March 28, 2012

TO: City Council Members

FROM: Larry Kwarsick, Mayor

SUBJECT: Interlocal Cooperation Agreement Purpose of Establishing the Island County Housing Advisory Board (ICHAB)

At the request of the Board of Island County Commissioners and the Council of Governments, I present to the Council a new Interlocal Agreement between Island County and the Cities of Langley and Oak Harbor, and the Town of Coupeville. This agreement replaces the agreement originally adopted in 2003 (which I have attached).

I ask that the Council authorize the Mayor to sign the agreement on behalf of the City with the understanding that through the parties’ review of the agreement minor changes may result. The statutes authorizing and establishing the Homeless Housing and Assistance and Affordable Housing for All programs establish strict sideboards on the use of the funds.

This agreement joins the four parties together in the efficient administration of the two programs. The administrator of this Agreement is the Director of the Island County Human Services Department.
AMENDMENT NO. 2 TO
INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITIES OF
LANGLEY AND OAK HARBOR, ISLAND COUNTY, AND THE TOWN OF
COUPEVILLE FOR THE PURPOSE OF ADMINISTERING RECORDING
SURCHARGE FUNDS GENERATED AS ALLOWED UNDER RCW 36.22.178

The original Interlocal Cooperation Agreement was entered into on June 16, 2003 between the
cities of Langley and Oak Harbor, Island County, the town of Coupeville and the Housing
Authority of Island County for the purpose of creating an interlocal agreement for the use of
funds created through the surcharge of ten dollars for each document recorded through the
County Auditor’s office to fund housing programs for extremely low and very low income
persons throughout Island County. Amendment No. 1 was entered into by the parties on October
2, 2006.

This Amendment No. 2 amends the Agreement, as follows:

The June 16, 2003 Interlocal Cooperation Agreement, which was recorded under Island County
Auditor’s file number 4067793, and thereafter modified by Amendment No. 1 on October 2,
2006, is hereby terminated. Prior to it’s entry into force, this Amendment No. 2 shall be filed
with the Island County Auditor.

Adopted this _______ day of __________________, 2012.

Board of County Commissioners City of Langley
Island County, Washington

______________________________
Helen Price Johnson, Chair

______________________________
Angie Homola

______________________________
Kelly Emerson

ATTEST:

______________________________
Elaine Marlow, Clerk of the Board

City of Oak Harbor

______________________________
Scott Dudley

Town of Coupeville

______________________________
Nancy Conard

Housing Authority of Island County

______________________________
Teri Anania, Executive Director
Interlocal Cooperation Agreement between Island County, the Cities of Langley and Oak Harbor, and the Town of Coupeville for the Purpose of Establishing the Island County Housing Advisory Board

This Agreement is entered into between Island County and the Cities of Langley, Oak Harbor, and the Town of Coupeville for the purpose of establishing an Island County Housing Advisory Board to assist housing programs throughout Island County funded from surcharges on recording documents at the Island County Auditor's Office for an extremely low income and very low income housing program, and a homeless housing program.

WHEREAS, the 2002 Washington State Legislature passed Substitute House Bill 2060 (RCW 36.22.178) establishing a recorded document surcharge to support housing projects that are affordable to low-income persons, with the portion of the surcharge retained by the county to be used according to an interlocal agreement between the county and the cities within the county; and

WHEREAS, on June 16, 2003, Island County, the cities of Langley and Oak Harbor, the town of Coupeville, and the Housing Authority of Island County entered into an interlocal cooperation agreement for the use of the county-retained portion of the RCW 36.22.178 document recording surcharge for a low-income housing program in the county and cities/town, which was recorded under Island County Auditor's file number 4067793, and thereafter was modified by Amendment 1 on October 2, 2006, which was recorded under Island County Auditor's file number 4183365; and

WHEREAS, the 2007 Washington State Legislature passed Engrossed Second Substitute House Bill 1359 that modified RCW 36.22.178 and the uses that can be made of the county-retained portion of the document recording surcharge; and

WHEREAS, the 2005 Washington State Legislature passed Engrossed Second Substitute House Bill 2163 (RCW 36.22.179), the Homeless Housing and Assistance Act, adding an additional recorded document surcharge to support a county homeless housing plan with the portion of the surcharge retained by the county; and

WHEREAS, the 2005 Washington State Legislature passed Substitute Senate Bill 5767 (RCW 43.185C.160) requiring a county to establish a local homeless housing task force to develop and recommend a ten-year homeless housing plan, unless a county declines to participate in the program; and

WHEREAS, on December 19, 2005, the Island County Board of County Commissioners adopted Resolution C-144-05, the first Island County 10-Year Homeless Housing Plan, which was recommended by a homeless housing task force organized by the Housing Authority of Island County, whose members were not appointed by the Board of County Commissioners; and

