

Interlocal Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners (“SKHHP”) Cities to Administer Funds Under RCW 82.14.540

This Interlocal Agreement (“Agreement”) is entered into by and between the Cities of Auburn, Burien, Des Moines, Federal Way, Kent, Normandy Park, and Tukwila each municipal corporations and political subdivisions of the State of Washington (individually, a “Party” and collectively, “the Parties”).

WHEREAS, this Agreement is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and has been authorized by the legislative body of each jurisdiction to address the use of pooled tax receipts for affordable and supportive housing sales and use tax in accordance with RCW 82.14.540(10).

WHEREAS, SKHHP was formed on January 1, 2019 by Interlocal Agreement among the jurisdictions of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila, and King County (the “SKHHP Interlocal Agreement”); and

WHEREAS, after SKHHP was formed, the Washington State Legislature passed Substitute House Bill (SHB) 1406, which was signed into law by the Governor, and is now codified at RCW 82.14.540; and

WHEREAS, RCW 82.14.540 authorizes the legislative authority of a county or city to impose a local sales and use tax for affordable and supportive housing to income-eligible persons; and

WHEREAS, RCW 82.14.540 stipulates the moneys collected or bonds issued through this sales tax credit may only be provided to persons whose income is at or below 60 percent of the median income of the county or city imposing the tax and may only be used for the following purposes: (i) acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or (ii) funding the operations and maintenance costs of new units of affordable or supportive housing; and

WHEREAS, funding to support the acquisition, rehabilitation, and new construction of affordable housing, and operation and maintenance costs of new affordable housing is critical to providing an array of housing opportunities for residents; and

WHEREAS, RCW 82.14.540 allows cities with a population of one hundred thousand or less to use moneys collected for providing rental assistance to tenants in addition to the affordable housing purposes listed above. As of the date of this Agreement, although at least some of the Parties have a population of one hundred thousand or less, all such Parties intend that the funds they contribute pursuant to this Agreement shall not be used for providing rental assistance; and

WHEREAS, within six months of the effective date of RCW 82.14.540, each of the Parties adopted a resolution of intent to authorize the maximum capacity of the tax, and within 12 months, each of the Parties adopted legislation authorizing the maximum capacity of the tax; and

WHEREAS, on November 22, 2019, the SKHHP Executive Board took unanimous action to adopt SKHHP Resolution 2019-06 urging each of the nine member jurisdictions to pool 100 percent of the tax receipts collected under the provisions of RCW 82.14.540 which expressly anticipates pooling of tax receipts received under RCW 82.14.540 if done pursuant to this Agreement; and

WHEREAS, the Parties wish to act cooperatively to pool tax receipts received in individual cities to allow the use of funds to leverage other funds and make a more meaningful and significant impact on affordable housing challenges in south King County consistent with this Agreement and RCW 82.14.540; and

WHEREAS, pooling RCW 82.14.540 sales tax receipts with SKHHP will establish a regional funding source that will help to establish regional-decision making and shared housing solutions and increased investment in affordable and supportive housing in south King County.

NOW, THEREFORE, in consideration of the mutual promises, benefits, and covenants contained in this Agreement, the Parties incorporate by reference and agree to the above recitals and the following terms and conditions:

1. Purpose. The purpose of this Agreement is to allow each of the Parties to pool all or a portion of its tax receipts received under RCW 82.14.540 for use by SKHHP in funding affordable and supportive housing projects and/or programs as permissible under RCW 82.14.540.
2. Responsibilities and Authority. For the purposes of RCW 39.34.030(4)(a), the SKHHP Administering Agency is designated as the administrator responsible for overseeing and administering the joint or cooperative undertaking contemplated by this Agreement. No property shall be acquired by the Parties to this Agreement by reason of this joint or cooperative undertaking.
3. Pooled Funds. The legislative body of each Party shall consider whether it will pool with SKHHP all or a portion of its RCW 82.14.540 tax receipts. Each Party that determines that it will pool all or a portion of its RCW 82.14.540 tax receipts shall transfer the funds to be pooled into the SKHHP Housing Capital Fund.
4. Uses of Pooled Funds. Consistent with the permissible uses of funds set forth in RCW 82.14.540, SKHHP will distribute funds pooled under this Agreement only for the following purposes that serve persons whose income is at or below 60 percent of the median income:

