

WALLA WALLA CITY COUNCIL
Work Session Minutes
July 22, 2019

1. CALL TO ORDER

Mayor Clark called the meeting to order at 4:00 p.m.

Present: Councilmembers Riley Clubb, Jerry Cummins, Myron Huie, Steve Moss, Tom Scribner, and Mayor Barbara Clark.

Absent: Councilmember Yazmin Bahena

City staff in attendance: City Manager Nabil Shawa, Deputy City Manager Byron Olson, Development Services Director Elizabeth Chamberlain, Environmental Engineer Leah Fisk, Planner Melissa Shumake, and Deputy City Clerk Jodi Stephens.

Others in attendance: Meghan DeBolt, Director of Walla Walla County Department of Community Health.

2. ACTIVE AGENDA

A. Implementation of House Bill 1406.

Staff reported and there was discussion on Substitute House Bill 1406 which provides for a local revenue sharing program by providing a local sales and use tax credit for up to 20 years for acquiring, rehabilitation, or construction for affordable housing; operations and maintenance of new affordable or supportive housing facilities; and, for cities with a population under 100,000, rental assistance. Cities can also issue bonds to finance authorized projects. Housing services must support households earning sixty percent or less of the median income for the City or County imposing the tax. This local sales tax authority is a credit against the state sales tax, so it does not increase the sales tax for the citizens.

There are tight timelines that must be met to access this funding source – the first is January 31, 2020 for the City Council to pass a resolution of intent. The tax ordinance must then be adopted by July 27, 2020 to qualify for the credit. The state is splitting shared resources between cities and counties. However, the City of Walla Walla can receive both shares if they have adopted a “qualifying local tax” by July 31, 2020.

If a city does not implement a qualifying tax by the deadline, they can still participate in the program if they meet the other deadlines but will be eligible for a lower credit rate. A city can adopt the sales tax credit before designating how the funds will be used once collected.

The following are considered “qualifying local taxes” and, if levied, gives the city access to both shares of the tax credit (i.e. 0.146% rate instead of the single share rate of 0.0073%):

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- Affordable housing levy (property tax) under RCW 84.52.105;
- Sales and use tax for housing and related services under RCW 82.14.530. The city must have adopted at least half of the authorized maximum rate of 0.001%;
- Sales tax for chemical dependency and mental health under RCW 82.14.0460;
- Levy (property tax) authorized under RCW 84.55.050, if used solely for affordable housing.

Ms. DeBolt advised that Walla Walla County already meets the requirements for filing, although, at this time, the County has not taken any action. The County appreciates the opportunity to discuss options with the City.

B. Amendment No. 5 to Walla Walla Alliance Homeless Contract.

Staff reported Amendment #5 incorporates the case management services required by the City's interlocal agreement with Walla Walla County. In that agreement for \$100,000 for 2019, the City and its sub-contractor (the Walla Walla Alliance for the Homeless) are required to initiate case management services at the Sleep Center.

There was discussion on:

- The City is being asked to provide additional money to fund services at the sleep center by the County.
- Pros and cons of entering into the interlocal agreement.
- Case management, the Exit Homelessness program, and criteria that must be met to fulfill the contract.

It was the consensus of a majority of Council to have this proposed contract amendment put on the agenda for Council consideration.

C. Proposed Code Revisions to Walla Walla Municipal Code.

Staff provided a high-level overview of the Municipal Code chapters being revised by Development Services and Engineering this year, with a completion date by end of 2019. Changes proposed are generally to clean up sections where practice and ordinances diverge, where code is out of date or out of compliance, and a small number of policy changes.

There was discussion on the proposed changes and involvement of the Downtown Foundation, Historic Preservation Commission and City Attorney's office. The proposed revisions will be completed by the end of December 2019 and brought before Council for consideration.

3. OTHER BUSINESS

No other business was discussed.

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4. ADJOURNMENT

There being no further business, the meeting adjourned at 5:51 p.m.