WHEREAS, it is necessary to have a homeless housing task force designated by the Board of County Commissioners and it would be more efficient and effective if the county’s homeless housing task force and the advisory board created for the low-income housing program were combined to comprehensively address the issues of homelessness and affordable housing; NOW, THEREFORE,
In consideration of the mutual housing benefits for low-income and homeless persons, the signatories to this Agreement agree as follows:

1. Island County Housing Advisory Board. The Island County Housing Advisory Board (ICHAB) is hereby established.

The Island County Housing Advisory Board shall consist of the following members:
A.) A representative of Island County;
B.) A representative of the City of Oak Harbor;
C.) A representative of the City of Langley;
D.) A representative of the Town of Coupeville;
E.) A representative from Camano Island;
F.) One homeless person or formerly homeless person;
G.) A representative of a private nonprofit organization with experience in low-income housing services; and
H.) Up to 9 at-large members that include representatives from the construction industry, property management industry, real estate industry and agencies who serve low income households.

Representatives of the city of Oak Harbor, city of Langley, and town of Coupeville shall be appointed by their respective mayors. The other representatives shall be appointed by the Island County Board of County Commissioners (BOICC). No member in category H. may serve on the ICHAB who is, or whose spouse or registered domestic partner is, employed by or serves on the board of an organization or group that is a recipient of funds for a project under Section 2 below. The terms of the members shall be three years; however, to stagger terms, the initial term of the members in categories A., C., E., and G. shall be two years, and the term of half of the initial members in category H. shall be two years. The other members shall have initial terms of three years. After the initial terms, all terms shall be three years. The ICHAB shall operate under the provisions of the Open Public Meetings Act, Chapter 42.30 RCW. A majority of the members of the ICHAB, as then constituted, shall constitute a quorum to conduct business.

2. ICHAB Responsibilities.

A. The ICHAB will serve as the organization to review applications and make recommendations to the Island County Board of County Commissioners for funding projects from revenues from the RCW 36.22.178 (Affordable Housing for All) and RCW 36.22.179 (Homeless Housing and Assistance) county-retained document recording surcharge funds.

B. The recommendations for funding projects from revenues of the RCW 36.22.178 (Affordable Housing for All) surcharges will be allocated as follows:

   a. 25% for operating costs for emergency shelters and licensed overnight youth shelters or for building operation and maintenance costs of housing projects or units within housing projects built with housing trust funds that are affordable to very low-income persons with income at or below fifty percent of the area median income, and that require a supplement to rent income to cover ongoing operating costs.

   b. 75% for acquisition, construction or rehabilitation of housing projects or units within housing projects that are affordable to very low-income persons with income at or below fifty percent of the area median income; and

   c. None for rental assistance vouchers.
The allocation formula shall be reviewed annually by the ICHAB and a recommendation submitted to the BOICC for any changes and the BOICC, Cities of Langley and Oak Harbor, and the Town of Coupeville, may change the allocation formula by majority agreement. The BOICC, in an emergency situation, may authorize expenditures from one fund category for the other fund category, for example, for emergency repair or replacement of a roof following a windstorm.

C. The recommendations for funding projects from revenues of the RCW 36.22.179 (Homeless Housing and Assistance) surcharges must be consistent with the then-current Island County 10-Year Plan to Reduce Homelessness.

D. The ICHAB will recommend to the Island County Board of County Commissioners, at least annually, updates related to the Island County 10-Year Plan to Reduce Homelessness under the provisions of RCW 43.185C.050, and any other recommendations to the Board as authorized under RCW 43.185C.160. The 10-Year Plan updates shall not be inconsistent with the State Department of Commerce’s ten-year homeless housing strategic plan.

3. No New Legal Entity – Administrator of Agreement. No separate legal or administrative entity is created or intended to be created hereby. The administrator of this Agreement, who shall staff ICHAB meetings, is the Director of the Island County Human Services Department. Island County shall retain six percent of the revenues from the RCW 36.22.178 (Affordable Housing for All) and RCW 36.22.179 (Homeless Housing and Assistance) surcharge funds from the prior year for costs related to administration of this Agreement.

4. Annual Reports. At least annually, the Director of the Island County Human Services Department shall report to the parties to this Agreement regarding the funds expended under this Agreement.

5. Term. This Agreement shall exist for five (5) years from the date of execution and shall be deemed automatically renewed for consecutive five (5) year period thereafter unless any party elects to terminate this Agreement. This Agreement may be terminated effective upon expiration of the initial five (5) year period or any subsequent five (5) year period by the terminating party giving written notice of termination to all of the other parties not later than the sixtieth (60th) day prior to the expiration of the term. Such notice of termination shall be by appropriate action of the elected governing body of the terminating party. Notwithstanding any other provision of this agreement, any party may terminate this agreement upon a 12 month written notice of intent to terminate. This Agreement may be amended, altered or changed in any manner by the mutual written agreement of the parties.

