

1 Sponsored by: Councilmembers Derek Young and Douglas G. Richardson
2 Requested by: County Council
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5 **RESOLUTION NO. R2019-103**

6 **An Emergency Resolution of the Pierce County Council Relating to Local** 7 **Sales or Use Taxes; Stating the County's Intent to Authorize** 8 **the Maximum Capacity of the Tax Authorized Under the** 9 **Provisions of Substitute House Bill 1406 for Affordable and** 10 **Supportive Housing; and Establishing a Sunset Date.** 11

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13 **Whereas**, the County lacks affordable, high-quality homes for all of its residents;
14 and

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16 **Whereas**, in 2019, Washington State enacted Substitute House Bill 1406
17 ("SHB1406"), a revenue-sharing program with local governments for affordable housing
18 which is intended to encourage investments in affordable and/or supportive housing;
19 and

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21 **Whereas**, the effective date of SHB 1406 is July 28, 2019; and

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23 **Whereas**, through a credit against state retail sales or use taxes, the program
24 allows the County to authorize and collect a local sales or use tax, estimated to be
25 between \$2.6 million annually, for affordable housing or facilities providing supportive
26 housing, and for operation and maintenance costs of affordable or supportive housing,
27 with no increase in sales or use tax for the consumer; and

28
29 **Whereas**, the credit against state retail sales or use taxes can be in place for a
30 maximum of 20 years and can be used for acquiring, rehabilitating, or constructing
31 affordable housing, and for operation and maintenance costs of new affordable or
32 supportive housing facilities; and

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34 **Whereas**, funding must be spent on projects that serve persons whose income is
35 at or below 60 percent of area median income; and

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37 **Whereas**, the state legislation requires that the County adopt an ordinance
38 authorizing the tax within 12 months of the effective date of SHB 1406, or by July 28,
39 2020; and

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41 **Whereas**, due to the urgent response required to help address the changing
42 housing market in the County, which is increasing displacement pressure among
43 residents and creating a widespread need for high-quality, affordable housing
44 opportunities for all, it is advisable to approve the credit against state retail sales or use
45 tax through an emergency ordinance to allow the County to authorize the tax beginning
46 at the earliest possible date; and
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1 **Whereas**, delays in approving the affordable and supportive housing authorized
2 tax would result in a reduction in future tax credits to the County; and
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4 **Whereas**, SHB 1406 requires the County to adopt a resolution declaring the
5 County's intent to impose the tax authorized under the provisions of SHB 1406 for
6 affordable and supportive housing as part of the procedure for imposing said tax; **Now**
7 **Therefore**,

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9 **BE IT RESOLVED by the Council of Pierce County:**

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11 Section 1. Pierce County intends to authorize the maximum capacity of the tax
12 authorized under the provisions of Substitute House Bill 1406 for affordable and
13 supportive housing.
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15 Section 2. Adoption of this Resolution is necessary for the immediate
16 preservation of the public peace, health, safety and support of the County government
17 and its existing institutions for the reasons outlined in the recitals accompanying this
18 resolution.
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20 Section 3. The tax imposed under this Section sunsets 20 years after the date
21 on which the tax is first imposed.
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24 **ADOPTED** this 30th day of July, 2019.
25

26 **ATTEST:**

27 **PIERCE COUNTY COUNCIL**
28 Pierce County, Washington

29
30 *Denise D. Johnson*

31 **Denise D. Johnson**
32 Clerk of the Council
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30 *Douglas G. Richardson*

31 **Douglas G. Richardson**
32 Council Chair

