ORDINANCE NO. 14128

AN ORDINANCE imposing an additional Sales and Use Tax of one-tenth of one percent for Housing and Related Services as authorized by RCW 82.14.530 and adding a new Chapter to the Thurston County Code.

WHEREAS, in the 2020 Regular Session, the Washington State Legislature approved, and the Governor signed, House Bill 1590 (Chapter 222, Laws of 2020), amending RCW 82.14.530 Sales and Use Tax For Housing And Related Services; and

WHEREAS, in the 2021 Regular Session, the Washington State Legislature approved, and the Governor signed, House Bill 1070 (Chapter 222, Laws of 2020), modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities; amending RCW 82.14.530 and 67.28.180; and declaring an emergency; and

WHEREAS, as amended, RCW 82.14.530 authorizes the legislative authority of a county or city to impose a one-tenth of one percent local sales and use tax, by councilmanic action, for affordable housing and related services; and

WHEREAS, pursuant to RCW 82.14.530(2)(a), at least 60% of the revenue must be used for:

i) Constructing or acquiring affordable housing, which may include emergency, transitional, and supportive housing and new units of affordable housing within an existing structure, and facilities providing housing-related services, or acquiring land for these purposes; or

ii) Constructing and/or acquiring behavioral health related facilities, or acquiring land for these purposes; 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; and

iv) The housing and facilities may only be provided to the following groups whose income is at or below 60% of the County median income:
   a. People with disabilities or behavioral health disabilities,
   b. Veterans,
   c. Senior Citizens,
   d. People who are homeless or at-risk of being homeless, including families with children,
   e. Unaccompanied homeless youth or young adults, or
   f. Domestic violence survivors.

WHEREAS, pursuant to RCW 82.14.530(2)(c), the remaining revenue from the sales and use tax must be used for the operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services; and

WHEREAS, pursuant to RCW 82.14.530(6)(b), no more than 10% of the revenue may be used to supplant existing local funds; and

WHEREAS, as referenced in RCW 82.14.530(4), Thurston County imposed a sales and use tax for chemical dependency or mental health treatment services or therapeutic courts county-wide pursuant to RCW 82.14.460 under Ordinance No. 14138 on November 3, 2009, which is before October 9, 2015, and no city in the county has imposed the tax authorized by RCW 82.14.460 prior to October 9, 2015; and

WHEREAS, the City of Olympia voters approved an additional of one-tenth of one percent on the Sales and Use Tax per RCW 82.14.530, during a Special Election on February 13, 2018; and

WHEREAS, the City of Olympia passed Ordinance No. 7127 on March 6, 2018, as authorized under RCW 82.14.530 to be used for the Olympia Home Fund to construct affordable and supportive housing and housing-related services, including mental and behavioral health-related facilities, and providing for other matters relating thereto and properly permitted by state law; and

WHEREAS, the City of Olympia Council approved a Resolution of Intent on January 12, 2022, to bring their HOME fund dollars to the Regional Housing Council in coordination with the County's HOME fund to achieve a regional decision making process on these combined funds; and

WHEREAS, the City of Tenino approved an additional of one-tenth of one percent on the Sales and Use Tax per RCW 82.14.530, via a Councilmanic action under Ordinance No. 919 on January 11, 2022; and

WHEREAS, on June 14, 2018, the Thurston County Board of Health adopted Resolution No. H-2-2018, declaring homelessness an public health crisis, resolving to "provide support and leadership in effective community wide collaborative coordination, planning, and policy efforts to end this crisis and to implement actions that will reduce homelessness, increase affordable housing development opportunities, and address the health, safety, social, economic, and environmental impacts of homelessness…"; and

WHEREAS, the housing affordability problem and its impact to increase homelessness in Thurston County has continued to get worse since 2018, and requires prompt action to, mitigate economic impacts, enhance public safety, and reduce human suffering for certain County residents; and

WHEREAS, the Regional Housing Council was created in January 2021 with the primary purpose to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing; and

WHEREAS, the Regional Housing Council has developed a strategic framework to create an initial stock of 150-200 Permanent Supportive Housing units which requires additional funding to fully implement; and

WHEREAS, the Thurston County Board of Commissioners held a duly noticed Public Hearing on November 23, 2021, to take testimony for and against the proposed increase of one-tenth of one percent sales and use tax for housing and related services as authorized by RCW 82.14.530, and deliberated on the hearing record; and

WHEREAS, Thurston County has determined the tax should be imposed and the proceeds will be used solely for purposes authorized by RCW 82.14.530.

