

C E R T I F I C A T E

STATE OF WASHINGTON)

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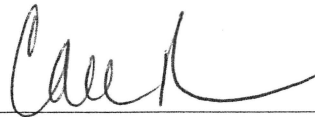
County of Kittitas)

I, the undersigned, Coreen Reno, the duly appointed, qualified and acting City Clerk of the City of Ellensburg, County of Kittitas, State of Washington, do hereby certify that the RESOLUTION hereto annexed is a full, true and correct copy of RESOLUTION NO. 2017-23 of the City of Ellensburg, Washington, entitled as follows:

A RESOLUTION of the City of Ellensburg relating to sales and use taxes to fund affordable housing and related purposes; providing for submission to the voters of the City, at the general election to be held on November 7, 2017, of a proposition authorizing an additional sales and use tax of one tenth of one percent, as authorized in RCW 82.14.530, for the affordable housing and related purposes described in that statute; setting forth the text of the ballot proposition; directing City officials to take necessary actions to place the proposition on the ballot; and providing for other properly related matters.

I further certify that said RESOLUTION was passed by the Council of said City at a meeting held July 17, 2017, at which time a quorum was in attendance.

DATED this 25th day of July, 2017.



Coreen Reno, CMC, City Clerk
Ellensburg, Washington

RESOLUTION NO. 2017-23

A RESOLUTION of the City of Ellensburg relating to sales and use taxes to fund affordable housing and related purposes; providing for submission to the voters of the City, at the general election to be held on November 7, 2017, of a proposition authorizing an additional sales and use tax of one tenth of one percent, as authorized in RCW 82.14.530, for the affordable housing and related purposes described in that statute; setting forth the text of the ballot proposition; directing City officials to take necessary actions to place the proposition on the ballot; and providing for other properly related matters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. Findings and Determinations. The City Council makes note of the following facts and makes the following findings and determinations:

A. In March 2017, the City of Ellensburg has conducted a Housing Needs Assessment ("Assessment"), among other purposes, to quantify housing affordability within the City. The Assessment determined that over half of the households in Ellensburg spend more than 30% of their income on housing, rendering them "cost-burdened" according to the U.S. Department of Housing and Urban Development definitions. The Assessment also found that over a third of households are estimated to spend more than 50% of their income on housing.

B. The City Council finds that there is a lack of multifamily dwellings in Ellensburg compared to the demand, as reflected in the Assessment and as demonstrated by the following facts:

1. According to the Assessment, the median monthly rent for an apartment in Ellensburg is \$1,129, an increase of 19% between 2013 and 2016, while the vacancy rate for apartments is less than 1%. The median monthly rent for a single family home is \$1,464, which rose 17% between 2013 and 2016;

2. According to the Assessment, median home price in Ellensburg is currently \$294,000, and it is estimated that only 24% of Ellensburg households can afford that price; and

3. Between 2010 and 2016 only 95 new multifamily housing units were built in Ellensburg, which represents only 16% of all new housing production despite the fact that nearly half of the population in Ellensburg are students and 67% of households have only one or two members.

C. The City of Ellensburg, private and nonprofit partners, and philanthropic organizations have worked together to address the challenges of homelessness and housing affordability and to help people with mental illness, individuals with developmental disabilities, and other vulnerable populations, including foster children, homeless families, veterans and others in critical need.

D. The City Council also takes note of the need for increased mental health services in the region, as demonstrated by the 2012 Community Health Profile for Kittitas County, which found that the rate of hospitalizations due to mental illness was 29.1 per 10,000 people in the

County, and that the ratio of residents to mental health care providers was 4,894:1 compared to a statewide average ratio of 2,513:1.

E. The City Council finds that despite the current resources and ongoing local efforts, there is a demonstrated need for additional fiscal tools that provide funding for affordable housing as well as for facilities, services and programs benefitting vulnerable populations.

F. Beginning with the November 2017 election, RCW 82.14.530 authorizes cities to submit to voters for their approval a ballot proposition authorizing an additional one tenth of one percent sales and use tax: (1) for the following purposes: (i) constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services provided to certain low-income populations set forth in RCW 84.14.530(2)(b); (ii) constructing mental and behavioral health-related facilities; (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 (2) for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

G. According to the most current available data from the U.S. Census Bureau (QuickFacts), the median household income in Kittitas County for the period 2011-2015 (in 2015 dollars) was \$46,458, and the median household income in the City for the same period was \$29,952. Therefore, under RCW 84.14.530, households who are members of certain listed population groups and who earn less than sixty percent of median income would be eligible for the affordable housing that could be funded by the proposed sales and use tax. The listed population groups include: persons with mental illness, veterans, senior citizens, homeless (or at-risk of being homeless) families with children, unaccompanied homeless youth or young adults, persons with disabilities, and domestic violence survivors.

