

1 WHEREAS, substantial need remains for additional low-income housing and assistance
2 to help low-income persons access housing they can afford, as documented in the Housing
3 Appendix to the Comprehensive Plan and the City’s 2009-2012 Consolidated Plan; and

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

9 WHEREAS, RCW 35.21.685 authorizes a city to assist in the development or
10 preservation of publicly or privately owned housing for persons of low income by providing
11 loans or grants of general municipal funds to the owners or developers of the housing, including
12 loans or grants to finance the acquisition, construction or rehabilitation of low-income housing;

13
14 NOW THEREFORE,

15 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**
16

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

19 A. The City of Seattle has insufficient safe, sanitary, and decent housing affordable to
20 low-income households to meet the present and anticipated needs of such households, as
21 documented in the Housing Appendix to the Comprehensive Plan and the City's 2009-2012
22 Consolidated Plan.
23
24
25
26
27

1 B. Affordable rental housing for low-income households, including the homeless, other
2 persons with special needs, families and seniors, often requires a commitment of City funds for
3 development or preservation, or other forms of assistance.

4 C. Promoting home ownership through loans to low-income first-time homebuyers,
5 coupled with homeownership counseling, helps create financial stability for families and mixed
6 income neighborhoods.

7
8 D. Providing funding for acquisition or preservation of buildings or property for low-
9 income housing is critical to take advantage of current housing market conditions.

10 E. Providing funding to help develop, preserve and finance housing affordable to low-
11 income renters and homebuyers helps create jobs and generate significant income received by
12 construction workers and local business owners.

13
14 F. The additional taxes to be levied under this ordinance will enable the City to provide
15 for the housing needs of low-income households and thereby to fulfill the purposes of federal,
16 State, County and City laws and policies, including without limitation the federal HOME
17 Investment Partnerships Act, the State Growth Management Act ("GMA"), the Countywide
18 Policies adopted under GMA, and the City's Comprehensive Plan.

19
20 Section 2. Definitions. The following terms used in this ordinance shall have the
21 definitions stated below unless the context otherwise clearly requires:

22 "Low-income housing" means housing that will serve "low-income households."

23 "Household" means a single person, family or unrelated persons living together.

24
25 "Low-income household" means a household with income less than or equal to eighty
26 percent (80%) of median income.

1 “Median income” means annual median family income for the statistical area or division
2 thereof including Seattle for which median family income is published from time to time by the
3 U.S. Department of Housing and Urban Development, or successor agency, with adjustments
4 according to household size in a manner determined by the Director of Housing, provided that if
5 an Administrative and Financial Plan adopted under Section 6 of this ordinance shall adopt a
6 substitute definition of “median income,” the substitute definition shall apply.
7

8
9 To the extent permitted by applicable State law, income determinations may take into
10 account such exclusions, adjustments and rules of computation as may be prescribed or used
11 under federal housing laws, regulations or policies for purposes of establishing income limits, or
12 as may be established in City planning documents consistent with federal laws, regulations or
13 policies.
14

15 Section 3. Proposition to Authorize Levy of Additional Regular Property Taxes.

16 The City submits to the qualified electors of the City a proposition as authorized by RCW
17 84.55.050(1), to exceed the levy limitation on regular property taxes contained in RCW Chapter
18 84.55 for property taxes levied in 2009 through 2015 for collection in 2010 through 2016,
19 respectively, raising up to \$145,000,000 in aggregate over a period of up to seven years. The
20 proposition shall be limited so that the City shall not levy more than \$20,714,286 in additional
21 taxes each year. All the levy proceeds shall be used for the purposes specified in Section 5.A. of
22 this ordinance. The taxes authorized by this proposition will be in addition to the maximum
23 amount of regular property taxes the City would have been limited to by RCW 84.55.010 in the
24 absence of voter approval under this ordinance, plus other authorized lid lifts. If the voters
25
26
27

1 approve the proposition submitted by this ordinance, the maximum total dollar rate for City of
2 Seattle regular property taxes for collection in 2010 shall be a total maximum of \$ 3.60 per
3 thousand dollars of assessed valuation. The dollar amount of the City's levy of regular property
4 taxes in 2009 for collection in 2010, including the increase authorized under this section, shall be
5 used for the purpose of computing the limitations for subsequent levies provided for in RCW
6 Chapter 84.55, through and including the levy of taxes in 2015 for collection in 2016. Pursuant
7 to RCW 84.55.050(5), the maximum regular property taxes that may be levied in 2016 for
8 collection in 2017 and in later years shall be computed as if the limit on regular property taxes
9 had not been increased under this ordinance.
10