6. Indemnification/Hold Harmless. Each party shall assume the risk of, be liable for, and pay all damages, losses, costs, and expenses of its officers, officials, employees, and volunteers arising out of any duty performed, or not performed, while acting within the scope of this interlocal cooperation agreement.

7. Manner of Acquiring, Holding and Disposing of Property. The parties will not jointly acquire or hold real or personal property to fulfill this Agreement.

8. Filing of Agreement. Prior to its entry into force, this Agreement shall be filed with the Island County Auditor.
Adopted this ______ day of ______________, 2012.

Board of County Commissioners
Island County, Washington

Helen Price Johnson, Chair

City of Langley

Larry Kwarsick

Angie Homola

City of Oak Harbor

Scott Dudley

Kelly Emerson

ATTEST:

Town of Coupeville

Elaine Marlow, Clerk of the Board

Nancy Conard
RETURN ADDRESS

ISLAND COUNTY
CLERK OF THE BOLL
PO BOX 5000
COUPEVILLE, WA 98239

Please print neatly or type information
Document Title(s)

ISLAND COUNTY  INTERLOCAL AGREEMENT

Reference Number(s) of related documents

Grantor(s) (Last, First and middle Initial)

ISLAND COUNTY  TOWN OF COUPEVILLE

Grantee(s) (Last, First and middle Initial)

CITY OF LANGLEY AND OAK HARBOR

Legal Description (abbreviated form i.e. lot, block, plat or section, township, range, quarter/quarter)

Assessor's Property Tax Parcel/Account Number

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to
Verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided
in RCW 36.18.010. I understand that the recording processing requirements may cover
up or otherwise obscure some part of the text of the original document.

Signature of Requesting Party
INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITIES OF LANGLEY AND OAK HARBOR, ISLAND COUNTY, THE TOWN OF COUPEVILLE AND THE HOUSING AUTHORITY OF ISLAND COUNTY FOR THE PURPOSE OF ADMINISTERING RECORDING SURCHARGE FUNDS GENERATED AS ALLOWED UNDER RCW 36.22.178

This agreement is entered into between the Cities of Langley and Oak Harbor, Island County, the Town of Coupeville and the Housing Authority of Island County for the purpose of creating an interlocal agreement for the use of funds created through the surcharge of ten dollars for each document recorded through the County Auditor's office to fund housing programs for extremely low and very low income persons throughout Island County.

WHEREAS, the Washington State Legislature passed substitute House Bill 2060 during the 57th Legislative Session, Governor Locke signed the bill on April 2, 2002 and it was codified as RCW 18.85.540, 36.18.010, 36.22.178, 43.185.050 and 43.330.170;

WHEREAS, RCW 36.22.178 requires payment of a ten-dollar surcharge on documents recorded in the County Auditor's office for the purpose of providing funds for housing programs for extremely low and very low-income persons;

WHEREAS, the Board of Island County Commissioners adopted Resolution C-48-02 on June 10, 2002 that created and established the Island County Low-Income Housing Surcharge Fund; and

WHEREAS, an Island County Affordable Housing Advisory Board (ICAHAB) should be formed to develop recommendations for use and administration of these funds in Island County;

NOW THEREFORE, in consideration of the mutual housing benefits for extremely low and very low-income persons living throughout Island County, the above partners agree as follows:

1. **Island County Affordable Housing Advisory Board (ICAHAB).** The ICAHAB is established consisting of up to 12 members who will be appointed by the Board of Island County Commissioners (BOICC). The Mayor of each city or town or their designee shall be members of the ICAHAB. Other members shall include representatives from the affordable housing construction industry, commercial real estate financing, property management companies, and agencies who serve low-income households. The non-mayor members of the ICAHAB shall serve three year terms, but the initial terms of those members shall be staggered with three members initially serving one-year terms, three members serving two-year terms and three members serving three-year terms. The ICAHAB shall operate under the provisions of the Open Public Meetings Act, chapter 42.30 RCW. The ICAHAB will submit all funds allocation and distribution recommendations to the BOICC for consideration.

2. **Funds Allocation.**

   (a) Initially, the Island County Low-Income Housing Surcharge Fund will be split as follows:
(i) 25% for operating costs for emergency shelters and licensed overnight youth shelters or for supporting building operation and maintenance costs of housing projects or units within housing projects built with housing trust funds, that are affordable to very low-income persons with income at or below fifty percent of the area median income, and that require a supplement to rent income to cover ongoing operating costs;

(ii) 75% for acquisition, construction or rehabilitation of housing projects or units within housing projects that are affordable to very low-income persons with incomes at or below fifty percent of the area median income; and

(iii) None for rental assistance vouchers.

