

2021 – 2022 PROPOSED BUDGET QUERY SET 8 COVER LIST

<u>Question</u>	<u>Topic</u>
-----------------	--------------

37	Eelgrass monitoring
----	---------------------

50	Affordable Housing Trust Fund
----	-------------------------------



2021-2022 PROPOSED BUDGET

Budget Query

Date: October 26, 2020

Budget Query: 37

From: Councilmember Christy Carr

Date Rec'd: October 20, 2020

Re: Eelgrass monitoring

Question/Topic:

Is the eelgrass monitoring attached to a specific City project? If so, which one? Rockaway Beach? Is there a reason the annual amount is different if it is annual monitoring? If it is annual monitoring, when did it start and when will it end? What were past annual monitoring costs, if any?

Response:

There are two types of required mitigation as a result of the Rockaway Beach Bulkhead project Hydraulic Permit Approval (HPA): eelgrass and general site monitoring and surveys; and beach nourishment (gravel placement). The required mitigation started in 2013 and will end in 2023. The monitoring of the site occurs every year, and the surveys and nourishment happen every other year. Other, unplanned physical mitigation on the site, such as re-planting vegetation on the slope or repairs and maintenance, may also result from the monitoring work.

Since 2013, the City has spent approximately \$120K on monitoring, surveys and unplanned physical mitigation, and approximately \$37K on beach nourishment.

The expenditures identified in the proposed budget are as follows:

- **2021; \$40K** – monitoring (\$15K); unplanned physical mitigation (\$25K)
- **2022; \$60K** – monitoring and surveys (\$50K); beach nourishment (\$10K)

Summary of Budget Dollar and FTE change:

	2021	2022	One-time or Recurring	Comment
Estimated \$ Change				
FTE Change				



2021-2022 PROPOSED BUDGET

Budget Query

Date: November 3, 2020
 Budget Query: 50
 From: Councilmember Christy Carr
 Date Rec'd: November 2, 2020
 Re: Affordable Housing Trust Fund

Question/Topic:

Could you please explain the difference between the Housing Trust Fund and the Affordable Housing Fund? Or are they the same thing? Can you provide more detail for the fund balance sheet on page 55 of the budget? I am wondering what past funds were spent on and what spending is proposed in 2021/22. Or is it just available and not allocated to something specific at this time? What is the total amount of funding available in 2021 and 2022 for affordable housing? Could you also include in my query where Ordinance 2019-37 re: sales tax fits in?

Response:

1. Could you please explain the difference between the Housing Trust Fund and the Affordable Housing Fund? Or are they the same thing?

The Housing Trust Fund (also known as the Affordable Housing fund) is a dedicated subfund within the General Fund. Use of the balance is subject to the provisions of Bainbridge Municipal Code Chapter [3.38](#). More specifics are included below.

2. Can you provide more detail for the fund balance sheet on page 55 of the budget?

The accumulated fund balance shown on page 55 of the budget is \$294,000. This amount is the estimated beginning fund balance in 2021 and is the result of transfers from the general fund as included in previous budgets. In 2019-2020 this amount totals \$200,000. There was an additional \$60,000 of budgeted revenue in 2020 as part of the CARES grant along with new revenue from the affordable housing sales tax (see explanation below).

Summary of Budget Dollar and FTE change:

	2021	2022	One-time or Recurring	Comment
Estimated \$ Change				
FTE Change				

3. I am wondering what past funds were spent on and what spending is proposed in 2021/22. Or is it just available and not allocated to something specific at this time?

The Approved Budget has included \$100,000 annually in allocated but not programmed funding for affordable housing activities in each of the last three biennial budgets. The 2021-2022 Proposed Budget continues this approach. In addition, budgets included specific funding related to support for the mobile home park shares and programming such as Homeshare programs.

From 2016-2018 there was minimal expense activity in the fund consisting only of annual management fees ranging from \$4,500 to \$8,625 paid to Housing Resources Bainbridge to manage the City-owned lots in the Islander Mobile Home Park. The chart below summarizes the expense activity in 2019 and 2020.

Description	2019	2020 (through September)	Total
Helpline House: Rental assistance	\$ 44,110	\$ 55,890	\$100,000
Helpline House: Additional rental assistance (CARES)		\$ 60,000	\$ 60,000
Islander Mobile Home – mgmt. fees	\$ 4,500	\$ 2,250	\$ 6,750
Other	\$ 0	\$ 1,400	\$ 1,400
Total Expenditures	\$ 48,610	\$119,540	\$168,150

4. What is the total amount of funding available in 2021 and 2022 for affordable housing?

There is a total of \$200,000 (\$100,000 in each year) as a transfer from the General Fund to the Housing Trust Fund. In addition, the budget includes a total of \$61,800 in estimated sales tax revenue which will be recorded in the Housing Trust Fund.

5. Could you also include in my query where Ordinance 2019-37 re: sales tax fits in?

The affordable housing sales tax was approved by Council in 2019 under Ordinance 2019-37. This ordinance allows the City to impose a sales tax credit equal to .0073% for 20 years to invest in affordable and supportive housing that includes rental assistance under Washington State House Bill 1406 by retaining a portion of the 6.5% sales tax that the state normally collects of the total 9% Bainbridge Island consumer rate. This sales tax credit does not increase the tax rate to consumers. The City began collecting this tax in January 2020. A total of \$61,800 is budgeted for collection in 2021-22.

This sales tax revenue can be used for certain eligible expenses related to affordable housing, in some cases targeted incomes lower than 60% of area median income.

Please also see the response to budget query number 29.

Additional Detail:

According to BIMC Chapter [3.38.040](#), the **Housing Trust fund** is intended to:

1. Support the repair and rehabilitation of housing serving senior and disabled residents;
2. Provide direct financial and technical assistance to qualified housing projects;
3. Provide financial assistance to public and private nonprofit organizations supporting housing activities consistent with city policy;
4. Provide financial assistance to pay for utility connections for qualified housing activities; and
5. Fund approved, eligible operating expenditures related to the provision of assistance covered by this chapter

Affordable housing SHB 1406 sales tax revenue may be used for (a) acquiring, rehabilitating, or constructing affordable housing, which may include new units within an existing structure or facilities providing supportive housing services under [RCW 71.24.385](#) (behavioral health organizations); **OR** (b) operations and maintenance costs of new units of affordable or supportive housing. The funds may also be used to provide rental assistance to tenants that are at or below 60% of the median income of the county or city that is imposing the tax. Lastly, the funds may finance loans or grants to nonprofit organization or public housing authorities to carry out the purposes of the bill and may pledge the tax proceeds from SHB 1406 for repayment of bonds in accordance with debt limitations imposed by the state constitution or statute.