H. Therefore, based on the foregoing, the City Council determines that it is necessary and appropriate to propose, for approval by a majority of the voters in the City, the collection of an additional sales and use tax authorized by RCW 82.14.530 at a rate of one-tenth of one percent (0.1%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the affordable housing and related purposes described in RCW 82.14.530.

Section 2. Submittal to voters. To provide the necessary funding for the expenditures identified in Section 3 of this resolution, the City Council directs the submission of a proposition to the registered voters of the City, substantially in the form set forth in this resolution, to impose a sales and use tax to be levied at the rate of one-tenth of one percent (0.1%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, commencing not earlier than April 1, 2018, pursuant to RCW 82.14.530.

Section 3. Eligible expenditures. The eligible purposes for which the proceeds of the sales and use tax may be expended include any and all of the purposes set forth in RCW 82.14.530, as it may be amended from time to time, which purposes are currently described as follows:

A. A minimum of sixty percent of the proceeds must be used for the following purposes:

1. Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services, solely for eligible households (as defined below); or
2. Constructing mental and behavioral health-related facilities; or
3. 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.

B. The remaining proceeds shall be used for the operation, delivery and evaluation of mental and behavioral health treatment programs and services or housing- related services.

C. No more than ten percent of the proceeds may be used to supplant existing local funds.

D. For purposes of this provision, “eligible households” means persons within any of the following population groups whose income is at or below sixty percent of median income:

1. Persons with mental illness;
2. Veterans;
3. Senior citizens;
4. Homeless (or at-risk of being homeless) families with children;
5. Unaccompanied homeless youth or young adults;
6. Persons with disabilities; or
7. Domestic violence survivors.

E. In accordance with RCW 82.14.530(5), up to fifty percent of the proceeds may be used for repayment of bonds issued to finance the provision or construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers, all as described in A.3, above.

F. The City Council shall determine the application of moneys available to the eligible expenditures described above, in its discretion, including the locations, specifications, eligibility requirements and other elements necessary for the appropriate use of the proceeds within the purposes described above, as well as the timing, order and manner of implementing or completing the any such projects. All eligible construction expenditures described above shall be deemed to include the costs of all necessary design, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the foregoing. If the City Council shall determine that it has become impractical to acquire, construct, or implement all or any particular proposed project by reason of changed conditions, incompatible development, costs substantially in excess of the amount of sales and use tax proceeds estimated to be available, lack of matching funds, or acquisition by a superior governmental authority, the City shall not be required to acquire, construct, or implement such portions.

Section 4. Ballot Proposition. The City Council hereby finds and declares that the best interests of the City's citizens require the submission to the qualified voters of the City a proposition of whether the City shall impose a sales and use tax within the limitations established in RCW 82.14.530 for their approval or rejection. The Kittitas County Auditor as ex officio supervisor of elections in Kittitas County, Washington is hereby requested to call and conduct such election to be held within the City of Ellensburg on November 7, 2017, and to submit to the qualified electors of the City of Ellensburg for their approval or rejection a proposition to impose a sales and use tax to be levied at the rate one-tenth of one percent (0.1%) of the selling price in the case of a sales tax or value of the article used in the case of the use tax. The sales and use tax authorized by this section is in addition to any other taxes authorized by law shall be collected from those persons who are taxable by the State of Washington under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the City of Ellensburg. Upon approval of the voters of the proposition hereinafter set forth, the City may use proceeds of such sales and use tax for the purposes described in this resolution. The City Clerk is hereby authorized and directed to certify, no later than August 1, 2017, to the Director of Elections, a copy of this resolution and the following proposition to be submitted to the qualified electors at that election, in substantially the following form:

**CITY OF ELLENSBURG, WASHINGTON
PROPOSITION 1
SALES AND USE TAX FOR HOUSING AND RELATED SERVICES**

The Ellensburg City Council has passed Resolution 2017-23 concerning a sales tax for affordable housing and related purposes. If approved, this proposition would authorize an additional sales and use tax of one-tenth of one percent (0.1%) to be collected within the City on all taxable retail sales in accordance with RCW 82.14.530. Eligible expenditures for tax proceeds include any and all of the affordable housing and related projects, programs, and services (including mental and behavioral health treatment programs and other housing-related services) as identified in Resolution No. 2017-23 and in RCW 82.14.530.

Should this proposition be approved?

Yes?..... ☐

No?..... ☐

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates: (a) the City Clerk; and (b) the City Attorney, as the individuals to whom such notice should be provided. The City Attorney and City Clerk are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Director of Elections.

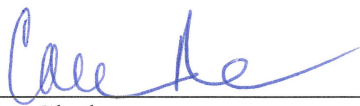
The City Clerk is authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's or clerical errors, references, resolution numbering, section/subsection numbers, and any reference thereto.

Section 5. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions and shall in no way affect the validity of the other provisions, or of the imposition or collection of the tax authorized herein.

PASSED AND ADOPTED by the City Council of the City of Ellensburg on the 17th day of July, 2017.



Mayor

Attest: 

City Clerk