11 Section 4. Levy Revenues.

12 A. Unless otherwise directed by ordinance, all revenues collected from the additional
13 taxes authorized pursuant to this ordinance shall be deposited in the Low-Income Housing Fund
14 to be used to finance housing for low-income households and otherwise to provide for the
15 housing needs of such households. The Director of Executive Administration is authorized to
16 create other subfunds or accounts within the Low-Income Housing Fund as may be needed or
17 appropriate to implement the purposes of this ordinance.
18

19 B. Pending expenditure for the purposes authorized in this ordinance, amounts
20 deposited in the Low-Income Housing Fund pursuant to this ordinance may be invested in any
21 investments permitted by applicable law. All investment earnings on the balances shall be
22 deposited into the Low-Income Housing Fund. Amounts received by the City from payments
23 with respect to loans, recovery of grants, insurance proceeds or proceeds of sale or disposition of
24 property ("program income") shall be deposited into the Low-Income Housing Fund unless
25
26
27

1 otherwise specified by ordinance. The Director of Housing shall use any investment earnings
2 and program income derived from revenues collected from the additional taxes authorized
3 pursuant to this ordinance consistent with the provisions of any Administrative and Financial
4 Plan (“A & F Plan”) adopted by the City Council under Section 6 of this ordinance.

5 Section 5. Administration; Use of Proceeds.

6 A. The levy funds shall be used to finance affordable housing for low-income
7 households, and otherwise to provide for the housing needs of low-income households.
8

9 B. The City Office of Housing, or such other department as may be designated by
10 ordinance, shall administer programs funded with the additional taxes authorized
11 pursuant to this ordinance. Programs adopted by the City Council for use of the funds
12 derived under this ordinance shall be referred to as "Levy Programs." Levy Programs
13 shall be implemented consistent with Administrative and Financial Plans, adopted by the
14 City Council under Section 6 of this ordinance.
15

16 C. Anticipated Levy Programs are shown in Exhibit 1, attached hereto. The City
17 Council, upon recommendation of the Oversight Committee described in Section 9 of this
18 ordinance, or upon recommendation of the Mayor, or on its own motion, may review the
19 timing of the allocations to particular Levy Programs and make changes to the programs,
20 including additions and deletions of programs and/or in the amount of funds allocated to
21 any program, consistent with the basic purposes of this ordinance and applicable law.
22

23 Administration funding shown on Exhibit 1 is intended to be used for administration of
24 the use of levy proceeds for all programs except the Operating and Maintenance
25 Program. Administration funding for the Operating and Maintenance Program, for the
26
27

1 monitoring of funded projects over their lives, and for any use of loan repayments, may
2 come from investment earnings or program income.

3 Section 6. Administrative and Financial Plans.

4 A. Every two years, or at such other intervals as the City Council may specify, the
5 Director of Housing, or other department head as may be designated by the Mayor, shall prepare
6 an A & F Plan covering all of the Levy Programs. Such plans shall cover periods commencing
7 in 2010 and continuing through 2016, and thereafter if so specified by the City Council.
8

9 B. Unless otherwise requested by the City Council, each A & F Plan shall include:
10 amounts allocated to programs, which may vary from year to year in order to respond to
11 changing housing market conditions, leveraging opportunities or other circumstances; criteria for
12 evaluating and selecting projects; guidelines for loans or grants, including any fees to be
13 collected to defray costs; requirements for project sponsors; progress and performance reports on
14 ongoing projects and for each Levy Program; program reviews to ensure that levy funds are used
15 for their stated purposes; and guidelines for use of program income and investment earnings.
16 An A & F Plan may include such other information as the Mayor or Director of Housing may
17 deem appropriate or the City Council may request.
18

19 C. The A & F Plan shall be submitted to the City Council for its approval, with such
20 modifications as the City Council may require. For purposes of future updates of the A & F
21 Plan, all criteria, guidelines, and requirements contained in a previously approved A & F Plan
22 shall remain in effect pending approval by City Council of a new A & F Plan, unless otherwise
23 provided by ordinance.
24
25
26
27

1 Section 7. Appropriations and Funding Approvals. The City Council shall appropriate
2 from the Low-Income Housing Fund, as part of the City budget or supplementally, such monies
3 derived from the levies authorized in this ordinance as it deems necessary to carry out the Levy
4 Programs. The Director of Housing or other department head as may be designated by the
5 Mayor or City Council, or the designee of such director (any such director or designee is
6 hereinafter referred to as "Director"), is authorized, for and on behalf of the City, to select
7 projects for funding and to approve, make and modify loans, grants or other expenditures to
8 carry out the Levy Programs, provided that such authority is subject to the appropriation of
9 sufficient funds. The Director and his or her designees are further authorized, for and on behalf
10 of the City, to execute and deliver such documents and instruments as he or she may determine
11 to be necessary or appropriate to implement the financing of specific projects or to otherwise
12 carry out the Levy Programs.
13

15 Section 8. Bonds and Notes. To the extent permitted by applicable law the City may
16 issue bonds, notes or other evidences of indebtedness payable wholly or in part from the
17 proceeds of the additional taxes authorized under this ordinance, and apply such tax proceeds to
18 the payment of principal of, interest on, and premium (if any) on such bonds, notes or other
19 evidences of indebtedness and to the payment of costs associated with them.
20

21 Section 9. Oversight Committee. Conditioned upon voter approval of the ballot
22 proposition submitted by this ordinance, there is established an Oversight Committee for the
23 purpose of monitoring the progress of Levy Programs and reporting to the Mayor and City
24 Council on the progress of Levy Programs. The Committee shall inform the Mayor and the City
25 Council of Levy Program accomplishments and problems and make recommendations on the A
26

1 & F Plans and on actions to be taken, including additions to or deletions of programs or amounts
2 of funds allocated to the several programs, so that Levy Programs may be conducted in a timely
3 and efficient manner. The Committee may elect officers and establish rules of procedure,
4 including rules establishing what shall constitute a quorum. The Director of Housing or such
5 other department head as may be designated by the Mayor shall provide the Committee such
6 information as is necessary for the Committee to determine the status of individual programs and
7 projects. The Oversight Committee shall consist of thirteen (13) voting members, selected as
8 follows: one (1) shall be a City employee appointed by the Mayor or his designee; one (1) shall
9 be a City employee appointed by the City Council; the remainder shall be persons outside City
10 government, of whom six (6) shall be appointed by the Mayor, and five (5) by the City Council.
11 The appointing authority shall remove any member who is absent from two or more consecutive
12 meetings without cause. The appointing authority may remove any member for other good cause
13 shown. Subject to applicable law, an individual serving as an officer, director or trustee of an
14 entity that receives or competes for funding under this ordinance, or who has an interest in such
15 an entity, shall not thereby be disqualified from serving on the Committee, but shall fully
16 disclose any such relationships and shall not vote on any matter in which the interest of such
17 entity is directly involved. Upon the resignation, retirement, death, incapacity or removal of a
18 Committee member, the authority appointing such member may appoint a replacement for the
19 balance of the term. Committee members shall serve without compensation. The City Council
20 shall prescribe by ordinance or resolution the terms of office of Committee members, which may
21 be staggered to provide continuity, and the initial committee members shall be selected within
22 six months after voter approval of the proposition submitted by this ordinance. The City Council
23
24
25
26
27

1 may prescribe such other rules relating to the operation of the Committee as shall be necessary or
2 appropriate. The Oversight Committee shall continue in existence through 2016, and thereafter
3 if so provided by ordinance.

4 Section 10. Election - Ballot Title. The City Council directs that the City Clerk file
5 this ordinance with the Director of Elections of King County, Washington, as ex officio
6 supervisor of elections, requesting that the Director of Elections call and conduct a special
7 election in the City in conjunction with the state general election to be held on November 3,
8 2009, for the purpose of submitting to the qualified electors of the City the proposition set forth
9 in this ordinance. The City Clerk is directed to certify to the King County Director of Elections
10 the ballot title approved by the City Attorney in accordance with his responsibilities under RCW
11 29A.26.071. The following ballot title is submitted to the City Attorney for his consideration:
12

13
14 Seattle's Proposition 1 concerns increased property taxes for 7 years for low-income housing
15 assistance.

16 This proposition would fund affordable housing and provide for other housing needs of low-
17 income households, as provided in Ordinance XXX. It would authorize collection of regular
18 property taxes above RCW 84.55 limitations. This proposition allows \$145,000,000 in
19 additional taxes over seven years beginning in 2010, limited to \$20,714,286 annually. The 2010
20 regular tax rate would be limited to \$3.60 per \$1,000 assessed value, including about \$.17 in
21 additional taxes.

22 Should this levy lid lift be approved?

23 Yes

24 No

25 Those in favor shall vote "Yes"; those opposed shall mark their ballots "No".
26
27

1 Section 11. Severability. If any one or more provisions of this ordinance shall for any
2 reason be held invalid, such invalidity shall not affect any other provision of this ordinance or
3 the levy of additional taxes authorized, but this ordinance shall be construed and enforced as if
4 such invalid provisions had not been contained herein, except that if any provision shall be held
5 invalid by reason of its extent or the range of persons eligible to benefit therefrom, then such
6 provision shall be deemed to be in effect to the extent permitted by law and to benefit only such
7 class of persons as may lawfully be granted the benefit thereof.
8

9 Section 12. Ratification. The City Clerk's certification to the King County Director of
10 Elections of the proposition referred to in Section 10 and any other acts taken after the passage
11 of this ordinance and consistent with its authority, are ratified and confirmed.
12

13 Section 13. Effectiveness. Those portions of this ordinance providing for the submission
14 of a ballot proposition to the voters shall take effect and be in force immediately upon the
15 approval by the Mayor; or if returned to the Council by the Mayor unsigned, then immediately
16 upon its return; or if not approved and returned by the Mayor within 10 days after presentation,
17 then on the 11th day after its presentation to the Mayor; or if vetoed by the Mayor, then
18 immediately after its passage over his veto. All provisions of this ordinance that have not taken
19
20
21
22
23
24
25
26
27
28

1 effect on an earlier date shall take effect and be in force thirty (30) days from and after the
2 Mayor's approval of this ordinance, but if this ordinance shall not be approved and returned by
3 the Mayor within ten (10) days after presentation, such provisions shall take effect as provided
4 by Municipal Code Section 1.04.020.

5 Passed by the City Council the ____ day of _____, 2009, and
6 signed by me in open session in authentication of its passage this
7 ____ day of _____, 2009.
8

9
10
11 _____
12 President _____ of the City Council

13 Approved by me this ____ day of _____, 2009.

14
15 _____
16 Gregory J. Nickels, Mayor

17 Filed by me this ____ day of _____, 2009.

18
19
20 _____
21 City Clerk

22 (Seal)

23 Exhibit 1: 2009 Housing Levy Programs
24
25
26
27

EXHIBIT 1
2009 HOUSING LEVY PROGRAMS

Program	Total Funding (7 Years)	Estimated Housing Produced/ Households Assisted	Program Description / Affordability Levels
Rental Production and Preservation	\$104,000,000	1,670	<ul style="list-style-type: none"> • Affordable rental housing for low-income households, including people with disabilities, the elderly, homeless, working families, and families with children • At least 55% of program funding for housing serving households at or below 30% of area median income
Operating and Maintenance (O&M)	\$7,900,000 <i>Note: A&O Loan Fund repayments to be added to O&M Program</i>	220	<ul style="list-style-type: none"> • Building operating support provided to owners of Levy-funded housing for 20 years, supplementing rent for residents at or below 30% of area median income
Rental Assistance	\$4,248,000	550 households each year	<ul style="list-style-type: none"> • Assistance to families and individuals up to 50% of area median income to help preserve their housing, preventing eviction and homelessness
Acquisition and Opportunity (A&O) Loans	\$6,500,000 <i>Note: A&O Loan Fund repayments to be added to O&M Program</i>	175	<ul style="list-style-type: none"> • Short-term acquisition loans for strategic purchases of buildings or land for rental or homeownership housing development that will serve low-income households
Homebuyer Assistance	\$9,090,000	180	<ul style="list-style-type: none"> • Assistance to first-time homebuyers with incomes at or below 80% of area median income
Administration	\$13,262,000	N/A	
TOTALS	\$145,000,000	1,850 housing units and 4,245 households	<ul style="list-style-type: none"> • Housing units funded by Rental Production and Preservation and Homebuyer Assistance programs. • Households assisted by Rental Assistance, Operating & Maintenance, and Acquisition & Opportunity Loan funds.