NOW, THEREFORE, Thurston County Board of Commissioners hereby ordains as follows:

Section 1. Additional Sales and Use Tax Imposed. A new one-tenth of one percent sales and use tax authorized by RCW 82.14.530 is imposed, and shall be codified as Chapter 5.51 of the Thurston County Code, and shall read as follows:

Chapter 5.51

HOUSING AND RELATED SERVICES SALES AND USE TAX

(1) Tax Imposed. There is hereby imposed a sales and use tax, pursuant to RCW 82.14.530, separate and apart from any other sales and use tax imposed by Chapter 82.14 RCW, upon every taxable event occurring in the County.

(2) Applicability of Tax. As used in this section, the term "taxable event" has the same meaning as in RCW 82.14.020(3), as it now exists or may be amended.

(3) Rate of Tax. The rate of the sales and use tax imposed by this chapter shall be one-tenth of one percent of the selling price, in the case of a sales tax, or the value of the article used, in the case of a use tax.

(4) Administration and Collection. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to Chapter 82.08 RCW and Chapter 82.12 RCW.

(5) Use of Funds. Moneys collected from the tax shall be used solely for those housing and related services authorized by RCW 82.14.530, as it now exists or may be amended.

(6) Administration of Funds. The Funds shall be collected in a Thurston County fund dedicated to affordable housing and shall be administered by the Board of County Commissioners or the Board's designee.

(7) Recommendation on Use of Sales and Use Tax For Housing and Related Services:

a. The Regional Housing Council shall make funding recommendations to the Board of County Commissioners for its final approval on eligible projects and activities to be supported with moneys collected from the tax authorized by RCW 82.14.530, as it now exists or may be amended.

b. The Regional Housing Council's recommendations to the Board of County Commissioners shall be based on the work and recommendations of a Community Advisory Subcommittee.

c. The Community Advisory Subcommittee of the Regional Housing Council shall be composed of community members, including private sector stakeholders, representing all areas of Thurston County.

(8) Approval of Sales and Use Tax For Housing and Related Services. The Board of County Commissioners shall exercise an up (approval) or down (rejection) vote on the funding recommendations provided by the Regional Housing Council. If the majority of the Board of County Commissioners rejects the recommendations, such recommendations will be referred back to the Regional Housing Council.

(9) Funding Performance:

a. The Regional Housing Council shall develop and submit to the Board of County Commissioners an Annual Performance Report, outlining specific deliverables of the uses of the Sales and Use Tax For Housing and Related Services.

b. The Regional Housing Council shall publish on their website the Sales and Use Tax For Housing and Related Services Annual Performance Report and make it available to the public via a news release by the end of the first quarter of every thereafter.

Section 2. Administration

(1) The County Manager shall:

(a) develop an Interlocal Agreement with the City of Olympia outlining roles, responsibilities, administration, and other requirements related to combining the Sales and Use Tax funds For Housing and Related Services; and

(b) work with participating jurisdictions to amend the Regional Housing Council Interlocal Agreement to create an administrative/executive arm to effectively guide the Regional Housing Council on the use of the Sales and Use Tax For Housing and Related Services.

(2) This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the County and shall take effect and be in full force five (5) days after publication, provided, that pursuant to RCW 82.14.055. a certified copy of this Ordinance shall be delivered to the Washington State Department of Revenue and any other public officers or agencies required by law.

(3) The Assistant County Manager and other appropriate officers are authorized and directed to enter into such contracts with and provide such notices to the Washington State Department of Revenue, in accordance with RCW 82.14, and other appropriate state and local agencies and offices for the collection and distribution of receipts of the tax imposed by this Ordinance, including a credit against its tax for the full amount of tax imposed by the City of Olympia and the City of Tenino pursuant RCW 82.14.530 (1) (c)

ADOPTED this 25 day of January 2022.

THURSTON COUNTY
BOARD OF COUNTY COMMISSIONERS

Tye Menser, Chair

Voted Nay
Gary Edwards, Commissioner

Carolina Mejia, Commissioner

ATTEST:

1/26/2022
Amy Davis, Date
Clerk of the Board

APPROVED AS TO FORM:

Elizabeth Petrich 1/21/2022
Elizabeth Petrich, Date
Deputy Prosecuting Attorney