

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF FERNDAL, WASHINGTON, RELATING TO VERY LOW-INCOME HOUSING; REQUESTING THAT A SPECIAL ELECTION BE HELD CONCURRENT WITH THE NOVEMBER 3, 2020 GENERAL ELECTION FOR SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF A PROPOSITION TO LIFT THE LIMIT OF REGULAR PROPERTY TAXES UNDER CHAPTER 84.55 RCW FOR LOW-INCOME HOUSING; DECLARING THE EXISTANCE OF AN EMERGENCY UNDER CHAPTER 84.52.105; PROVIDING FOR THE EXPIRATION OF THE ADDITIONAL LEVIES AT THE END OF TEN YEARS; SETTING FORTH THE BALLOT PROPOSITION; AND PROVIDING FOR THE IMPLEMENTATION OF PROGRAMS WITH FUNDS DERIVED FROM THE TAXES AUTHORIZED

WHEREAS, the North Whatcom Poverty Task Force identified the need for affordable housing as the most pressing recommendation for fighting poverty in Ferndale; and

WHEREAS, the median home value in Whatcom County has increased by 137% since 2000 yet the median household income has only increased by 46%; and

WHEREAS, as housing costs are consuming a larger portion of a household's income, the result is poor nutrition, decreased health and the chance that one bad event, a broken-down car, an injury or an illness, can push a household into poverty; and

WHEREAS, the state has granted municipalities the ability to raise funds specifically for affordable housing; and

WHEREAS, these funds need to be approved by the public through a vote of the people;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FERNDAL DO RESOLVE AS FOLLOWS:

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

- A. Affordable housing for low-income households, including the homeless, other persons with special needs, families and seniors, often requires a

commitment of City funds for the development or preservation or other forms of assistance.

- B. Promoting and preserving home ownership for low-income households contributes to the stability of families and neighborhoods, helps preserve the physical condition of residential properties and addresses the shortage of safe, sanitary, affordable housing by both maintaining and enhancing the supply of owner-occupied housing.
- C. The additional taxes to be levied under this resolution will enable the City to provide for the housing needs of very low-income households and thereby work to fulfill the goals of the State Growth Management Act and the City's Comprehensive Plan.
- D. An emergency exists with respect to the availability of housing that is affordable to very low-income households in the City of Ferndale.

Section 2. Definitions. The following terms used in this resolution have the definitions stated below, unless the context otherwise clearly requires:

- A. "Affordable housing" means residential housing for rental or private individual ownership which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities, other than telephone, of no more than 30 percent of the household's income.
- B. "Low-income housing" means housing that will serve "low-income households."
- C. "Household" means a single person, family or unrelated persons living together.
- D. "Median income" means annual median family income for the statistical area or division thereof including Ferndale for which median family income is published from time to time by the U.S. Department of Housing and Urban Development, or successor agency, with adjustments according to household size.
- E. "Very low-income household" means a household with income less than or equal to 50 percent of median income as determined by the United States Department of Housing and Urban Development, with adjustments for household size, for the county where the taxing district is located.

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

Section 3. Proposition to Authorize a Levy to Raise Additional Regular Property Taxes.

The City submits to the qualified electors of the City a proposition as authorized by RCW 84.55.050(1) to exceed the levy limitation on regular property taxes contained in Chapter 84.55 RCW for property taxes levied in 2020 through 2029 for collection in 2021 through 2030, respectively. The proposition would also authorize an additional property tax levy to finance affordable housing for very low-income households under RCW 84.52.105. The proposition would raise \$490,000 per year totaling \$4,900,000 in aggregate over a period of up to ten years.

- A. The proposition would authorize the City to impose a regular property tax levy of up to \$0.35 per \$1,000 of assessed valuation to finance affordable housing and related services for very low-income households pursuant to RCW 84.52.105. The limitations in RCW 84.52.043 shall not apply to the tax levy authorized by this part. All the levy proceeds shall be used for the purposes specified in Section 5 of this resolution.
- B. The City intends that in 2021, if the measure passes, it will collect up to \$0.35 per \$1,000 of assessed valuation for Housing Levy Programs so that the total revenue collected in 2021 and in the following 9 years will be \$490,000 annually, and so that the proposed levy will be made less than twelve months after the election on the proposition as required by RCW 84.55.050(1).

Section 4. Levy Revenues.

- A. Unless otherwise directed by resolution or ordinance of the City Council, all revenues collected from the additional taxes authorized pursuant to this resolution shall be deposited initially in the Low-Income Housing Fund to be used as set forth in Section 5 and as described in the Housing Levy Administrative and Financial Plan, as may be adopted by the City Council under Sections 5 and 6 of this resolution. The Finance Director is authorized to create other subfunds or accounts within the Low-Income Housing Fund as may be needed or appropriate to implement the purposes of this resolution.
- B. Pending expenditures for the purposes authorized in this resolution, amounts deposited in the Low-Income Housing Fund pursuant to this resolution may be invested in any investments permitted by applicable law. All investment earnings on the balances shall be deposited into the Low-Income Housing Fund. Amounts received by the City from payments with respect to loans, recovery of grants, insurance proceeds or proceeds of sale or disposition of property ("program

income”) shall be deposited into the Low-Income Housing Fund unless otherwise specified by resolution or ordinance. Any investment earnings and program income derived from revenues collected from the additional taxes authorized pursuant to this resolution shall be used for the purposes set forth in this resolution and as authorized by City Council.