- a. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; and/or
 - b. Funding the operations and maintenance costs of new units of affordable or supportive housing.
5. Selection of Funding Awards involving Pooled Funds. SKHHP intends to periodically invite applications for funding for projects and/or programs eligible for funding under the SKHHP Interlocal Agreement. For each round of funding applications for which SKHHP intends to use funds pooled under this Agreement, the following shall apply:
 - a. The SKHHP Executive Board will identify funding guidelines that will include, but not be limited to: the amount of available funding, household income targets, funding priorities, eligible activities and geographic areas, regulatory terms, other award terms/reporting requirements, application contents, review process, evaluation criteria, and the schedule for funding allocation.
 - b. The SKHHP Advisory Board, to be established by the SKHHP Executive Board as outlined in the SKHHP Interlocal Agreement, will provide recommendations to the SKHHP Executive Board on the strategic funding priorities and the allocation of tax receipts collected through this Agreement. These recommendations will consider south King County housing needs, other funding sources that support affordable housing and supportive housing, local housing needs, and equitable geographic distribution of funds.
 - c. The SKHHP Executive Board shall consider the recommendations of the SKHHP Advisory Board to decide both the recommended funding awards for selected projects and/or programs and the specific funding from each participating Party consistent with the SKHHP Executive Board Powers.
 - d. Funding will be limited to projects or programs that are within the SKHHP sphere of influence as identified in the SKHHP Interlocal Agreement and meet the eligibility criteria of RCW 82.14.540.
6. Expenditure of Pooled Funds; Legislative Authority of Each Party.
 - a. As provided in the SKHHP Interlocal Agreement, the SKHHP Executive Board will recommend to the individual legislative bodies various terms to accompany their authorizations. Terms shall be consistent with RCW 82.14.540 and may include but will not be limited to: the amount of funds allocated, project description, minimum affordability requirements, nature of funding commitment (loan, grant, or other), and general repayment terms for loans, if applicable.

- b. Before any Party's pooled funds are awarded or distributed for funding of a project or program selected pursuant to Section 4 "Selection of Funding Awards involving Pooled Funds" of this Agreement, the legislative body of such Party shall authorize the application of a specified amount of its 82.14.540 tax receipts in its Individual Account, as provided in Section 14 of the SKHHP Interlocal Agreement.
 - c. SKHHP may only award and distribute a Party's pooled funds after a Party's legislative body has approved participation in this Agreement.
7. Administration. Funds collected through this Agreement shall be administered through the SKHHP Housing Capital Fund as outlined in the SKHHP Interlocal Agreement and administered by the SKHHP Administering Agency. The SKHHP Administering Agency will maintain records sufficient to separately track the deposits and withdrawals within each Individual Account and each project account.
8. Reporting. In addition to reporting requirements under the SKHHP Interlocal Agreement, SKHHP will submit an annual report to the Parties of work plan progress that includes, but is not limited to, housing priorities, strategies, capital funding investments, use of pooled RCW 82.14.540 tax receipts, and other SKHHP accomplishments.
9. Audit. The Parties acknowledge that the expenditure of all funds will be subject to audit by the state auditor or other authorized entity. The SKHHP Administering Agency reserves the right to review, monitor, or audit the use of these funds as deemed necessary. Such activities may occur with or without notice.
10. Termination or Withdrawal. This Agreement may be terminated at any time by an affirmative vote of a majority of the legislative bodies of the Parties to this Agreement. If a Party wishes to withdraw from participation in this Agreement, it may do so with written notice to the SKHHP Executive Board of its intention to withdraw, due on or before July 1 of a year and become effective as of 11:59 p.m. on December 31 of that year. Upon termination of this Agreement or Party withdrawal from this Agreement, all uncommitted pooled RCW 82.14.540 tax receipt moneys in the SKHHP Housing Capital Fund will be distributed to the Parties in case of termination of the Agreement, or individually to any Party withdrawing from the Agreement, by remitting the total uncommitted amounts remaining in the Party's Individual Account to that Party, unless otherwise authorized by the legislative authority of that Party.
11. Additional municipalities. This Agreement may be expanded to include additional SKHHP municipalities through the execution of a companion agreement that is consistent with this Agreement and the SKHHP Interlocal Agreement, and upon an affirmative vote of a two-thirds majority of the membership of the SKHHP Executive Board.
12. Amendments. Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of at least two-thirds of the legislative bodies of all Parties to

this Agreement, evidenced by authorized signatures of those Parties as of the effective date of this Agreement, however, any amendment to this Agreement affecting the terms and conditions of membership, provisions regarding duration, termination or withdrawal, or the conditions of this Section will require consent of the legislative authorities of all Parties. This Section shall not be construed to require amendment of this Agreement for the addition of a new Party contemplated under Section 11.

