

## **Policy Questions for Committee Consideration**

**May 17, 2017**

**Do you support Home Fund?** Survey should help to shed light on how the community feels about these issues.

**What is the relationship between the homelessness and affordable housing funding and the Public Safety funding?** Chief Roberts has presented a compelling plan to add to the DT walking patrol, create a social service outreach function, and enhance neighborhood policing and code enforcement. How might this fit with the housing discussion? The survey should help to shed light on these issues.

**Do you want to declare a housing emergency?** Levy options without an emergency declaration.

**Timing of a referendum?** If the intention is to place a measure on the November 2017 ballot City must advise the County by August 1, 2017. The last regularly scheduled City Council meeting prior to August 1<sup>st</sup> is July 25<sup>th</sup>. The next available date for consideration of a ballot measure is April 2018. The county must be noticed by February 25, 2018. The City's last regular meeting prior to that date is February 21<sup>st</sup>.

**Do you prefer property tax or sales tax?** Property tax would generate approximately \$2.29 million (@ .36/\$1,000) and sales tax would generate approximately \$2.15 million (@.01%)

**Would you want to limit the maximum amount collected under the levy to \$2.29 million?** Vancouver limited the amount their levy could generate per year to \$6,000,000. Bellingham did not impose a limit.

**What length of time would you want to set the levy or tax for?** (RCW 84.52 allows a levy to be collected for up to 10 years. There is no time limit associated with the sales and use tax.)

**Who is your target population or populations?** Levy requires monies to be spent on those earning 50% or less of AMI. These funds may be used finance affordable housing for very low-income households.

### Very Low-Income (50% AMI) Limits and Rents

1-Person Household		2-Person Household		4-Person Household	
Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent
\$25,800	\$645	\$29,450	\$736.25	\$36,800	\$920

The sales and use tax requires funds to be used aiding those making 60% or less of AMI. The sales and use tax requires the funds to be used for:

(2)(a) Notwithstanding subsection (4) of this section, a minimum of sixty percent of the moneys collected under this section must be used for the following purposes:

(i) Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services; or

(ii) Constructing mental and behavioral health-related facilities; or

(iii) 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 affordable housing and facilities providing housing-related programs in (a)(i) of this subsection may only be provided to persons within any of the following population groups whose income is at or below sixty percent of the median income of the county imposing the tax:

(i) Persons with mental illness;

(ii) Veterans;

(iii) Senior citizens;

(iv) Homeless, or at-risk of being homeless, families with children;

(v) Unaccompanied homeless youth or young adults;

(vi) Persons with disabilities; or

(vii) Domestic violence survivors.

(c) The remainder of the moneys collected under this section must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

### How would you plan to use these funds?

Vancouver: Community partners including for profit and not for profit developers, service providers for construction, acquisition, preservation of rental housing and assistance to very low-income homeowners to make repairs. Housing production, housing preservation and homelessness prevention and implementation.

	Annual funding 2017-2023	Funding breakdown by use	Amount per unit or household	Annual units or households assisted	Total funding (7 years)	Total units or households assisted (7 years)
Levy Revenues	\$6,000,000	-	-	-	\$42,000,000	-
<b>USES</b>						
Housing Production	\$2,400,000	40%	\$50,000	48 units	\$16,800,000	336 units
Housing Preservation	\$1,620,000	27%	\$25,000	65 units	\$10,500,000	454 units
Homelessness Prevention						
Rent Vouchers and Services	\$1,500,000	25%	\$7,000	214 households	\$10,500,000	1,500 households
Temporary Shelter	\$300,000	5%	TBD	TBD	\$2,100,000	# beds TBD
Implementation	\$180,000	3%	-	-	\$1,260,000	-
<b>TOTAL</b>	<b>\$6,000,000</b>	<b>100%</b>	<b>-</b>	<b>332 units/households</b>	<b>\$42,000,000</b>	<b>2,290 units/households plus # shelter beds TBD</b>

Bellingham:

1. Production and Preservation of Homes
2. Rental Assistance and Support Services
3. Low-income Homebuyer Assistance
4. Acquisition & Opportunity Loans

	2013	2014	2015	2016	2017	2018	2019	7 year total	
<b>Revenue</b>	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	21,000,000	
<b>Expenses:</b>									
Production & Preservation of Homes	1,507,094	2,225,000	2,071,090	2,007,910	1,548,464	1,533,000	1,517,000	12,409,558	59.1%
Rental Assistance & Support Services	367,856	443,000	693,000	693,000	1,159,666	1,159,667	1,159,667	5,675,856	27.0%
Low Income Homebuyer Assistance	111,997	141,264	141,336	141,409	118,889	141,557	141,632	938,084	4.5%
Acquisition & Opportunity Loans	875,000	0	0	0	0	0	0	875,000	4.2%
<b>Program Expenditures</b>	<b>2,861,947</b>	<b>2,809,264</b>	<b>2,905,426</b>	<b>2,842,319</b>	<b>2,827,019</b>	<b>2,834,224</b>	<b>2,818,299</b>	<b>19,898,499</b>	<b>94.8%</b>
<b>Total Administrative</b>	<b>130,739</b>	<b>142,788</b>	<b>149,836</b>	<b>157,319</b>	<b>165,268</b>	<b>173,584</b>	<b>181,968</b>	<b>1,101,502</b>	<b>5.2%</b>
<b>Total Expenditures</b>	<b>2,992,686</b>	<b>2,952,052</b>	<b>3,055,262</b>	<b>2,999,638</b>	<b>2,992,287</b>	<b>3,007,808</b>	<b>3,000,267</b>	<b>21,000,000</b>	<b>100%</b>

Home Fund Proposes:

*Figures and assumptions based on Olympia levy*

Proposes to levy \$.36 cents for every \$1,000 in real property

- Generate \$16M direct revenue over 7 years
- Leverage \$32M over 7 years

Total revenue \$48M over 7 years

- Creates 250 housing units

Proposed funding matrix (total over 7 years)

- 72% capital for housing units
- 15% operation & support services
- 8% administration
- 5% rent assistance

Operating and support services

- Additional operating and support services funding possibilities include document recording fee, tenant rent assistance and fundraising

**How do you want to manage this program?** Both Vancouver and Bellingham manage their programs and award contracts to developers and service providers. The Home Fund proposes that the City Contract with the HATC for these services.

**Would you want to include a Citizens advisory committee?** Bellingham did.

**Would you want to be able to make loans?** Vancouver did.