(b) The allocation formula shall be reviewed annually by the ICAHAB and a recommendation submitted to the BOICC for any changes and the BOICC, Cities of Langley and Oak Harbor, and the Town of Coupeville may change the allocation formula by majority agreement. The BOICC, in an emergency situation, may authorize expenditures from one fund category for the other fund category, for example, for emergency repair or replacement of a roof following a windstorm.

(c) Any funds remaining at year-end from the “operating cost” category shall be added to the “capital” total for the next year.

(d) Any funds remaining at year-end from the “capital cost” category shall remain in the “capital” total for the next year.

(e) When using this fund for the first time, the operational portion is limited to twenty-five percent (25%) of the prior six months’ collection instead of the total dollars generated in the fund to date.

3. Funds Distribution. Applications for funding (either operations or capital) will be taken by the ICAHAB twice annually with application due dates of July 1 and December 31. Operating fund applications only will be taken on July 1, 2003 to allow more funds to accumulate for capital purposes. Beginning December 31, 2003, applications for both operations and capital will be accepted. The ICAHAB will serve as the organization to review applications and to make recommendations for funding to the Island County Board of Commissioners. The ICAHAB will process, complete review and forward recommendations to the BOICC within 30 days after the application deadline dates in order that funding awards can be announced by the BOICC in late February and August of each year. The ICAHAB should use an application form similar to the Washington State Housing Trust Fund application form in order to avoid duplication of effort since potential applicants will likely use the Island County Low-Income Housing Surcharge Funds received as a match for Housing Trust Fund dollars. No funds shall be granted for construction of new housing if at any time the vacancy rate for available low-income housing within the county, as defined in RCW 36.22.178, rises above ten percent.
4. **ICAHAB Support and Funds Administration.** The Housing Authority of Island County will provide administrative support to the ICAHAB and administer funding grants and loans. The ICAHAB will be responsible for recommending approval of applications, developing contracts with recipients and monitoring grants and loans to ensure recipients carry out the programs funded by the Island County Low-Income Housing Surcharge Fund. The Housing Authority of Island County will provide necessary support and fund administration to allow the ICAHAB to perform these functions. The Housing Authority of Island County will be reimbursed for actual expenses incurred in the performance of these duties not to exceed 2% of the annual revenue collected in the Island County Low-Income Housing Surcharge Fund. Upon submission of appropriate invoices to the Island County Auditor supporting services to the ICAHAB rendered by the Housing Authority of Island County, Island County will make payments to the Housing Authority from the Island County Low-Income Housing Surcharge Fund.

5. **No New Legal Entity.** No separate legal or administrative entity is created or intended to be created hereby. The Chairman of the Board of Island County Commissioners or his qualified designee shall be administrator of all aspects of this agreement on behalf of the parties.

6. **Term.** This agreement shall exist for five (5) years from the date of execution and shall be deemed automatically renewed for consecutive five (5) year periods thereafter unless any party elects to terminate this agreement. This agreement may be terminated effective upon the expiration of the initial five (5) year period or any subsequent five (5) year period by the terminating party giving written notice of termination to the other parties not later than the sixtieth (60th) day prior to the expiration of the term. Such notice of termination shall be by appropriate action of the elected governing body of the terminating party. Notwithstanding any other provision of this agreement, any party may terminate this agreement upon a 12 month written notice of intent to terminate. This agreement may be amended, altered or changed in any manner by the mutual written agreement of the parties.

7. **Manner of Acquiring, Holding and Disposing of Property.** The parties will not jointly acquire or hold real or personal property to fulfill this agreement.

8. **Indemnification/Hold Harmless.** Each party shall assume the risk of, be liable for, and pay all damage, loss, cost and expense of its officers, officials, and employees arising out of any duty performed, or not performed, while acting in good faith within the scope of this Interlocal Cooperation Agreement.

9. **Filing of Agreement.** Prior to its entry into force, this agreement shall be filed with the Island County Auditor.
ADOPTED this 16 day of June, 2003.

Board of County Commissioners
Island County, Washington

Wm. L. McDowell, Chairman

William J. Byrne, Member

Mike Shelton, Member

ATTEST:

Elaine Marlow, Clerk of the Board

City of Langley

Lloyd Furman, Mayor

City of Oak Harbor

Patricia Cohen, Mayor

Town of Coupeville

Nancy Conard, Mayor

Housing Authority of Island County

Steve Gulliford, Executive Director