

Housing/Public Safety Funding Options

June 20, 2017

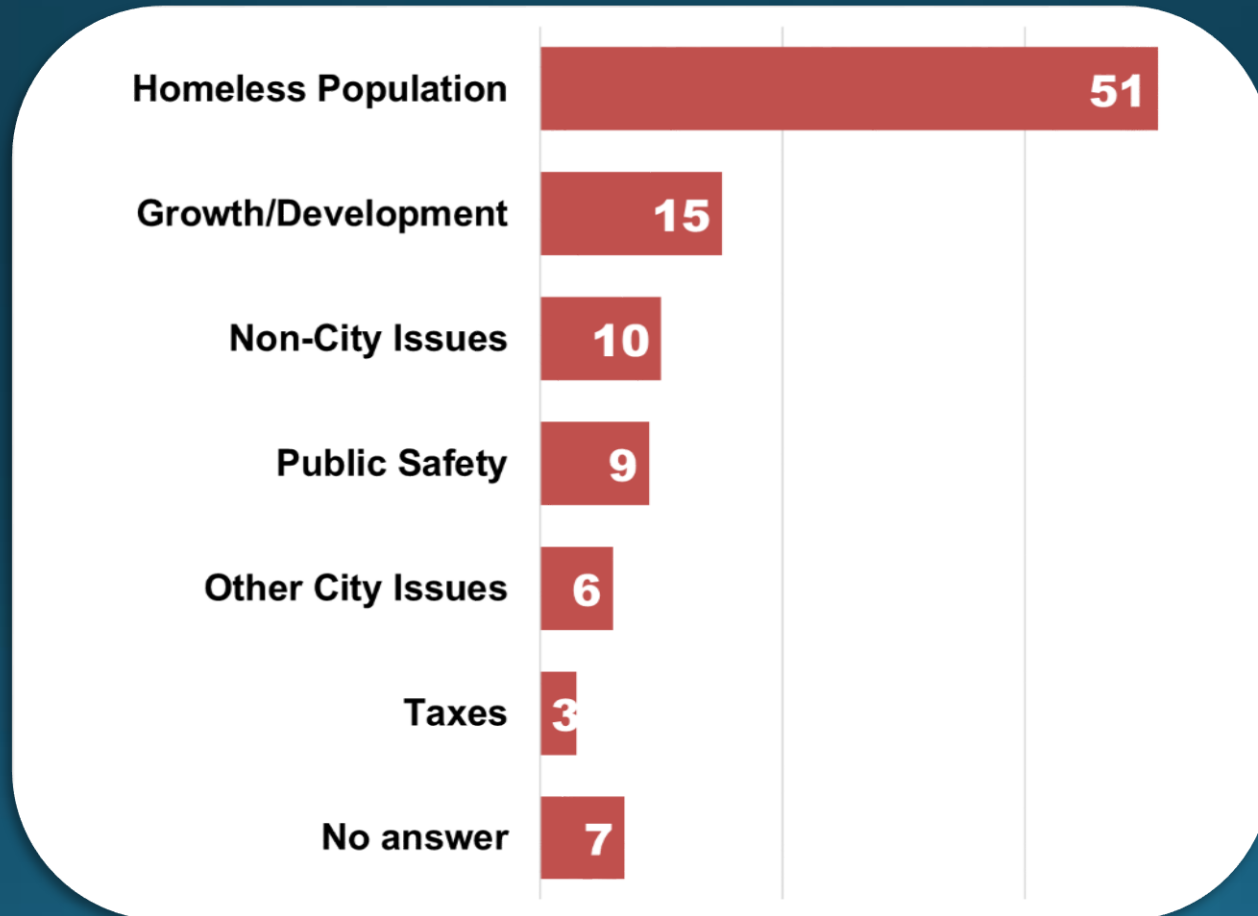
City Council Study Session



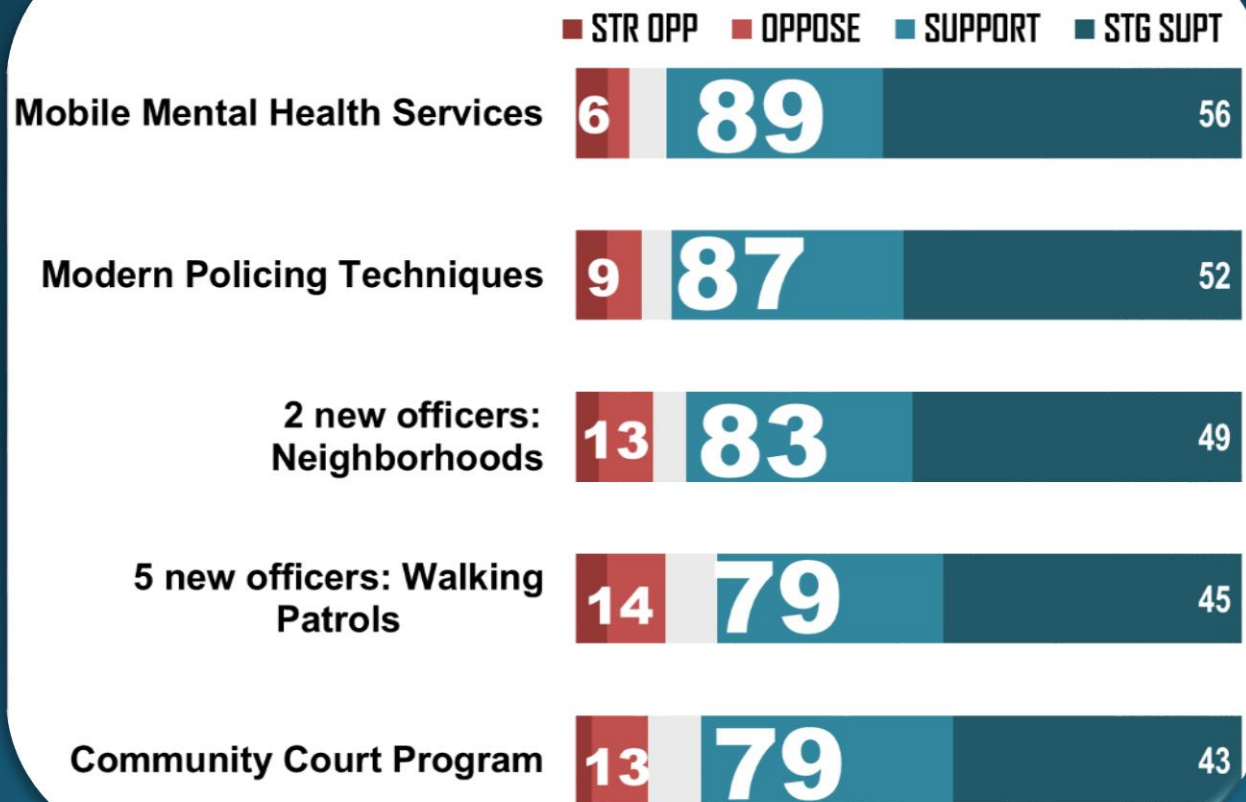
Survey of Olympia Residents

Housing & Public Safety

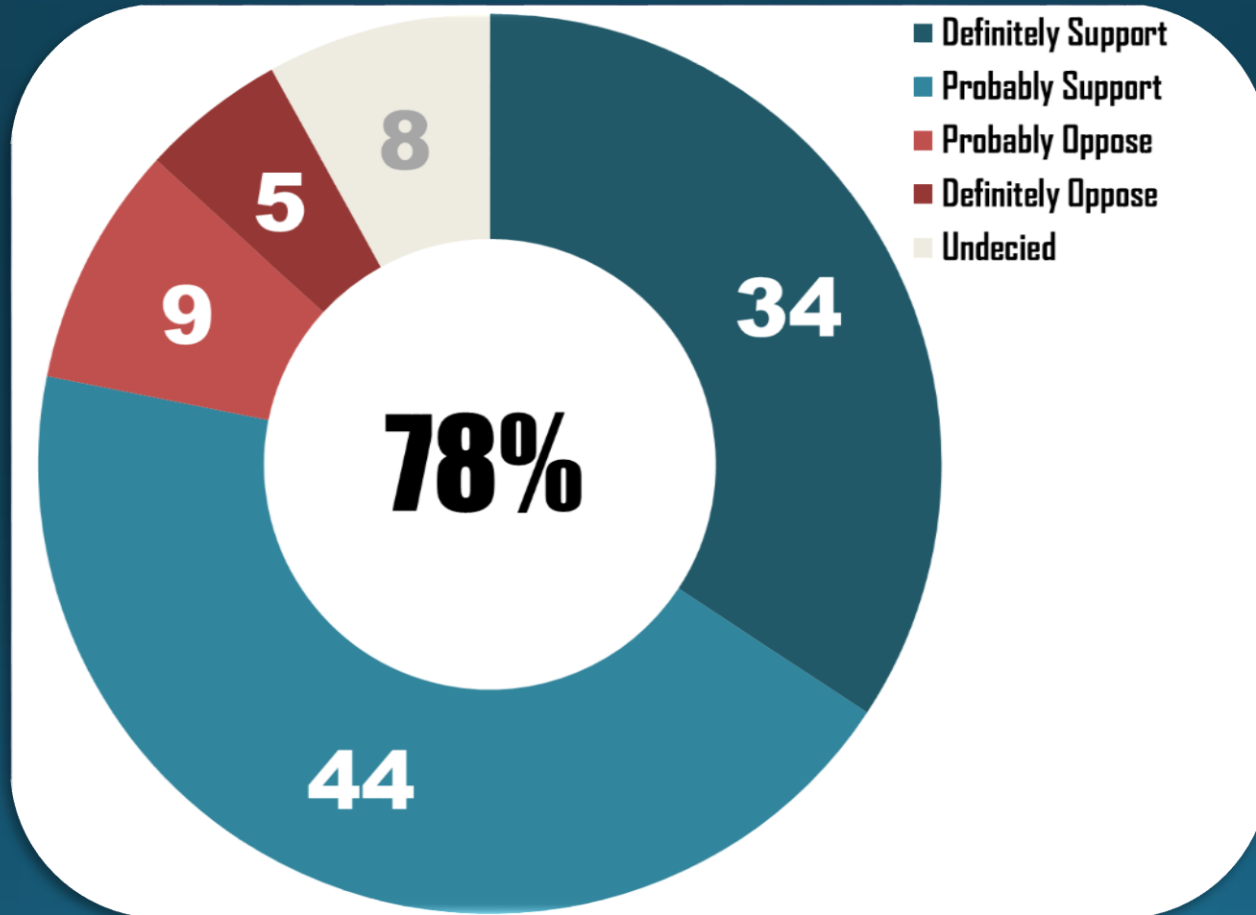
Most Significant Issue Facing Olympia



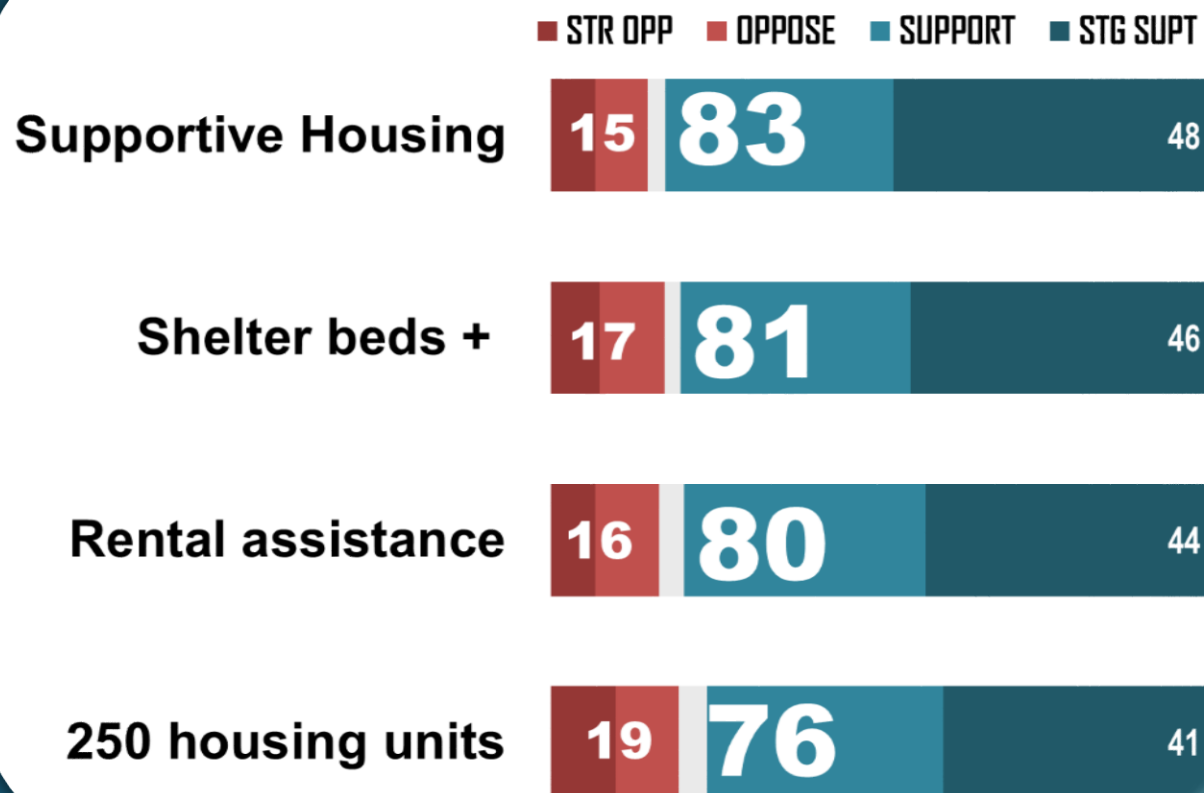
Public Safety Proposals



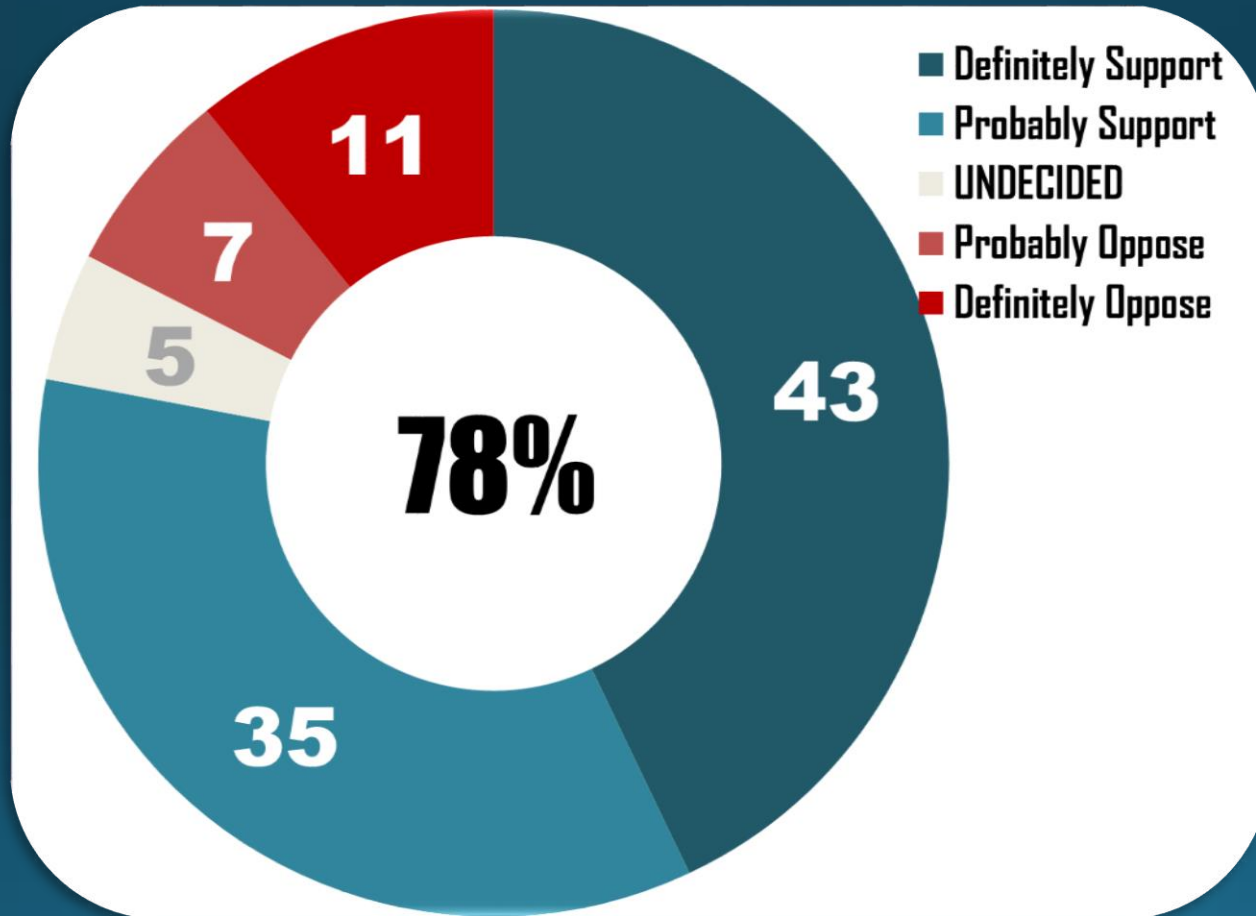
If Policing Package Put to Voters



Housing Proposals

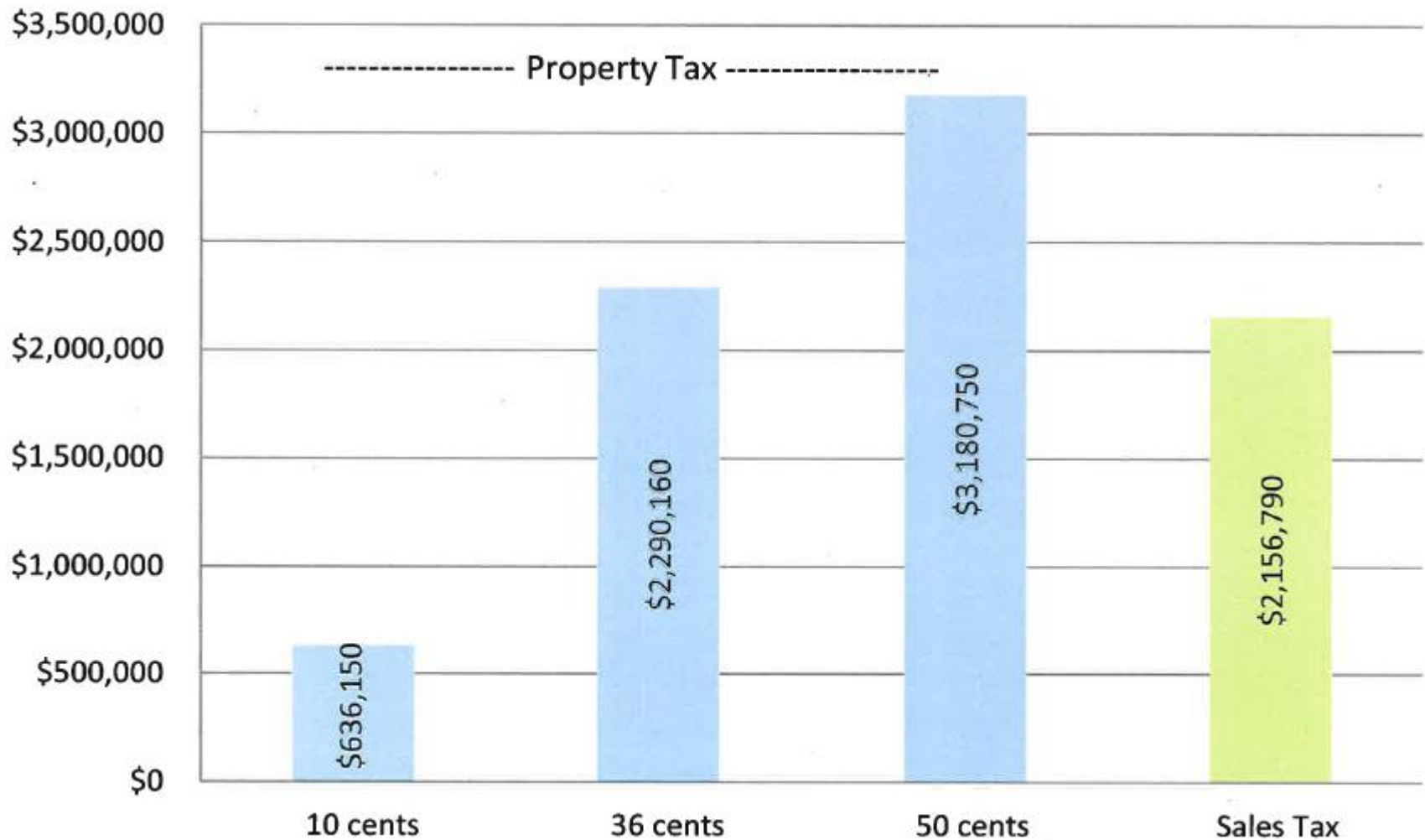


If Housing Package Put To Voters





Home Fund Revenue Options





How New Taxes Can Be Used For Affordable Housing Under State Law

PROPERTY TAXES

Could generate up to \$3,180,750/yr at \$0.50/\$1,000 AV

Would generate \$2,290,160/yr at \$0.36/\$1,000 AV

RCW 82.52.105 – Affordable housing levies authorized – Declaration of emergency and plan required