Section 5: Administration; Use of Proceeds.

- A. The levy funds shall be used to pay for affordable housing for very low-income households;
- B. The Community Development Department, or such other departments as may be designated by resolution, shall administer programs funded with the additional taxes pursuant to this resolution. Any programs adopted by the City Council for use of the funds derived under this resolution shall be referred to as “Housing Levy Programs.” Housing Levy Programs shall be implemented consistent with the Housing Levy Administrative and Financial Plan, as may be adopted by the City Council and as may thereafter be amended from time to time.
- C. The Housing Levy Programs, with estimated goals, are shown in Exhibit 1, attached hereto. The City Council, upon recommendation of the Mayor or on its own motion, may review the allocations to particular Housing Levy Programs and make changes to the programs, including additions and deletions of programs and/or in the timing of or amount of funds allocated to any program, consistent with the purposes of this resolution and applicable law. Administration funding shown on Exhibit 1 is intended to be used for the administration of the use of levy proceeds for all programs, including but not limited to developing the Housing Levy Administrative and Financial Plan, preparing and reviewing loan and grant applications, monitoring and auditing performance and compliance with loan, grant and program requirements, and paying for financial accounting, legal and other administrative services necessary to implement the Housing Levy Programs.

Section 6. Housing Levy Administrative and Financial Plan.

- A. This resolution adopts the Housing Levy Administrative and Financial Plan to cover the years 2021-2029 covering Housing Levy Programs. The Community Development Director or other such person as may be designated by the Director, Mayor, or City Administrator, shall prepare updates to this plan or a new plan, as needed. The Plan identifies the intended use of funds raised by the levy authorized by RCW 84.52.105; and shall be consistent with either locally adopted or state-

adopted comprehensive housing affordability strategy required under the Cranston-Gonzalez National Affordable Housing act (42 U.S.C. Sec. 12701, et sq.) as amended, and shall be approved by City Council. The plan will continue to satisfy the requirement set forth in RCW 84.52.105(2)(b).

- B. The expenditure of all funds raised pursuant to this resolution shall be as set forth in the Plan adopted by City Council. The City Council reserves the right to amend the Plan as it may in the future be determined as necessary or appropriate.
- C. The City Council shall appropriate from the Low-Income Housing Fund, as part of the City budget, such monies derived from the levies authorized in this resolution as it deems necessary to carry out the Housing Levy Programs.
- D. The Mayor, or other such persons as may be designated by the Mayor, is authorized for and on behalf of the City, to select projects for funding and to approve, make and modify loans, grants or other expenditures to carry out Housing Levy Programs, provided that such authority is subject to the appropriation of sufficient funds and the Plan approved by City Council pursuant to Sections 5 and 6. The Mayor and his or her designees are further authorized, for and on behalf of the City, to execute and deliver such documents and instruments as he or she may determine to be necessary or appropriate to implement the financing of specific projects or to otherwise carry out the Housing Levy Programs.

Section 7. Election – Ballot Title.

The City Council hereby requests that the Whatcom County Auditor, as ex officio supervisor of elections, call and conduct a special election in the manner provided by law and submit to the qualified electorate of the City for a vote, concurrent with the November 3, 2020 general election, a proposition substantially in the form set forth in this resolution. The City Clerk is directed to certify to the Whatcom County Auditor the ballot proposition to the electorate of the City in the form substantially as follows:

PROPOSITION No. 1

Low-Income Housing Levy

The City of Ferndale Council adopted Resolution ### concerning property taxes for low-income housing and related services.

The proposition would fund housing and housing related services for people with low or very low incomes by authorizing an increase in the City's regular

property tax levy by up to \$0.35/\$1,000 of assessed value as allowed by RCW 84.52.105 for ten years, generating approximately \$490,000 annually.

Should this proposition be approved?

Yes?

No?

Section 8. Corrections

Ferndale’s City Attorney or the Whatcom County Auditor or their designee is authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener’s or clerical errors, references, resolution numbering, section/subsection numbers and any references thereto and to make corrections and revisions consistent with the requirements of the offices of the Whatcom County Auditor that do not change the substantive meaning of this resolution.

Section 9. Severability.

If any section, sentence, clause or phrase of this resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution. This resolution shall be liberally construed to permit the accomplishment of the City’s purposes and objectives.

APPROVED AND ADOPTED by the City Council of the City of Ferndale in regular session this X day of X, 20XX.

ATTEST:

Greg Hansen, MAYOR

Susan Duncan, CMC, CITY CLERK