li>Supportive services matched to specialized homes for disabled veterans and chronically homeless individuals to help them retain their homes and reduce costly care in hospital emergency department and other inappropriate systems of care</li> <li>Temporary and long-term assistance to families and individuals to help preserve their housing, prevent eviction and homelessness (targeted households at or below 50% of median income)</li> </ul>
Low-income homebuyer assistance	\$940,000	50 homes	<ul style="list-style-type: none"> <li>Assistance to low-income homebuyers, including programs that promote long-term affordability of ownership housing (targeted to households at or below 80% of median income)</li> </ul>
Acquisition and Opportunity Loans	\$940,000	50 homes	<ul style="list-style-type: none"> <li>Short-term loans for strategic purchases of buildings or land for rental or homeownership housing development that will serve low-income households</li> </ul>
Administration	\$1,260,000	n/a	

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