13. Effective date. This Agreement will become effective March 1, 2021, subject to its approval by the legislative bodies of all participating jurisdictions, and pursuant to RCW 39.34.040. Although this Agreement may be approved and signed by a Party after the Agreement's effective date, all acts consistent with the authority of this Agreement that occur on or after March 1, 2021, are hereby ratified and affirmed, and the other terms of this Agreement will be deemed to have applied.
14. Agreement Duration. This agreement will be in full force and effect until it is terminated in accordance with the terms and conditions of this agreement.

(Signature Page Follows)

Approved and executed this 22nd day of February, 2021.

Name of Party: **CITY OF AUBURN**

DocuSigned by:

Nancy Backus

AECEBB9537354C0...

Nancy Backus, Mayor

Approved as to form:

DocuSigned by:

Kendra Comeau

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Kendra Comeau, City Attorney

Approved and executed this 15th day of March, 2021.

Name of Party: City of Burien



Brian Wilson, City Manager

Approved as to form:



Garmon Newsom II, City Attorney

Approved and executed this 8th day of March, 2021.

Name of Party: City of Des Moines



Michael Matthias, City Manager

Approved as to form:

/s/ Tim George

City Attorney

Approved and executed this 2 day of April, 2021.

Name of Party: City of Federal Way



Jim Ferrell, Mayor

Approved as to form:



J. Ryan Call, City Attorney

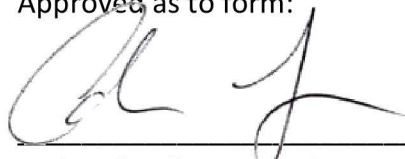
Approved and executed this 7th day of June, 2021.

Name of Party: City of Kent



Dana Ralph, Mayor

Approved as to form:



Adam Long
Assistant City Attorney for
Arthur "Pat" Fitzpatrick, City Attorney

Approved and executed this 11th day of May, 2021.

Name of Party: City of Normandy Park

Daniel W. Yourkoski
Daniel W. Yourkoski (May 13, 2021 15:51 PDT)

Normandy Park Interim City Manager/Police Chief Dan Youkoski

Approved as to form:

Kari L. Sand
Kari L. Sand (May 13, 2021 15:43 PDT)

Kari Sand, City Attorney – Ogden Murphy Wallace Law

Approved and executed this 17th day of May, 2021.

Name of Party: *City of Tukwila*

eSigned via SeamlessDocs.com
Allan Ekberg
Key: c702eb79ed3310e7c9745632d21dc17

Allan Ekberg, Mayor 05/17/2021

Approved as to form:

eSigned via SeamlessDocs.com
Kari L. Sand
Key: 00a45367028ef1a2bd170a2c2a30036

City Attorney

Companion Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners (“SKHHP”) Cities to Administer Funds Under RCW 82.14.540

This Companion Agreement expands the Parties of the Interlocal Agreement for pooling sales tax receipts with SKHHP cities to administer funds under RCW 82.14.540 (“Companion Agreement”) to include the City of Renton (“Renton”), a municipal corporation of the State of Washington.

WHEREAS, this Companion Agreement is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, to address the use of pooled tax receipts for affordable and supportive housing sales and use tax in accordance with RCW 82.14.540(10); and

WHEREAS, the cities of Auburn, Burien, Des Moines, Federal Way, Kent, Normandy Park, and Tukwila expressed an intention to enter into an Interlocal Agreement with an effective date of March 1, 2021, for the purpose of pooling sales tax receipts with SKHHP to administer funds under RCW 82.14.540; and

WHEREAS, consistent with the intent and spirit of pooling sales tax receipts with SKHHP to administer funds under RCW 82.14.540, the SKHHP Executive Board voted to expand the Interlocal Agreement to include the City of Renton through the execution of this Companion Agreement by an affirmative vote of a two-thirds majority of the membership of the SKHHP Executive Board;

NOW, THEREFORE, in consideration of the mutual promises, benefits, and covenants contained in this Agreement, the City of Renton agrees to the above recitals and the following terms and conditions:

Section 1. The City of Renton agrees to and adopts the recitals, mutual promises, benefits, terms, covenants, and conditions of the Interlocal Agreement for pooling tax receipts with SKHHP cities to administer funds under RCW 82.14.540 signed by the cities of Auburn, Burien, Des Moines, Federal Way, Kent, Normandy Park, and Tukwila, which Interlocal Agreement is attached hereto as **Exhibit A**.

Section 2. This Companion Agreement will be in full force on the date of execution.

Executed this 16th day of July, 2021.

CITY OF RENTON



Armondo Pavone
Mayor

Attest:



Jason Seth
City Clerk



Approved as to form:

Approved by Shane Moloney via 7/19/2021 email

Shane Moloney
City Attorney