City of Kenmore
City Council Regular Meeting
Minutes
September 16, 2019

CALL TO ORDER – Deputy Mayor Herbig called the meeting to order at 7:00 p.m.

ROLL CALL
Mayor David Baker (excused)
Deputy Mayor Nigel Herbig
Councilmember Joe Marshall
Councilmember Milton Curtis
Councilmember Debra Srebnik
Councilmember Stacey Denuski
Councilmember Brent Smith

FLAG SALUTE

AGENDA APPROVAL

MOTION: Councilmember Denuski made a motion to approve the agenda, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.

PROCLAMATIONS
Diaper Need Awareness Week - September 23-29, 2019
(Accepting the proclamation: Kelly Costinett, Eastside Baby Corner)

National Recovery Month - September, 2019
(Accepting the proclamation: Michael Reading, King County Dept of Community and Human Services, Behavioral Health and Recovery Division)

CITIZEN COMMENTS
Steven Gersman
7636 NE 196th Street
Kenmore, Washington 98028

Mr. Gersman spoke about security concerns with the open campus at Kenmore Elementary School.

John Shellon
On behalf of King County Library System
Mr. Shellon spoke about an upcoming diversity event at the King County Libraries.

Suzanne Tseng
7410 NE 163rd Street
Kenmore, Washington 98028

Ms. Tseng gave an update on the Just Getting Started program at the Hangar Building.

CONSENT AGENDA

MOTION: Councilmember Denuski made a motion to approve the consent agenda, Councilmember Curtis seconded the motion. The motion passed unanimously.

The consent agenda included the following:

Total Checks #43097 through #43220 in the amount of $446,133.53.
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 8/16/19 in the amount of $162,105.98.
8/16/19 Payroll Checks #10147-10148 in the amount of $538.91.

Authorize the City Manager to Execute an Agreement with WSDOT to accept Pedestrian and Bicycle Program Grant Funds in the amount of $2,000,000 for Construction of the Juanita Drive NE Pedestrian and Bicycle Safety Improvements Project

Receive and File July, 2019 Financial Report for the City of Kenmore, Washington

Approve the Committee Charter and the Investment Policies and Guidelines for the 401a Retirement Plan and 457 Deferred Compensation Retirement Plan

City Council Meeting Minutes of July 22, 2019 and August 12, 2019

BUSINESS AGENDA

Resolution 19-326 Declaring the City's Intent to Adopt Legislation to Authorize a Sales and Use Tax for Affordable and Supportive Housing in Accordance with Substitute House Bill 1406 - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administration Director

Director Bent and Director Gregory explained that staff recommends Council adopt by motion Resolution 19-326 to implement the Council's direction regarding local sales tax options for affordable housing in accordance with substitute HB 1406.

At the 7/15/19 Council meeting, staff sought Council direction on whether the City wanted to participate and act on the recently adopted sales tax options provided through legislation HB 1406. Council direction to staff was to bring back appropriate legislation for City participation. With legislation that also declares the City's intent to retain 0.0073% of the state's share of sales tax for investment in affordable housing.

In the Council packet, is a recent letter from the King County Affordable Housing Committee Chair noting the Committee will be taking up a proposed set of formal recommendations 9/20/19 regarding implantation of HB 1406. However, in the meantime the letter requested Cities to consider the Committee's ideas. The Mayor is a member of the Committee. The City's direction to pool resources with ARCH is consistent with the Committee's ideas.

Background: The 7/15/19 agenda item included background information prepared by ARCH on HB1406. The legislation provides a new funding tool for local jurisdictions to increase investment in affordable housing. HB 1406 allows cities to retain a portion of the state's share of sales tax for investment in affordable or supportive housing to assist persons whose income is at or below 60% of median income. This portion is offset by a reduction in the state's portion and therefore does not result in an increased tax on consumers. Cities have a choice of whether to be a participating or non-participating city, and a choice of whether to adopt a qualifying tax to increase the portion they may retain.

If Kenmore chooses to participate, by January 28, 2020 the City Council should adopt a resolution declaring their intent. 0 .0073% now or if 0.0146% then the City has twelve months to act on legislation (by July 30, 2020). The maximum amount Kenmore may collect is limited by the amount of taxable retail sales in fiscal year 2019 times the appropriate rate. Based on the 2018 taxable retail sales in Kenmore of $270,571,011, for the first 12 months at a rate of .0073%, $19,752 could be available for affordable housing. To access the full 0.0146% after 12 months, the City would need to adopt legislation for a qualifying tax by July 30, 2020 which would require voter approval. Based on the 2018 taxable retail sales in Kenmore at a rate of 0.0146%, $39,503 would be available for affordable housing. The tax expires 20 years after the jurisdiction first imposes the tax.

MOTION: **Councilmember Curtis made a motion to approve Resolution 19-326 Declaring the City's Intent to Adopt Legislation to Authorize a Sales and Use Tax for Affordable and Supportive Housing in Accordance with Substitute House Bill 1406, Councilmember Smith seconded the motion. The motion passed unanimously.**

Ordinance 19-0496 Adopting Legislation to Authorize a Sales and Use Tax for Affordable Housing in Accordance with Substitute House Bill 1406 (Chapter 338, Laws of 2019), and Adding a New Article III to Chapter 3.30 of the Kenmore Municipal Code - Debbie Bent, Community Development Director and Joanne Gregory, Finance and Administrative Director

MOTION: **Councilmember Srebnik made a motion to approve Ordinance 19-0496 Adopting Legislation to Authorize a Sales and Use Tax for Affordable Housing in Accordance with Substitute House Bill 1406 (Chapter 338, Laws of 2019), and Adding a New Article III to Chapter 3.30 of the Kenmore Municipal Code, Councilmember Denuski seconded the motion. The motion passed unanimously.**

ADJOURNMENT

The meeting adjourned at 7:28 p.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk