



RESOLUTION NO. 40388

1 A RESOLUTION relating to local sales or use taxes; stating the City's intent to
2 authorize the maximum capacity of the tax authorized under the provisions
of Substitute House Bill 1406 for affordable and supportive housing.

3 WHEREAS the City lacks affordable, high-quality homes for all of its
4 residents, and

5 WHEREAS, currently, nearly 33,000 households in the City pay at least
6 30 percent of their income on housing costs each month, reducing their ability to
7 pay for other necessities, and

8 WHEREAS, in 2019, Washington State enacted Substitute House
9 Bill 1406 ("SHB1406"), a revenue sharing program with local governments for
10 affordable housing which is intended to encourage investments in affordable
11 and/or supportive housing, and

12 WHEREAS, through a credit against state retail sales tax or use taxes, the
13 program allows the City to authorize and collect a local sales or use tax, estimated
14 to be between \$800,000 to \$900,000 annually, for affordable housing or facilities
15 providing supportive housing, and for operation and maintenance costs of
16 affordable or supportive housing, with no increase in sales or use tax for the
17 consumer, and

18 WHEREAS the credit against the state's share of retail sales or use taxes
19 can be in place for a maximum of 20 years and can be used for acquiring,
20 rehabilitating, or constructing affordable housing, and for operation and
21 maintenance costs of new affordable or supportive housing facilities, and
22
23
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

WHEREAS funding must be spent on projects that serve persons whose income is at or below 60 percent of area median income, and

WHEREAS the state legislation requires that the City adopt a resolution of intent to authorize the tax within six months of the effective date of SHB 1406, or by January 28, 2020, and

WHEREAS, concurrent with this resolution, the City Council will be considering an ordinance to authorize this local retail sales or use tax; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the City of Tacoma hereby expresses its intent to authorize the maximum capacity of the tax authorized under the provisions of Substitute House Bill 1406 for affordable and supportive housing.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney