

CITY COUNCIL STUDY SESSION

Discussion of House Bill 1590 Interest Statement

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DIRECTION NEEDED FROM COUNCIL**ACTION**

Tonight's study session will provide the City Council an opportunity to review the HB 1590 Interest Statement, a consolidated statement using existing policies from multiple documents. Pursuant to Council direction, action to adopt the Interest Statement will be requested at this Council meeting.

RECOMMENDATION

Move to adopt the HB 1590 Interest Statement.

BACKGROUND & ANALYSIS**Enabling Law and Intent**

Bellevue City Council enacted Resolution 9826 on October 12, 2020, which allows the City to collect monies under Revised Code of Washington (RCW) 82.14.530. The Legislature adopted House Bill 1590 during the last legislative session to amend RCW 82.14.530 which allows for an increase of up to 0.1 percent sales and use tax to be imposed for housing and related services.

At least 60 percent of the funds must be used for the following:

- Constructing affordable housing, which includes new units of affordable housing within an existing structure;
- Constructing facilities providing housing-related services;
- Constructing mental and behavioral health-related facilities;
- Funding the operations and maintenance costs of new units of affordable housing;
- Funding the operation and maintenance costs of facilities where housing-related programs are provided; or
- Funding the operation and maintenance costs of newly constructed evaluation and treatment centers.

In addition, RCW 82.14.530 mandates the above 60 percent of funding related to the construction of the affordable housing and facilities providing housing related services which must serve only the following individuals whose income is at or below sixty percent of the area median income (AMI) of the county where the tax is imposed:

- Persons with behavioral health disabilities;

- Veterans;
- Senior citizens;
- Homeless, or at risk of being homeless, families with children;
- Unaccompanied homeless youth or young adults;
- Persons with disabilities; or
- Domestic violence survivors.

The remainder of the monies collected (no more than 40 percent) must be used for the operation, delivery, or evaluation of: (1) mental and behavioral health treatment programs and services or (2) housing-related services. The AMI requirements and population requirements do not apply to the 40 percent spending parameters.

Previous Direction

At the December 14 Study Session, Council gave direction to staff to initiate the HB 1590 work plan. This work plan contains the following elements:

- 1) Creating an interest statement for Council consideration, which weaves together existing policies and themes from the City's Comprehensive Plan, Affordable Housing Strategy, 2019-2020 Human Service Needs Update, and other relevant documents (a full list of these policies and documents is included in Attachment B).
- 2) Regional Collaboration and Public Outreach Strategy.
- 3) Proposed Expenditures and Process for accessing the funds, when available.
- 4) Timing – Staff anticipates returning to Council approximately every four to six weeks to provide an update on the work plan elements and seek clarification or direction.

Tonight's study session will be to (1) review the proposed interest statement that weaves existing adopted policies and identified needs, (2) adopt the interest statement, and (3) outline next steps in the HB 1590 work plan. This interest statement outlines the principles that will be used along with the requirements under RCW 82.14.530 to guide the programs and policies implemented by use of HB 1590 funds.

Existing Policies

The HB 1590 Interest Statement incorporates policies from multiple documents, with the majority drawn from the Comprehensive Plan Housing and Human Services Elements, Affordable Housing Strategy, and 2019-2020 Human Services Needs Update. The need for additional affordable housing is a key community concern. Existing policies that address this need include encouraging a variety of housing types across the City, using funding sources to support the need for housing for very low and low income levels, and working collaboratively with regional partners, the business community, and non-profit organizations to address the affordable housing gap. There is a need for affordable housing, mental and behavioral health services, and housing-related programs to serve as preventive programs to address housing instability and keep households from becoming homeless. Existing policies that address this need include the City's work to fund the continuum of human services, working

collaboratively with community partners to address human services needs, and supporting a distribution of services throughout the City.

POLICY & FISCAL IMPACTS

Policy Impact

The City has multiple adopted policies and identified needs that are related to the use of HB 1590 funds. Within this interest statement, no new policies are being requested or created related to the HB 1590 Work Plan.

Fiscal Impact

Based on Bellevue's taxable sales in 2019, the 0.1 percent will likely generate \$8.9 million per year, and up to 10 percent (\$890,000) of the moneys collected could be used to supplant existing local funds. During the COVID recovery period, these amounts should be assumed to be lower than 2019. The taxes are collected in arrears, so initial monies would not be available until the end of the first quarter at the earliest.

OPTIONS

1. Move to adopt the HB 1590 Interest Statement.
2. Do not adopt the statement and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Proposed HB 1590 Interest Statement
- B. Consolidated Policies and Needs for the HB 1590 Interest Statement

AVAILABLE IN COUNCIL LIBRARY

N/A