Majority of voters may approve ballot proposition authorizing county or city to impose additional property tax levies of up to \$0.50/\$1,000 AV each year for up to 10 consecutive years to:

- finance affordable housing for very low-income households
- after the governing body declares the existence of an emergency re: availability of housing affordable to very low-income households in the district
- and the governing body adopts an affordable housing finance plan

Very low-income household means single person, family, or unrelated persons living together whose income is <50% of median income determined by HUD for the county.



How New Taxes Can Be Used For Affordable Housing Under State Law

SALES TAXES

Could generate up to \$2,156,790/yr

ESHB 2263, effective 10/9/2015, new section to RCW 82.14 – Local Option Sales and Use Tax for Housing and Related Services:

- Counties have first option to propose up to 0.01% to voters at special or general election.
- If county has not imposed full 0.01% within 2 years of effective date (by 10/9/2017), city may submit proposition to city voters at special or general election for whole or remainder of the .01% sales tax.

Minimum 60% of the moneys must be used for:

1. Constructing affordable housing, including new units within an existing structure, and facilities providing housing-related services; OR
2. Constructing mental and behavior health-related facilities; OR
3. Ops and maintenance costs of new affordable housing units and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

Affordable housing and facilities providing housing-related programs may be provided only to persons whose income is <60% county median income AND with mental illness, veterans, senior citizens, homeless or at-risk families with children, homeless youth or young adults, with disabilities, OR domestic violence survivors.



How New Taxes Can Be Used For Affordable Housing Under State Law

SALES TAXES, continued

Remainder of tax revenues must be used for operation, delivery, or evaluation of mental and behavior health treatment programs and services or housing-related services.

County or city imposing the tax has authority to issue GO or revenue bonds pledging up to 50% of these new sales taxes moneys for repayment in order to finance construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers.

Up to 10% of these new sales tax moneys may be used to offset reductions in state or federal funds for the purposes described.



Public Safety/Affordable Housing Funding Options – June 2017

	Options	Pros	Cons	Notes
1	Do Nothing	No Election Costs	<ul style="list-style-type: none"> • Ignores citizen sentiment for expanded City response • Misses Fall 2017 funding window 	
2	Public Safety – November 2017 – Property Tax Housing – February 2018 – Sales Tax	<ul style="list-style-type: none"> • Moves Forward on public demands • Separates funding into two parts • Doesn't place all the impact on property tax • Sales tax is a regional revenue for a regional housing problem • Both services will have ongoing revenue stream • Provides most immediate impact to downtown and neighborhoods 	<ul style="list-style-type: none"> • Requires two ballot propositions and campaigns • Housing has to wait until February 2018 (Three additional months) • Higher election costs for February election 	Proposed Revenue <ul style="list-style-type: none"> • Public Safety - \$2.8M/Year • Housing - \$2.1M/Year



Public Safety/Affordable Housing Funding Options – June 2017

	Options	Pros	Cons	Notes
3	Public Safety and Housing – Both November 2017 – Property Tax	<ul style="list-style-type: none"> One Ballot – Two Proposals Lowest election costs Possibility of a single campaign 	<ul style="list-style-type: none"> Heavy impact on Property Tax (.80/\$1,000) Uses General Fund Levy capacity/not special housing levy Housing revenue limited to 10 years or less Both issues together drops to 51% support 	<ul style="list-style-type: none"> Public Safety and Housing – Both November 2017 – Property Tax
4	Housing – Property Tax – November 2017 Public Safety – Property Tax – November 2018	Breaks issues apart Voters get break between issues	<ul style="list-style-type: none"> Public safety waits a full year Community Court goes away Voter support could wane Still places heavy impact on property tax Housing revenue limited to no more than 10 years 	Housing – Property Tax – November 2017 Public Safety – Property Tax – November 2018



Public Safety/Affordable Housing Funding Options – June 2017

	Options	Pros	Cons	Notes
5	Single Package – November 2017	<ul style="list-style-type: none">• Smaller proposal – merge some items from both proposals• Only one election/campaign	<ul style="list-style-type: none">• All impacts placed on property tax• Use general levy capacity (not special housing levy)• Requires legal analysis	Cannot use housing special levy